



# K F L Karnavati Finance Limited

CIN : L65910MH1984PLC034724

Administrative & Corporate Office : "Vraj", 5th Floor, Near Teen Batti, Limda Lane, Jamnagar - 361001 (Gujarat) INDIA  
Phone : 0288 2673759, Fax No. 0288 2663042, Mo : +91 99045 61000 E-mail ID : karnavatifinance@gmail.com

Date: February 14, 2020

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Dear Sir,

Sub: Submission of Unaudited Financial Result of the Company for Quarter and nine months on December 31, 2019.

Ref: Karnavati Finance Limited (Security Code: 538928 Security Id: KARNAVATI)

With reference to the above subject and pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting the followings:

1. Unaudited Financial Results for the Quarter and nine months ended on December 31, 2019.
2. Limited Review Report.

Kindly take the same on your record and oblige us.

Thanking You,

Yours faithfully,  
For, Karnavati Finance Limited

Raman Morzaria  
Whole-Time Director  
DIN: 00203310



Registered Office :

705, Palm Spring Centre, Above Croma, Near New Infinity Mall, Link Road, Malad (West) Mumbai - 400064  
Phone : 022 28809111 Website : www.karnavatifinancelimited.com

**KARNAVATI FINANCE LIMITED**

CIN: L65910MH1984PLC034724

Registered Office: 705, Palm Spring Centre, Above Croma, Near New Infinity Mall, Link Road, Malad (West), Mumbai - 400064.

Corporate office: "Vraj", 5th Floor, Opp. Hotel President, Near Bhumi Press, Limda Lane, Jamnagar - 361001, Gujarat.

**Statement of Standalone Unaudited Financial Results for the Quarter December 31st, 2019**

(Rs. In Lakhs)

Particulars		QUARTER ENDED			YEAR TO DATE	
A	Date of start of reporting quarter	10/1/2019	10/1/2018	7/1/2019	4/1/2019	4/1/2018
B	Date of end of reporting quarter	12/31/2019	12/31/2018	9/30/2019	12/31/2019	12/31/2018
C	Whether results are audited or unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
D	Nature of report standalone or consolidated	Standalone	Standalone	Standalone	Standalone	Standalone
<b>Part I</b>						
1	<b>Revenue from Operation :</b>					
(a)	Revenue from Operation :					
	(i) Interest Income	52.79	74.72	90.47	230.87	229.60
	(ii) Dividend Income	0.00	0.00	0.00	0.00	0.00
	(iii) Rental Income	0.00	0.00	0.00	0.00	0.00
	(iv) Fees and Commission Income	0.00	0.00	0.00	0.00	0.00
	(v) Net gain on Fair value changes	0.00	0.00	0.00	0.00	0.00
	(vi) Net gain on derecognition of financial instruments under amortised cost category	0.00	0.00	0.00	0.00	0.00
	(vii) Sale of Products (including Excise Duty)	0.00	0.00	0.00	0.00	0.00
	(viii) Sale of Services	0.00	0.00	0.00	0.00	0.00
	(ix) Others (to be specified)	0.00	0.00	0.00	0.00	0.00
(b)	Other Income	0.00	0.80	0.00	0.00	0.80
	<b>Total Revenue from operations (net)</b>	<b>52.79</b>	<b>75.52</b>	<b>90.47</b>	<b>230.87</b>	<b>230.40</b>
2	<b>Expenses</b>					
(a)	Finance cost	-55.09	40.77	39.74	25.59	118.40
(b)	Fees and Commission Expense	14.19	0.23	4.56	21.09	3.71
(c)	Net Loss on Fair Value Changes	0.00	0.00	0.00	0.00	0.00
(d)	Net Loss on derecognition of financial instruments under amortised cost category	0.00	0.00	0.00	0.00	0.00
(e)	Impairment on financial instruments	0.00	0.00	0.00	0.00	0.00
(f)	Cost of materials consumed	0.00	0.00	0.00	0.00	0.00
(g)	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
(h)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
(i)	Employee benefits expense	12.75	7.02	6.02	24.97	21.55
(j)	Depreciation and amortisation & Impairment expense	0.00	0.00	0.00	0.00	0.00
(k)	Other Expenses	18.82	6.67	5.12	28.10	10.57
	(i) NPA Provisions/ (Reversal of NPA)	-32.06	44.02	108.31	93.97	48.17
	<b>Total expenses</b>	<b>-41.40</b>	<b>98.70</b>	<b>163.74</b>	<b>193.71</b>	<b>202.39</b>



