

KAVI COMMERCIAL COMPANY LIMITED

BALANCE SHEET **AS AT 31.03.2019** **F.Y. 2018-2019**

35TH ANNUAL REPORT

KAVI COMMERCIAL COMPANY LIMITED

REGISTERED OFFICE :

Viraj Impex House
47, P.D'mello Road
Mumbai – 400 009.
Tel No: 61295000 (100 Lines)
Fax No:91-22-61295024
Email: virajimpex@virajimpex.com

BRANCH OFFICE :

2F, White House
10, Bhagwandas Road
New Delhi – 110 001

KL-6, 11/15 Sector 3-E
Kalamboli
New Mumbai-410 218

DIRECTORS :

Mr. Prakash R. Didwania
Mrs. Vidya P. Didwania
Mr. Sohan Singh
Mr. Tarak P. Gupta

BANKERS :

Uco Bank

AUDITORS :

Jignesh Shah
Chartered Accountants

KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of **Kavi Commercial Company Limited** will be held on Saturday, 28th September 2019 at 11:00 a.m. at the Registered Office of the Company situated at Viraj Impex House, 47 P. D'Mello Road, Mumbai -400009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors' thereon.
2. To re-appoint a Director in place of Mrs. Vidya P. Didwania, who retires by rotation at this Annual General Meeting and being eligible offered herself for re-appointment.
3. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution;*

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Board of Directors, M/s. J.R. Jain & Co. (Firm registration no. 103915W), Chartered Accountants be and is hereby appointed as statutory auditor of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors."

SPECIAL BUSINESS

4. *To consider and if though fit to pass, with or without modification(s), the following resolution as an ordinary resolution;*

"RESOLVED THAT in partial modification to the resolution passed by the Members at the Annual General Meeting (AGM) of the Company held on 29th September 2017 and pursuant to Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for payment of a Bonus of Rs. 6,500,000(Rupees Sixty five lacs only) to Mr. Prakash R. Didwania, Managing Director (DIN:00225978) for the Company's Corporate Financial year ended on March 31, 2019;

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RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby severally authorized to take such steps expedient or desirable to give effect to this resolution."

By order of the Board of Directors
For Kavi Commercial Company Limited

Prakash R Didwania
Managing Director
DIN: 00225978

Registered Office:

Viraj Impex House,
47, P.D'Mello Road
Mumbai - 400 009

Place: Mumbai

Dated: August 31, 2019

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself and proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the meeting and can vote only on a poll.
3. 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.
4. Electronic copy of the Notice of the 35th Annual General Meeting of the Company 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 copies of the Notice of the 35th

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Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

5. Notice of the 35th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be made available on the Company's website i.e. www.kavicommercial.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication free of cost in physical form, upon making a request for the same by post. For any communication, the shareholders may also send requests to the Company's investor email id: virajimpex@virajimpex.com.
6. The Voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
7. Members / Proxies are requested to bring attendance-slip along with their copy of Annual Report to the Meeting.
8. All documents referred to in the notice are being open for inspection at the registered office of companies during the working hours of working days.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from September 23, 2019 to September 28, 2019 (both days inclusive).
10. R. M. Mimani & Associates LLP, Company Secretaries have been appointed as the Scrutinizer to scrutinize the ballot voting process in a fair and transparent manner.
11. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be voting by show of hands on any of the agenda items at the Meeting and poll will be conducted in lieu thereof.
12. Members who do desire may send duly completed Ballot form attached with the notice so as to reach to R.M. Mimani & Associates LLP, Company Secretaries, being the Scrutinizer appointed by the Board of Directors of the Company at the Registered Office of the Company not later than September 27, 2019 (6.00 p.m.). Ballot form received after this date will be treated as invalid.
13. The results along with the scrutinizer's report shall be placed on the website of the Company.
14. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business listed in item no. 4 are annexed hereto and forms part of this Notice.

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EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned in item nos. 4 and 5 of the accompanying Notice of the Annual General Meeting.

Item No. 4

The Business of the company has gone through various challenges of steel market as well as various restrictions applicable in the operation of the business of steel, in spite of these challenges business of the company is handled well and shown profitability during current financial year for which considerable efforts of Mr. Prakash R. Didwania Managing Director of the company cannot be ignored hence board decided on recommendation of Remuneration Committee to pay bonus of Rs. 65,00,000/- (Rs. Sixty Five Lakhs only) to Mr. Prakash R. Didwania subject to the approval of the share holders of the company. The total managerial remuneration including the above payments is within the limit specified under Section Schedule V read with 197/198 of the Companies Act, 2013. The above payment requires the approval of the Shareholders in the General Meeting hence this resolution is proposed.

This should be considered as a statement under section 102 of the Companies act 2013. Mr. Prakash R. Didwania, and Mrs Vidya P. Didwania, Directors of the Company are interested in the proposed resolution.

By order of the Board of Directors
For Kavi Commercial Company Limited

Prakash R Didwania
Managing Director
DIN: 00225978

Registered Office:

Viraj Impex House,
47, P.D'Mello Road
Mumbai - 400 009

Place: Mumbai

Dated: August 31, 2019

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DIRECTORS' REPORT

To
The Members
Kavi Commercial Company Limited
Mumbai

Your Directors have pleasure in presenting the 35th Annual Report together with the audited financial statements of Kavi Commercial Company Limited (the "Company") for the financial year ended March 31, 2019.

• FINANCIAL RESULTS

	For the Year Ended 31.03.2019 (Rs.in Lacs)	For the Year Ended 31.03.2018 (Rs.in Lacs)
Gross Income	12073.53	7549.18
Profit/(Loss) before Interest & Depreciation	152.49	43.88
Interest	11.55	12.11
Depreciation	19.30	8.87
Profit/(Loss) before Taxation	121.64	22.90
Tax Expenses	11.74	(5.59)
Net Profit/(Loss)	109.90	28.49
Profit brought forward from previous year	2407.17	2339.81
Issue of Bonus Shares	-154.35	-
Other Comprehensive Income	-135.79	38.87
Balance Carried to Balance Sheet	2226.93	2407.17

*Including opening OCI

• DIVIDEND

With a view to conserve the resources of the Company, Directors have not recommended any dividend.

• OPERATION AND FUTURE PROSPECTS

The Company deals in the flat steel product viz. prime flat products like Hot Rolled, Cold Rolled, Pre painted Coils, H.R. Plates, Alloy/Non Alloy Steel Rod, Round Bars etc.

Company's Gross Income increased by 59.93% during the F.Y. 2018-19 as compared to previous F.Y. 2017-18. In spite of volatility in steel prices and losses on foreign exchange currency fluctuations, Gross Income and margin of the company was better compare to previous year 2017-18.

FY 2018-19 was indeed a year of two halves for India - with very strong business environment in the first half, and a challenging second half after the onset of certain strains in the overall financial system. The ongoing affordable housing scheme, dedicated freight and industrial corridors, 'Make in India' initiatives and the newly launched project to provide piped water at every home have significant potential to propel urban as well as rural steel demand. Next-generation infrastructure, gas grids, water grids, highways, etc. could witness significant investment boost.

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The Indian economy is likely to grow at around 7% over the next decade. As GDP growth and steel growth have displayed a strong consumption correlation in recent past, steel demand is likely to grow at around 6-7%, which implies that the country's robust growth in demand and consumption in 2019-20. Your directors are hopeful for the good business growth prospects in financial year 2019-20.

- **RESERVE & SURPLUS**

During the financial year under review, no amount has been transferred to any reserve.

- **SHARE CAPITAL**

During the financial year 2018-19 Company has increased its Authorized Shares Capital from Rs. 1,75,00,000 (17,50,000 equity shares of Rs. 10each) to Rs. 3,50,00,000 (3500,000 equity shares of Rs. 10each)

During the financial year 2018-19 Company has issued 15,43,500 bonus shares of Rs. 10each fully paid up by capitalization of its permitted free Reserves and The paid-up equity share capital has been increased from 1,47,00,000 (14,70,000 equity shares of Rs. 10each) to Rs. 3,01,35,000 (30,13,500 equity shares of Rs. 10each).

- **SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES**

As on March 31, 2019 the Company has one Associate company named as Viraj Properties Private Limited. There was no subsidiary or joint venture Company as on March 31, 2019.

- **CONSOLIDATED FINANCIAL STATEMENT**

The Company is required to consolidate its financial statements in terms of the provision of Section 129(3) of the Companies Act, 2013 and Rules made there-under during the financial year.

- **CORPORATE GOVERNANCE**

Provisions of regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the company during the financial year.

- **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company, after Balance Sheet date.

- **DIRECTORS & KEY MANAGERIAL PERSONNEL**

- In terms of the Provisions of section 152 Companies Act, 2013 and of Articles of Association Vidya P. Didwania, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment.
- All Independent Directors had furnished to the Company a declaration under Section 149(7) of the Companies Act, 2013 stating that they meet criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and SEBI (LODR), 2015.

- **NUMBER OF MEETINGS OF THE BOARD**

During the financial year ended on March 31, 2019, Eight (08) Board Meetings and 6 (Six) Audit Committee Meetings convened and held in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the Directors actively participated in

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the meetings. The details are given below. The intervening gap between the meetings was with the period prescribed under the law.

Sr. No.	Date of Meeting	No of Directors on the date of meeting	No. of Directors attended the meeting
1	21/05/2018	4	4
2	08/06/2018	4	4
3	20/07/2018	4	4
4	03/09/2018	4	4
5	08/10/2018	4	4
6	29/10/2018	4	4
7	28/01/2019	4	4
8	27/03/2019	4	4

- **INDEPENDENT DIRECTORS MEETING:**

A meeting of the Independent Directors of Company convened and held in compliance with the requirements of Schedule IV of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **AUDIT COMMITTEE:**

Audit Committee of the Board of Directors was constituted in terms of provisions of Section 177(2) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Audit Committee comprises of Mr. Taraknath P. Gupta, Mr. Sohan Singh and Mr. Prakash Didwania. During the financial year ended on March 31, 2019, Audit Committee met 6 (Six) times and all the members of the Committee were present in all the meetings.

- **NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee was constituted in terms of the provisions of Section 178 of the Companies Act, 2014. The Nomination and Remuneration Committee comprises of all non-executives Directors, i.e. Mr. Vidya Didwania, Mr. Taraknath P. Gupta and Mr. Sohan Singh. During the financial year ended on March 31, 2019 Nomination and Remuneration Committee met 2 (Two) and all the members of the Committee were present in all the meetings.

- **STATUTORY AUDITORS**

Jignesh Shah, Chartered Accountant (Membership No. 117121), who was appointed as Statutory Auditors of the Company at the Annual General Meeting held in the year 2017 for a period of five years till the conclusion of the Annual General Meeting of the Company to be held in the year 2022. Jignesh Shah has informed the board their unavailability to continue as Auditor of the company and requested to the board for appointment of another Auditor in their place in the next Annual General meeting of the company to be held on 28th September 2019

Therefore, in compliance with the provision of section 139 of the Companies Act, 2013, M/S. J.R. Jain & Co. (Firm registration no. 103915W.), Chartered Accountants are recommended for appointment as statutory auditor of the company and to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2024

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- **CORPORATE SOCIAL RESPONSIBILITY:**
Provision of Schedule VII of the Companies Act, 2013 read with Companies Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the financial year under review.
- **TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")**
The Company was not required to transfer any funds to Investor Education and Protection Fund during the financial year ended on March 31, 2019.
- **CHANGE IN NATURE OF BUSINESS**
During the year under review, there was no change in the nature of business of the Company.
- **ORDER PASSED BY REGULATOR OR COURTS OR TRIBUNALS**
During the year under review, no orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.
- **DEPOSITS**
During the financial year ended on March 31, 2019, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.
- **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**
The Company has adequate internal financial controls with reference to the Financial Statements pursuant to Rule 8 (5) (viii) of the Companies (Accounts) Rules, 2014.
- **RISK MANAGEMENT POLICY**
Company has Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.
- **VIGIL MECHANISM:**
Pursuant to Section 177(9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014) The Company has devised suitable mechanism to establish a vigil mechanism for Directors and Employees to the report genuine concern in such manner.
- **WHISTLE BLOWER POLICY**
The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company. (www.kavicommercial.com)

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- **ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

- **STATUTORY INFORMATION**

- The information required under section 197 of the Companies Act, 2013 read with Rule 5(1),(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable to your Company for the financial year under review.
- The Business Responsibility Reporting as required under SEBI (LODR), 2015 and is not applicable to your Company for the financial year under review.
- Disclosure as required under para F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company during the financial year.

- **DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

- **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has devised Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 and has set up Internal Complaints Committee to deal with any issues concerning the objectives of the Act. No complaints have been received by the Committee.

- **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014.

- **Conservation of Energy:**

(i)	The steps taken or impact on conservation of energy	The Company has always given importance to energy conservation. It continuous to take various measures for conservation of energy by regularly monitoring the consumption of electricity.
(ii)	The steps taken by the company for utilizing alternate source of energy	
(iii)	The capital investment on energy conservation equipment	There is no capital investment made by the Company on energy conservation equipment.

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➤ Technology absorption:

(i)	the efforts made towards technology absorption	The management has put their sustained efforts to adopt new technology & innovation required in the course of operations of the Company.
(ii)	The benefit derived like product improvement, cost reduction, product development or import substitution.	The management has put their sustained efforts to reduce / control cost to maintain profitability.
(iii)	i. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - ii. The details of technology imported iii. The year of import iv. Whether the technology been fully absorbed; v. If not fully absorbed, areas where absorption has not taken place and reason thereof.	The Company has not imported any technology. The company is not engaged in any manufacturing activities.
(iv)	The expenditure incurred on Research and Development	The Company has not incurred any expenditure on research and development

➤ The Foreign Exchange earned and the Foreign Exchange outgo -

During the year in terms of actual inflow and outflow is provided as under:

Particulars	2018-2019	2017-2018
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	Rs. 1,11,47,83,506/-	Rs. 58,32,07,823/-

• DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors confirm that -

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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 loss of the company for that period;

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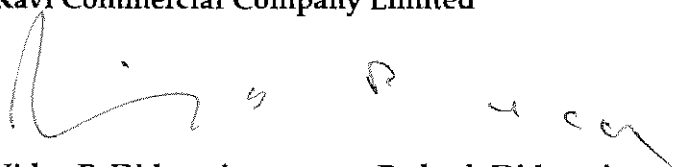
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- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- **ACKNOWLEDGEMENT**

The Board places on record its gratitude to Company's Bankers, Customers, Staff and members for their continued support and confidence in the Company.