3	<b>Profit before exceptional and extraordinary items and tax</b>	<b>94.19</b>	<b>-23.18</b>	<b>-73.27</b>	<b>37.17</b>	<b>28.01</b>
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	<b>Profit before extraordinary items and tax</b>	<b>94.19</b>	<b>-23.18</b>	<b>-73.27</b>	<b>37.17</b>	<b>28.01</b>
6	Extraordinary items	0.00	0.00	0.00	0.00	0.00
7	<b>Profit before tax</b>	<b>94.19</b>	<b>-23.18</b>	<b>-73.27</b>	<b>37.17</b>	<b>28.01</b>
8	<b>Tax Expenses</b>					
	Current Tax	9.66	-0.20	-4.22	9.66	12.97
	Deffered Tax	0.00	0.00	0.00	0.00	0.00
	<b>Total tax expenses</b>	<b>9.66</b>	<b>-0.20</b>	<b>-4.22</b>	<b>9.66</b>	<b>12.97</b>
9	<b>Net profit/Loss for the period from continuing operations</b>	<b>84.53</b>	<b>-22.98</b>	<b>-69.05</b>	<b>27.50</b>	<b>15.04</b>
10	<b>Net Profit /Loss from discontinuing operations before tax</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
11	Tax Expenses of discontinuing operations	0.00	0.00	0.00	0.00	0.00
12	Net Profit/Loss from discontinuing operations after tax	0.00	0.00	0.00	0.00	0.00
13	<b>Net Profit/Loss for the period</b>	<b>84.53</b>	<b>-22.98</b>	<b>-69.05</b>	<b>27.50</b>	<b>15.04</b>
14	<b>Other Comprehensive Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	a. (i) Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	b. (i) Item that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	<b>Total Comprehensive Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Total comprehensive Income (comprising profit for the period and other comprehensive Income)	0.00	0.00	0.00	0.00	0.00
15	<b>Details of Equity share capital</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Paid up equity share capital	1005	1005	1005	1005	1005
	Face value of equity share capital	10	10	10	10	10
16	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	0.00	0.00	0.00	0.00	0.00
17	<b>Earnings per share (Not Annualized )</b>					
i	<b>Earnings per share before extraordinary items</b>	<b>0.84</b>	<b>-0.23</b>	<b>-0.69</b>	<b>0.27</b>	<b>0.15</b>
	Basic earnings (loss) per share from continuing and discontinued operations	0.84	-0.23	-0.69	0.27	0.15
	Diluted earnings (loss) per share from continuing and discontinued operations	0.84	-0.23	-0.69	0.27	0.15
<b>Notes:-</b>						
1	The company has adopted Indian Accounting Standards (IND-AS) notified under section 133 of Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules 2015, from April 01, 2019 and the effective date of such transition is April 01, 2018, such transition has been carried out from the erstwhile Accounting Standard notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('the RBI') (collectively referred to as previous GAAP)					



2	The above financial results were reviewed by the Audit committee and subsequently approved and taken on record by the Board of Directors of the company at its board meeting held on February 14, 2020. The statutory auditor of the company have carried out the limited review of the above mentioned Financial Results.
3	The Company is primarily engaged in the financing activity and there are no separate reportable segments identified as per the IND-AS 108 - segment reporting.
4	The IND-AS Compliant financial results pertaining to the quarter and year to end on December, 2018 have not been subject to Limited Review by the Statutory Auditors. However, the Management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
5	As required by para 32 of IND AS 101, net profit reconciliation between the figures reported under the previous GAAP and IND-AS is as under.