For and on behalf of the Board of Directors of
Kavi Commercial Company Limited



Vidya P. Didwania
Director
DIN: 00226754

Prakash Didwania
Managing Director
DIN: 00225978

Place: Mumbai

Dated: August 31, 2019

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Sub-total (B)(2)	-	720000	720000	48.98	-	1476000	1476000	48.98	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	720000	720000	48.98	-	1476000	1476000	48.98	-
Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	750000	720000	1470000	100	750000	2263500	3013500	100	-

Shareholding of Promoters

Sr. No.	Name of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares		
1	Vimal Didwania	50000	3.40	-	102500	3.40	-		-
2	Kailash Didwania	175000	11.90	-	358750	11.90	-		-
3	Prakash Didwania	175000	11.90	-	358750	11.90	-		-
4	Veena Subhas Basu	150000	10.20	-	307500	10.20	-		-
5	Viraj Impex Pvt. Limited	100000	6.80	-	205000	6.80	-		-
6	Nirbhay Holdings Pvt. Ltd.	100000	6.80	-	205000	6.80	-		-
	Total	750000	51.02	-	1537500	51.02	-		-

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

Sr. No.	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	No of Shares held	% of total shares of the Company	No of Shares held	% of total shares of the Company
	750000	51.02	1537500	51.02

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Shareholding Pattern of ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)					
Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	For Each of the Top 10 Shareholders	No of Shares held	% of total shares of the Company	No of Shares held	% of total shares of the Company
	At the beginning of the year	73500	5.00	150675	5.00
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	73500	5.00	150675	5.00
1.	Chadha Jugal	10000	0.68	20500	0.68
2.	Gupta Rajaram	10000	0.68	20500	0.68
3.	Khandelwal Kumud	10000	0.68	20500	0.68
4.	Jain Angoori Devi	8000	0.54	16400	0.54
5.	Kanta Kiran	7500	0.51	15375	0.51
6.	Harlalka N.S.	7000	0.48	14350	0.48
7.	Harlalka Manju	6000	0.41	12300	0.41
8.	Nijhawan Vinod	5000	0.34	10250	0.34
9.	Nijhawan Sunanda	5000	0.34	10250	0.34
10.	Nijhawan Vijay	5000	0.34	10250	0.34
	Total	73500	5.00	150675	5.00

Shareholding of Directors and Key Managerial Personnel:					
Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	For Each of the Directors and KMP	No of Shares held	% of total shares of the Company	No of Shares held	% of total shares of the Company
	At the beginning of the year				
	1.Prakash Ratanlal Didwania	175000	11.90	358750*	11.90
	2. Vidya P. Didwania	-	-	-	-
	3.Tarakanath P. Gupta	-	-	-	-
	4. Sohan Singh	-	-	-	-
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reason for increase / decrease	-	-	*08/10/2018 183750 Bonus Shares allotted	-

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	(e.g. allotment / transfer / bonus / sweat equity etc)				
	At the end of the year	175000	11.90	358750	11.90
INDEBTEDNESS					
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness	
Indebtedness at the beginning of the financial year					
Principal Amount	-	-	-	-	
Interest due but not paid	-	-	-	-	
Interest accrued but not due	-	-	-	-	
Total	-	-	-	-	
Change in indebtedness during the financial year					
Addition	-	-	-	-	
Reduction	-	-	-	-	
Net Change	-	-	-	-	
Principal Amount	-	-	-	-	
Interest due but not paid	-	-	-	-	
Interest accrued but not due	-	-	-	-	
Total	-	-	-	-	
Remuneration of Directors and Key Managerial Personnel					
Remuneration to Managing Director, Whole-time Directors and/or Manager					
Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Prakash Didwania			
1	Gross Salary	1200,000/-		-	1200,000/-
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	Profit in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit. Others, specify	-	-	-	-
5	Others, please specify Bonus payment	6500,000/-	-	-	6500,000/-
	Total (A)	-	-	-	7700,000/-

KAVI COMMERCIAL COMPANY LIMITED

[CIN: U99999MH1985PLC082517]

	Ceiling as per the Act	-	-	-	84,00,000/-	
Remuneration to Other Directors						
Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1. Independent Directors						
	Fee for attending Board Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2. Other Non-Executive Directors						
	Fee for attending Board Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) =1+2	-	-	-	-	-
	Total Managerial Remuneration					
	Overall ceiling as per the Act					

Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager					
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary	-	173004/-	1441918/-	1614922/-
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	Profit in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit.	-	-	-	-
	Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	173004/-	1441918/-	1614922/-

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /	Authority [RD/NCLT/CO URT]	Appeal made, if any
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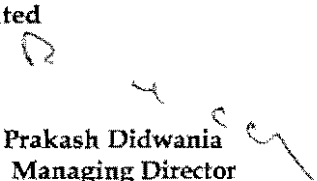
KAVI COMMERCIAL COMPANY LIMITED

[CIN: U99999MH1985PLC082517]

			Compounding fees imposed		(give details)
COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Other Officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors of
Kavi Commercial Company Limited


Vidya Didwania
Director
DIN: 00226754


Prakash Didwania
Managing Director
DIN: 00225978

Place: Mumbai
Dated: August 31, 2019

KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

ANNEXURES TO THE BOARD'S REPORT

ANNEXURE III

Particulars of Contracts or Arrangements with Related Parties

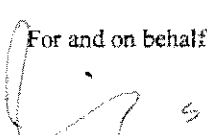
Form No. AOC-2

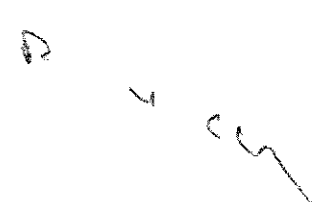
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis							
--Not Applicable--							
2. Details of material contracts or arrangement or transactions at arm's length basis							
Sr.	(a) Name(s) of the related party	(b) Nature of relationship	(c) Nature of contracts/arrangements/transactions	(d) Duration of the contracts / arrangements/transactions	(e) Salient terms of the contracts or arrangements or transactions including the value, if any. Value in Lacs	(f) Date(s) of approval by the Board, if any	(g) Amount paid as advances, if any
1	Mr. Prakash Didwania	Key Management Personnel	Directors Remuneration	2018-19	77.00	-	Nil
2	Mr. Ram A. Singh	Key Management Personnel	Remuneration	2018-19	14.42	-	Nil
3	Mrs. Lalita L. Borana	Key Management Personnel	Remuneration	2018-19	0.57	-	Nil
4	Ms. Deepika Undhad	Key Management Personnel	Remuneration	2018-19	1.16	-	Nil

For and on behalf of the Board


Vidya Didwania
Director
DIN: 00226754

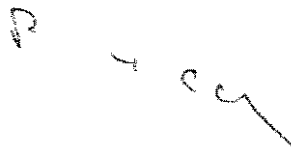

Prakash Didwania
Director
DIN: 00225978
Place : Mumbai.
Date : 31/08/2019

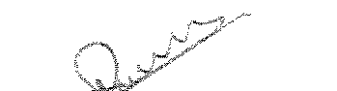
CEO/CFO CERTIFICATION TO THE BOARD

[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

We, Mr. Ram A. Singh Chief Financial Officer (CFO) and Mr. Prakash R. Didwania Managing Director of Kavi Commercial Company Limited appointed in terms of provision of Companies Act 2013, do hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2019 which are fraudulent, illegal or violative of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which We are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - Significant changes in internal control over the financial reporting during the financial year 2018-19
 - Significant changes in accounting policies during the financial year 2018-19 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.


Managing Director


Chief Financial Officer

Place: Mumbai

Dated; August 31, 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of

KAVI COMMERCIAL COMPANY LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

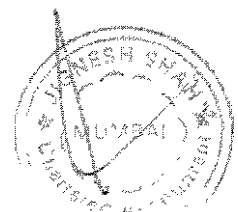
Opinion

We have audited the standalone Ind AS financial statements of Kavi Commercial Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

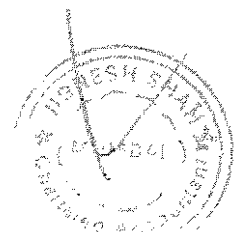
Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not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

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



- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



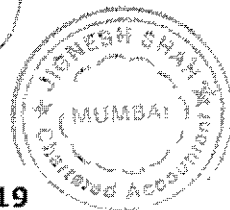
- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 25 to the Standalone Ind AS financial statements, however they have not disclosed the pending litigation with Income tax department for the A.Y.2015-16 amounting to Rs.46,10,880/- and its possible impact on financial statement not reported;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 29 to the Standalone Ind AS financial statements,
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For JIGNESH SHAH
Chartered Accountants

Jignesh Shah
M No: 117121

Place: Mumbai

Date: 31/08/2019



Annexure-A To The Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **Kavi Commercial Company Limited** on the Standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b. In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. According to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) As explained to us The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has given corporate guarantee to Bank for the credit facilities availed by other companies, refer note no.26 of Notes to Accounts. The company has complied with the provisions of Section 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) As explained by the management The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities of the Company.
- (vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues viz. income tax, sales tax, service tax(GST), duty of customs, value added tax, cess professional tax, provident fund and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, goods and service tax (GST) cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of sales tax, service tax, duty of customs, value



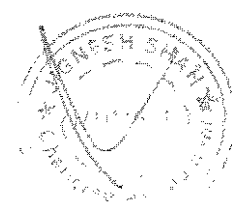
added tax, goods and service tax (GST), cess and which have not been deposited with the appropriate authorities on account of any dispute.

Details of dues of Income Tax which is disputed as at March 31, 2019 are given below:

Nature of Statute	Nature of Dues	Forum where dispute pending	Period to which amount Relates	Amount	Demand Amount
The Income Tax Act, 1961	Income Tax / Interest	Appellate Authority up to Commissioner's level	AY 2015-16	9,23,000/-	46,10,880/-

c. Further it is explained to us that Investor education protection fund, employee estate insurance, wealth tax, cess, LBT, are not applicable to the company during the year.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration which are within the limit prescribed under schedule V of the Companies Act 2013, hence the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, was not required to be complied for financial year 2018-19.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order is not applicable.



(xvi) According to the information and explanations given to us The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act 1954 Accordingly clause (xvi) of the Order is not applicable.

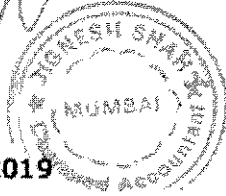
For JIGNESH SHAH
Chartered Accountants

Jignesh Shah

M No: 117121

Place: Mumbai

Date: 31/08/2019



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Kavi Commercial Company Limited** ('the Company') as of 31 March 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

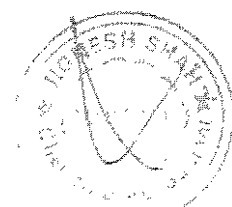
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting



principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

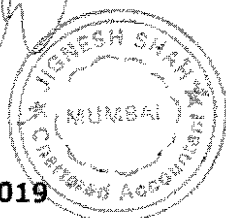
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria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

For JIGNESH SHAH
Chartered Accountants

Jignesh Shah
M No: 117121

Place: Mumbai

Date: 31/08/2019



KAVI COMMERCIAL COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019
CIN: U99999MH1985PLC082517

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	3	10,678,511	12,608,677
	(b) Financial Assets			
	(i) Investments	4	45,763,728	45,217,273
	(c) Tax Assets			
	(i) Other Non-current assets	19a	3,365,127	2,848,295
	(ii) Deferred tax assets (net)	19b	2,607,515	2,669,755
	(d) Other Non Current Assets	5	990,000	-
	Total Non - Current Assets		63,404,881	63,344,000
2	Current assets			
	(a) Inventories	6	114,955,677	117,183,179
	(b) Financial Assets			
	(i) Investments	4	87,128,008	73,071,783
	(ii) Trade receivables	9	239,115,561	67,610,520
	(iii) Cash and cash equivalents	7	135,856,806	99,458,621
	(c) Other current assets	8	16,528,235	13,974,395
	Total Current Assets		593,584,287	371,298,498
	Total Assets		656,989,168	434,642,498
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	10	30,135,000	14,700,000
	(b) Other Equity		222,692,627	240,717,087
	Total equity		252,827,627	255,417,087
	Liabilities			
2	Non-current liabilities		-	-
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables	11	392,361,850	170,487,452
	(b) Other current liabilities	12	11,799,691	8,737,959
	Total Current Liabilities		404,161,541	179,225,411
	Total Equity and Liabilities		656,989,168	434,642,498
	See accompanying notes to the financial statements			

As per our report of even date

For Jignesh Shah

Chartered Accountants

Jignesh Shah

Proprietor

(Membership No. 117121)

Date : 31/08/2019



For and on behalf of the Board

Vidya Didwania

Director

DIN: 00226754

Ram A. Singh

Chief Financial Officer

Prakash Didwania

Director

DIN: 00225978

Place : Mumbai

Date : 31/08/2019

KAVI COMMERCIAL COMPANY LIMITED
Statement of Profit and Loss for the period ended March 31, 2019
CIN: U99999MH1985PLC082517