Sr.	Particulars	Quarter Ended	Period Year Ended
No.		31/12/2018	31/12/2018
	Net Profit after tax as reported under previous GAAP	(22.40)	13.30
	Adjustments Increasing/(Decreasing) net profit after tax as reported under previous GAAP		
a	Adoption of EIR* for amortisation of income and expenses - Financial Assets at amortised cost	-	-
b	Adoption of EIR* for amortisation of expenses - Financial Liabilities at amortised cost	-	-
c	Expected Credit Loss	-	-
d	Others		
	(Annual Fees paid in Q2)	(0.78)	2.35
	(Tax on above)	0.20	(0.61)
	Net Profit/(Loss) after tax as per Ind AS	(22.98)	15.04

6 During the quarter on adoption of IND AS as per Ind AS 109 interest income is recognised on all assets excluding NPA and further the NPA Provision is made proportionately based on Asset Classification based on IRAC Norms as prescribed by RBI, so income is recognised on net carrying amount and NPA provision is made on Net amount based on Classification of Asset.

7 There is a claim of interest on Inter Corporate Deposit (ICD) of Rs. 9.50 Cr under dispute, which is not acknowledged as debt by the company. The matter is pending for hearing with the Consumer Court. The Company has not provided interest on said ICD of Rs. 950 Lakhs accepted and further amount of Rs. 59.94 Lakhs provided earlier have been reversed, reducing interest expense. The amount so received as ICD has been further advanced conditionally to third parties with marginal spread, and the same is repayable only on receipt of the same of those third parties as special arrangement transaction, Contingent liability may arise in relation to the same. Since the advances thus given are not performing assets (on account non-repayment of principal and interest), interest on such advances is also reversed as provided in IRAC norms, issued by The Reserve Bank of India. Our conclusion is not modified in respect of this matter.

8 The figures for the previous quarter/period have been regrouped/rearranged wherever necessary to conform to the current period presentation.

Place: Jamnagar

For, Karnavati Finance Limited

Date: February 14, 2020



*[Handwritten Signature]*

Raman Morzaria  
Whole-Time Director  
DIN: 00203310



## Limited Review Report

Unaudited standalone financial results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Karnavati Finance Limited

We have reviewed the accompanying statement of unaudited financial results of Karnavati Finance Limited for the period ended 31<sup>st</sup> December, 2019. This statement is responsibility of Company's Management and has approved by the Board of Directors. Our responsibility is to issue a report on this financial statement based on our review.

We Conducted our review in accordance with the standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and Analytical procedures applied to financial data and thus provides a less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We would like to draw Emphasis on matter of non-provision of interest on Inter Corporate Deposit (ICD) of Rs. 950 Lakhs accepted and further amount of Rs. 59.94 Lakhs provided earlier have been reversed, reducing interest expense, as the matter is pending with consumer court, which may result in contingent liability. The amount so received as ICD has been further advanced conditionally to third parties with marginal spread, and the ICD is repayable only on



receipt of the same from those third parties under special arrangement as pass-through transaction. Since the advances thus given are not performing assets (on account non-repayment of principal and interest), interest on such advances is also reversed as provided in IRAC norms, issued by The Reserve Bank of India.

Our conclusion is not modified in respect of this matter.

Place: Mumbai

Date: 14<sup>th</sup> February 2020

**For Doshi Maru & Associates  
Chartered Accountants**

*Hiren J Maru*

**CA Hiren J Maru**

**Partner**

**M. No. 115279**

**FRN: 0112187W**

**UDIN: 20115279AAAAAZ1200**



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