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	13	1,178,006,004	720,683,089
II Other Income	14	29,347,066	34,234,768
III Total Revenue (I + II)		1,207,353,071	754,917,857
IV EXPENSES			
(a) Cost of materials consumed		-	-
(b) Purchases of Stock-in-trade	15a	1,170,641,150	702,939,933
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	15b	2,227,502	36,407,350
(d) Employee benefit expense	16	11,930,030	4,388,927
(e) Finance costs	17	1,155,024	1,211,546
(f) Depreciation and amortisation expense	3	1,930,166	886,558
(g) Other expenses	18	7,305,100	6,793,066
Total Expenses (IV)		1,195,188,971	752,627,480
V Profit/(loss) before tax (III - IV)		12,164,099	2,290,377
VI Tax Expense			
(1) Current tax	19c	1,295,000	292,911
(2) Tax in respect of earlier Years		(182,807)	
(3) Deferred tax	19c	62,240	(851,679)
Total tax expense (VI)		1,174,433	(558,768)
VII Profit/(loss) for the period		10,989,666	2,849,145
VIII Other comprehensive income			
A (i) Items that will not be recycled to profit or loss		(13,579,127)	3,886,927
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3,530,573)	1,201,061
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
IX Total comprehensive income for the period		941,112	5,535,012
X Earnings per equity share:			
(1) Basic		3.65	1.94
(2) Diluted		3.65	0.95

As per our report of even date

For Jignesh Shah

Chartered Accountants

Jignesh Shah

Proprietor

(Membership No. 117121)

Date : 31/08/2019



For and on behalf of the Board

Vidya Didwania

Director

DIN: 00226754

Prakash Didwania

Director

DIN: 00225978

Ram A. Singh

Chief Financial Officer

Place : Mumbai

Date : 31/08/2019

KAVI COMMERCIAL COMPANY LIMITED

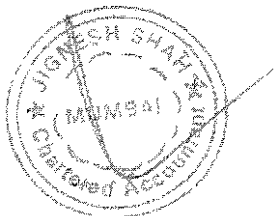
CIN: U99999MH1985PLC082517

Statement of changes in equity for the year ended March 31, 2019**a. Equity share capital**

	Number of Shares	Equity share capital
Balance at April 1, 2017	1,470,000	14,700,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	1,470,000	14,700,000
Changes in equity share capital during the year	1,543,500	15,435,000
Balance at March 31, 2019	3,013,500	30,135,000

Consolidated statement of changes in equity for the year ended March 31, 2019**b. Other Equity**

	OCI	Retained earnings	Total
Balance at April 1, 2017	9,964,664	224,016,351	233,981,015
Profit for the year	-	2,849,145	2,849,145
Other comprehensive income for the year	3,886,927	-	3,886,927
Balance at March 31, 2018	13,851,591	226,865,496	240,717,087
Capitalisation on issue of Bonus Shares	-	(15,435,000)	(15,435,000)
Profit for the year	-	10,989,666	10,989,666
Other comprehensive income for the year	(13,579,127)	-	(13,579,127)
Balance at March 31, 2019	272,464	222,420,162	222,692,627



KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

Cash Flow Statement as on March 31, 2019**CASH FLOW STATEMENT - INDIRECT METHOD**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Net Profit for the year before taxes and adjustments	12,164,099	2,290,377
Adjustments for:		
Income tax expense recognised in profit or loss		
Finance costs recognised in profit or loss	1,155,024	1,211,546
Depreciation and amortisation of non-current assets	1,930,166	886,658
Investment income recognised in profit or loss	(6,136,225)	(22,545,443)
Dividend received	(607,800)	(198,300)
Gain on disposal of investment	(22,603,042)	(10,756,323)
Gain on disposal of property, plant and equipment	-	(595,037)
	(14,097,777)	(29,706,523)
Movements in working capital:		
Increase in trade and other receivables	(177,677,907)	160,882,871
(Increase)/decrease in inventories	2,227,502	36,407,350
Decrease in trade and other payables	224,936,132	(168,435,943)
Cash generated from operations	35,387,950	(852,245)
Income taxes paid	1,000,000	4,720,801
Net cash generated by operating activities	36,387,950	3,868,557
Cash flows from investing activities		
Payments for property, plant and equipment	-	(5,036,719)
Payments to acquire financial assets	(28,181,807)	-
Proceeds on sale of financial assets	22,603,042	34,139,146
Dividend received	607,800	198,300
Interest received	6,136,225	22,545,443
Net cash (used in)/generated by investing activities	1,165,259	51,846,170
Cash flows from financing activities		
Proceeds from borrowings	-	(6,000,000)
Interest paid	(1,155,024)	(1,211,546)
Net cash used in financing activities	(1,155,024)	(7,211,546)
Net increase in cash and cash equivalents	36,398,186	48,503,181
Cash and cash equivalents at the beginning of the year	99,458,621	50,955,440
Cash and cash equivalents at the end of the year	135,856,806	99,458,621

As per our report of even date

For Jignesh Shah

Chartered Accountants

Jignesh Shah

Proprietor

(Membership No. 117121)

Date : 31/08/2019



For and on behalf of the Board

Vidya Didwania

Director

DIN: 00226754

Prakash Didwania

Director

DIN: 00225978

Ram A. Singh

Chief Financial Officer

Place : Mumbai

Date : 31/08/2019

KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

NOTES TO FINANCIAL STATEMENTS AS AT 31.03.2019

Note - 1 - Corporate Information

Kavi Commercial Company Limited is engaged in business of trading in iron & Steel and mainly imports flat steel products from various countries for resale in India.

Note - 2 - Significant Accounting Policies

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

(a) Basis of accounting and preparation of financial statements

These financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting principles in India, (except certain financial assets are measured at fair market value at the end of each reporting period) applicable Accounting Standards prescribed under section 133 of companies act 2013 ('Act') read with companies (Accounts) Rules 2015, and companies (Indian Accounting Standards) amendment rules 2016, except for payment of Bonus, Leave Salary, Gratuity etc. to employees. The accounting policies followed in these financial statements are same as those followed in the financial statements for the year ended 31st March 2018, except wherever specially stated.

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act 2013. Based on the nature of services rendered by the Company and the time between the cost incurred for rendering the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue Recognition

- (i) Sales revenue are recognized when goods are invoiced on dispatch to customers.
- (ii) Income from Investments is recognized when right to receive payment is established.
- (iii) Interest income is recognised on a time proportion basis based on the amount outstanding and the rate applicable.

(c) Property, plant and equipment and Depreciation/Amortisation:

- (i) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments.
- (ii) Depreciation is provided on Written Down Value ("W.D.V") method, on basis of useful lives prescribed in Schedule II to the Companies Act, 2013, except on office premises at New Delhi is carried at historical where no depreciation has been provided. Losses arising from the retirement of, and gain or losses arising from disposal of tangible assets which are carried at cost are recognised in the statement of Profit and Loss.
- (iii) Depreciation on additions to Property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation and in the case of new project, from the date of commencement of commercial production. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

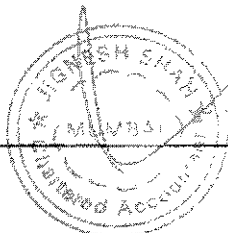
(d) Inventories

- (i) Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business based on market price at the reporting date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

(e) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.



B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

(f) Finance costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(g) Foreign Currency Transactions:

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances: Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

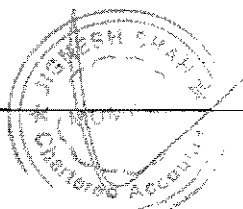
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively)

- (h) The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Difference between actual results and estimates are recognized in the period in which they materialise.

(i) Provision for Current Tax and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.



(j) Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed on the notes to accounts.

(k) Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of recoverable amount.

(l) Employees Retirement Benefits

Provident Fund Contribution are made as per a defined contribution scheme and the contribution of Company is charged to Profit and Loss account of the year when become due. The Company has no other obligation other than to contribute and deposit the contribution to respective authorities. Gratuity and other retirement benefits payable to employees are accounted in the year of its actual payment.

(m) Earning Per Share

- (i) Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.
- (ii) Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

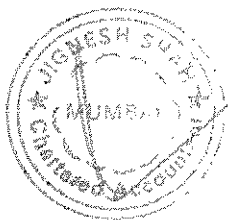


KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

Notes to the financial statements for the year ended March 31, 2019**Note No. 3 - Tangible Assets**

Description of Assets	Buildings	Computers	Vehicles	Total
I. Gross Block				
Balance as at 31 March, 2017	6,474,000	-	4,556,425	11,030,425
Additions		62,712	5,974,007	6,036,719
Disposals			(3,332,327)	(3,332,327)
Balance as at 31 March, 2018	6,474,000	62,712	7,198,105	13,734,817
Additions				-
Disposals				-
Balance as at 31 March, 2019	6,474,000	62,712	7,198,105	13,734,817
II. Accumulated depreciation and impairment				
Balance as at 31 March, 2017			3,166,846	3,166,846
Depreciation / amortisation expense for the year		17,905	868,753	886,658
Eliminated on disposal of assets			(2,927,364)	(2,927,364)
Balance as at 31 March, 2018	-	17,905	1,108,235	1,126,140
Depreciation / amortisation expense for the year	-	28,300	1,901,866	1,930,166
Eliminated on disposal of assets	-	-	-	-
Balance as at 31 March, 2019	-	46,205	3,010,101	3,056,306
Net block (I-II)				
Balance as at 31 March, 2019	6,474,000	16,507	4,188,004	10,678,511
Balance as at 31 March, 2018	6,474,000	44,807	6,089,870	12,608,677



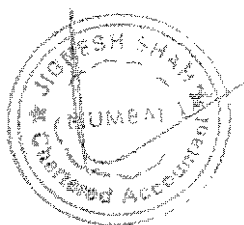
KAVI COMMERCIAL COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2019

CIN: U99999MH1985PLC082517

4 - Investment

Particular	As at March 31, 2019			As at March 31, 2018		
	QTY	Amounts*	Amounts*	QTY	Amounts*	Amounts*
		Current	Non Current		Current	Non Current
A. Investments Carried at fair value through OCI						
I. Quoted Investments (specify whether fully paid or partly paid)						
<u>Investments in Equity Instruments of</u>						
NIIT Ltd.	-	-	-	276,000	27,531,000	-
Novartis India Ltd.	14,030	9,621,774	-	14,030	8,590,569	-
Adlabs Entertainment Ltd.	45,000	357,750	-	45,000	2,094,750	-
Jindal Steel & Power Ltd.	50,000	8,977,500				
Steel Authority of India Ltd.	100,000	5,370,000				
TV18 Broadcast Limited	200,000	7,100,000				
HBL Power Systems Ltd	70,000	1,778,000				
II. Unquoted Investments (all fully paid)						
<u>Investments in Equity Instruments of</u>						
<u>Associates</u>						
Viraj Properties Pvt. Ltd.	12,700	-	43,773,625	12,700	-	43,312,436
<u>Others</u>						
Nirbhay Holdings Pvt. Ltd.	56,000	-	925,403	56,000	-	926,900
I. Quoted Investments (fully paid)						
<u>Investments in Mutual Funds</u>						
UTI Equity Fund (Formerly UTI Mastergain '1992)	10,000	-	1,064,700	10,000	-	977,937
HDFC Cash Management Fund	4,570	17,676,783	-	9,695	34,855,464	-
HDFC Liquid Fund	5,544	20,221,983				
Birla Sun Life Cash Plus-Reg-Growth	53,783	16,024,218	-	-	-	-
TOTAL INVESTMENTS CARRYING VALUE	621,627	87,128,008	45,763,728	423,425	73,071,783	45,217,273
Other disclosures						
Aggregate amount of quoted investments		87,128,008	1,064,700		73,071,783	977,937
Aggregate amount of unquoted investments			44,699,028			44,239,336
Aggregate amount of Market value of investments		87,128,008	45,763,728		73,071,783	45,217,273
Aggregate amount of impairment in value of investments		-	-		-	-



KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

Notes to the financial statements for the year ended March 31, 2019**Note - 5: Other Non Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Deposit With Cestat For Filing Appeal	990,000	-
	990,000	-

Note - 6: Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Stock-in-trade of goods acquired for trading		
(1) Cost	114,955,677	117,183,179
(2) Less: Provision	-	-
	114,955,677	117,183,179

Note - 7: Cash and Cash Equivalents

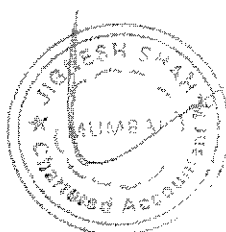
Particulars	As at March 31, 2019	As at March 31, 2018
<u>Cash and Cash Equivalents</u>		
Cash in hand	52,173	58,990
Balances in scheduled banks in current account	20,864,076	9,674,763
Term deposits (original maturity less than 3 months)	50,100,000	59,855,170
<u>Other Bank Balances</u>		
Term deposits (original maturity more than 3 months but less than 12 months)	64,840,557	29,869,697
	135,856,806	99,458,621

Note - 8: Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Trade advances	3,433,988	1,958,108
Other advances	4,406,453	265,208
Custom (Duty/Fine) Refund Receivable	513,169	513,169
GST Setoff receivable	8,074,625	11,127,910
	16,528,235	13,974,395

Note - 9: Trade receivables

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Trade receivables outstanding for a period of more than 6 months from due date	21,442,977	-	23,750,908	-
Other Trade receivables	217,672,584	-	43,859,612	-
TOTAL	239,115,561	-	67,610,520	-



KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

Notes to the financial statements for the year ended March 31, 2019

Note - 10: Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised: 35,00,000 Equity Shares of Rs.10/- each.	35,000,000	17,500,000
Issued, Subscribed and Fully Paid: 3013500 Equity Shares of Rs.10/- each, fully paid	30,135,000	14,700,000
Total	30,135,000	14,700,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Balance	1,470,000	1,470,000
Fresh Issue	-	-
Bonus issue	1,543,500	-
ESOP	-	-
Closing Balance	3,013,500	1,470,000

(ii) Rights, preferences and restrictions attaching to equity shares :

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per shares held.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Smt. Veena Subhas Basu	307,500	10.20	150,000	10.20
Mr. Kailash R. Didwania	358,750	11.90	175,000	11.90
Mr. Prakash R. Didwania	358,750	11.90	175,000	11.90
M/s. Viraj Impex Pvt. Ltd.	205,000	6.80	100,000	6.80
M/s. Nirbhay Holdings Pvt. Ltd.	205,000	6.80	100,000	6.80



KAVI COMMERCIAL COMPANY LIMITED

CIN: U99999MH1985PLC082517

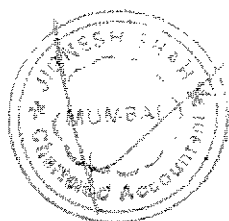
Notes to the financial statements for the year ended March 31, 2019**Note - 11: Trade Payables**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non Current	Current	Non Current
Trade payable for goods & services	392,361,850	-	170,487,452	-
Total trade payables*	392,361,850	-	170,487,452	-

* Covered under LC

Note - 12: Other Liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
a. Statutory dues				
- taxes payable (other than income taxes)	2,595,271	-	255,238	-
b. Others				
- Employee benefit payables	-	-	-	-
- Others payables	9,204,420	-	8,482,721	-
TOTAL OTHER LIABILITIES	11,799,691	-	8,737,959	-



KAVI COMMERCIAL COMPANY LIMITED

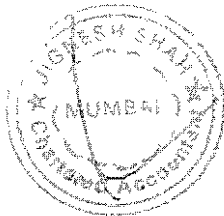
CIN: U99999MH1985PLC082517

Notes to the financial statements for the year ended March 31, 2019**Note no -13 Revenue from Operations**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of products comprises:		
<u>Traded goods</u>		
Hot Rolled Steel Sheet/Coils	419,251,786	379,739,520
Cold Rolled Sheet/Coils	114,333,481	65,717,166
Hot Rolled Steel Plates	641,174,299	275,226,403
Hot Rolled strip	3,246,437	-
Total - Sale of products	1,178,006,004	720,683,089

Note no -14 Other Income

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<u>Interest income on financial assets at amortised cost</u>		
On Fixed Deposit with Banks	5,748,751	4,824,782
On Loans	-	-
From Customers	387,474	17,720,661
Dividend Income on equity instruments	607,800	198,300
Net Gain / (Loss) on sale of investments in Mutual Funds Units	11,580,012	4,842,680
Net Gain / (Loss) on sale of investments in Shares	11,023,030	5,913,644
Net Gain / (Loss) on sale of property, plant and equipment	-	595,037
Sundry Liabilities Written Back	-	139,664
Total Other Income	29,347,066	34,234,768



KAVI COMMERCIAL COMPANY LIMITED

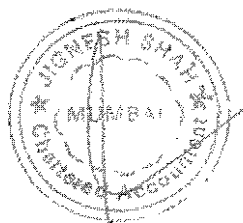
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Notes to the financial statements for the year ended March 31, 2019**Note 15.a Purchases of stock-in-trade (traded goods):**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Import Purchases	1,097,328,630	562,728,633
Local Purchases	28,693,037	53,535,786
Custom Duty Paid (Net of 4% Additional Duty Refundable)	-	31,134,169
Import other direct overheads	37,253,992	17,940,289
Other direct expenses	7,365,491	37,601,056
Total	1,170,641,150	702,939,933

Note 15.b Changes in inventories of finished goods, work-in-progress and stock-in-trade:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<u>Inventories at the end of the year:</u>		
Stock-in-trade	114,955,677	117,183,179
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	117,183,179	153,590,529
Net (increase) / decrease	2,227,502	36,407,350



KAVI COMMERCIAL COMPANY LIMITED

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Notes to the financial statements for the year ended March 31, 2019**Note no -16 Employee Benefits Expense**

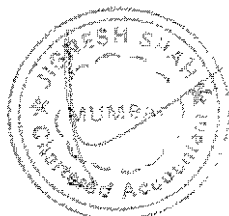
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<u>Salaries and wages and bonus</u>		
Directors' Remuneration	7,700,000	1,200,000
Salary Paid	1,984,688	1,359,000
H.R.A.	583,082	742,615
Medical Allowance	417,206	371,281
Conveyance Allowance	426,482	371,317
Bonus and Leave Salary	711,773	254,412
Employers contribution to P.F.	106,799	90,302
Total Employee Benefit Expense	11,930,030	4,388,927

Note no -17 Finance Cost

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Interest expense on borrowing from banks	25,380	57,192
(b) Other borrowing cost	847,458	1,000,000
(c) Bank Charges	282,148	154,354
(d) Interest on tax liability	38	-
Total finance costs	1,155,024	1,211,546

Note no -18 Other Expenses

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Repairs and maintenance:		
Buildings	108,000	108,000
Commission & Brokerage on Sales	4,767,612	4,416,667
Donation	100,000	-
Sundry Expenses	369,192	495,885
Travelling Expenses	24,430	487,380
[Including Foreign Travelling Rs.Nil/- (Previous Year Rs.226132/-)]		
Legal and other professional costs	1,614,139	836,016
Motor Car Expenses	214,068	327,167
Telephone & Internet Charges	7,307	27,559
Conveyance Expenses	300	-
Printing & Stationary	6,500	4,770
Advertisement, Promotion & Selling Expenses	2,822	2,688
Postage & Courier Charges	7,230	3,434
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	73,500	73,500
(v) For Other services	10,000	10,000
(vi) Auditors out-of-pocket expenses	-	-
Total Other Expenses	7,305,100	6,793,066



KAVI COMMERCIAL COMPANY LIMITED

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Notes to the financial statements for the year ended March 31, 2019

19a. Income tax assets and liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
Other Non-current assets				
Income tax assets (Net)				
Advance income-tax (Net of provision for taxation)		3,365,127		2,848,295
Total	-	3,365,127	-	2,848,295

19b Movement of Deferred Tax

Particulars	For the Year ended 31 March 2019					
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Acquired in Business Combination	Others	Closing Balance
Tax effect of items constituting deferred tax assets						
Depreciation	260,352	(203,338)				463,690
Carryforward Tax Loss	2,409,403	305,014				2,103,389
Deferred Revenue Expenditure		(40,436)				40,436
Net Tax Asset (Liabilities)	2,669,755	62,240	-	-	-	2,607,515

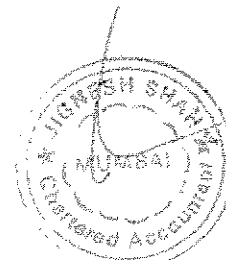
Particulars	For the Year ended 31 March 2018					
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Acquired in Business Combination	Others	Closing Balance
Tax effect of items constituting deferred tax assets						
Depreciation	394,754	134,402				260,352
Carryforward Tax Loss	1,423,322	(986,081)				2,409,403
Net Tax Asset (Liabilities)	1,818,076	(851,679)	-	-	-	2,669,755

Note - 19c: Current Tax and Deferred Tax
(a) Income Tax Expense

Particulars	Total	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Current Tax:		
Current Income Tax Charge	1,295,000	292,911
Adjustments in respect of prior years	(182,807.00)	-
Deferred Tax		
In respect of current year origination and reversal of temporary differences	62,240	(851,679)
Total Tax Expense recognised in profit and loss account	1,174,433	(558,768)

Note - 19d: Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Tax Rate	Amount	Tax Rate
Profit Before tax from Continuing Operations	12,164,099		2,290,377	
Income Tax using the Company's domestic Tax rate	3,384,052	27.82%	707,725	30.90%
Tax Effect of :				
- Non deductible Expenses	-	-	-	-
- Income Taxable at different rates	-1470377	-12%	-506676	-22.12%
- Tax - Exempt Income	-1003500	-8.25%	-61275	-2.68%
- Tax incentives and concessions	-	-	-	0.00%
- Provision for interest on Tax Payable	132,911	-	-	0.00%
- Disallowance of 14A	274538	2.26%	278744	12.17%
Changes in recognised deductible temporary differences	-22624	-0.19%	-125609	-5.48%
Income Tax recognised in P&L from Continuing Operations (Effective Tax Rate)	1,295,000	9.55%	292,911	12.79%



KAVI COMMERCIAL COMPANY LIMITED

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NOTES TO FINANCIAL STATEMENTS AS AT 31.03.2019

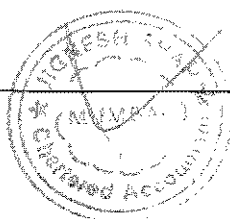
- 20 Letters of Confirmation in respect of loans and advances given by the Company, Sundry Creditors and Debtors till date have not been received and as such these balances are subject to confirmation.
- 21 The Working Capital limits from Banks are secured by first charge on all the current assets of the Company, present and future, book debts and receivables, personal guarantee of Directors and Corporate guarantee from Companies in which Directors are interested.
- 22 Based on information available with the Company, the balance Rs.Nil (Previous Year Rs. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

23	Spending in Foreign Currency	2018-19	2017-18
	(a) Value of Imports (Traded Goods)	1,114,783,506	582,035,782
	(b) Foreign Travelling	-	172,041
		<u>1,114,783,506</u>	<u>583,207,823</u>

- 24 Foreign currency exposures that are not hedged :

(a) Against Import of trading goods	US\$	Nil	2,615,641
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- 25 **Custom (Duty/Fine) Refund Receivable**
(a) The Company has claimed and accounted Rs.6,13,169/- in earlier years being duty refund receivable on the short landing of imported good. Said claim is pending with Custom authorities.
- 26 **Contingent Liabilities:**
(a) The Liability for Letters of Credit aggregating to Rs. 2307.97 Lacs (Previous year Rs.2956.34 Lacs) opened are not provided for, as their future outcome is not ascertainable.
(b) The company is one of the party for total Corporate Guarantees amounting to Rs 18500/- lacs (Previous year Rs.18500/- lacs) given to a Bank for credit facilities given to other group companies in which Directors and their relatives are interested.
- 27 Fair value of investments in un-quoted equity shares are derived by networth method (i.e. Networth of the company divided by total number shares)
- 28 No Depreciation has been provided in respect of office premises at New Delhi as Company expects appreciation on the same. As per the rates provided under Schedule II of the Companies Act' 2013, depreciation on it would have reduced the the profit for the year by Rs.315284/-.
- 29 Trade payables denominated in foreign currency at the year end are retranslated using the exchange rate prevailing at the reporting date except for the items which are covered by forward exchange contracts. Items covered by forward exchange contracts are stated at forward contract rates. Due to the above accounting treatment, liability of Rs. 36,13,097/- (Previous year Rs.Nil) under forward contract is included in trade payables. Premium or discount arising at the inception of a forward exchange contract till the date of forward contract are amortised as expense or income over the life of the contract.
- 30 The Company is primarily engaged in the business of Trading. As such, there is not separate reportable segment as per Ind AS 108 "Operating Segment" issued by MCA.



KAVI COMMERCIAL COMPANY LIMITED

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NOTES TO FINANCIAL STATEMENTS AS AT 31.03.2019

31 Related party disclosures:

(a) Parties with whom the Company has entered into transaction during the year:

Associates

Viraj Impex Pvt. Ltd.

Vinayaga Marine Petro Ltd.

Key Management Personnel

Mr. Prakash Didwania

Mrs. Vidya Didwania

Mr. Sohan Singh

Mr. Taraknath P. Gupta

Mr. Ram A. Singh

Ms. Deepika Undhad

Ms. Lalita L. Boran

& their relatives:

(b) Transaction carried out with related parties referred in (a) above, in ordinary course of business:

Nature of Transaction	Associates	Key Management Personnel	& their relatives:	Total (Rs. in lacs)
Purchase of traded goods	-			0.00
(Previous year)	(452.50)			(452.50)
Remuneration paid		93.15		93.15
(Previous year)		(26.86)		(26.86)
Corporate guarantees given	18500.00			18500.00
(Previous year)	(18500.00)			(18500.00)

(c) Disclosure in respect of material transactions with related parties during the year included in (b) above :

	Year ended 31.03.2019 (Rs. in lacs)	Year ended 31.03.2018 (Rs. in lacs)
Purchase of traded goods		
Vinayaga Marines Petro Limited.	-	452.50
Corporate guarantees given		
Viraj Impex Pvt. Ltd.	11,000.00	11000.00
Vinayaga Marine Petro Ltd.	7,500.00	7500.00

32 Earning Per Share

	2018-19	2017-18
Profit after Tax	10989666	2849145
Nos. of Equity Shares Fully Paid	3013500	1470000
Earnings per equity share Basic	3.65	1.94
Earnings per equity share Diluted	3.55	0.95

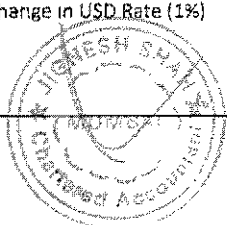
Company's profitability during current financial year 2018-19 is marginally better as compared to previous year 2017-18 inspite of volatility in steel prices and exchange fluctuations losses in foreign currency.

33 Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

The Company's exposure to foreign currency changes for all other currencies is not material

Particulars	Decrease	Increase
Change in USD Rate (1%)	3,887,488	(3,887,488)



KAVI COMMERCIAL COMPANY LIMITED

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NOTES TO FINANCIAL STATEMENTS AS AT 31.03.2019

- 34 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

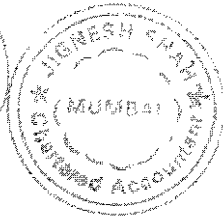
For Jignesh Shah
Chartered Accountants

Jignesh Shah

Proprietor

(Membership No. 117121)

Date : 31/08/2019



For and on behalf of the Board

Vidya Didwania

Director

DIN: 00226754

Ram A. Singh

Chief Financial Officer

Prakash Didwania

Director

DIN: 00225978

Place : Mumbai

Date : 31/08/2019