

# Dhanlaxmi FABRICS LTD.



Bhopar Village, Manpada Road, Dombivli (East) - 421 204.  
Phone : 0251-2870589 / 2870590 / 91/ 92 • Fax : 0251-2870545  
e-mail: info@dfi.net.in • Website : www.dfi.net.in

**Date: 28<sup>th</sup> September, 2019**

To,  
**The Bombay Stock Exchange Ltd**  
Corporate Relationship Dept,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, Mumbai - 400 001

Scrip Code: 521151

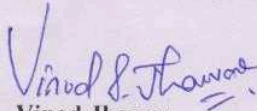
Sub: Submission of Adopted 27<sup>th</sup> Annual Report of the Company by the members

Dear Sir/Madam,

Please find enclosed pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the copy of duly approved and adopted Annual Report for F.Y. 2018-19 of the Company by its members at 27<sup>th</sup> Annual General Meeting held on **today on Saturday, 28<sup>th</sup> September, 2019** commenced at 1:00 P.M., at the registered office of the Company Manpada Road, Bhopar Village, Dombivali (East), Mumbai - 421204.

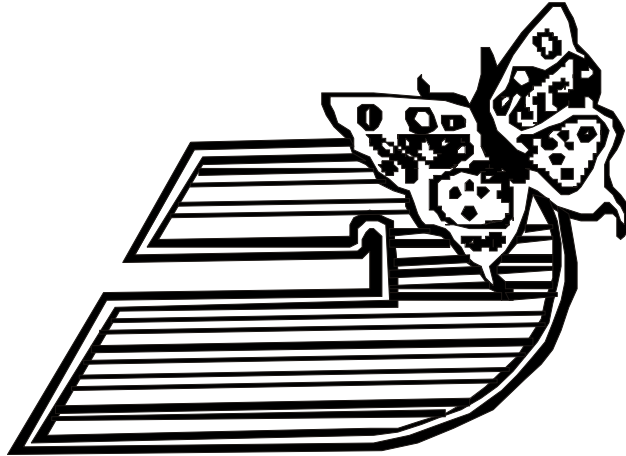
We are requested to take this on record.

Yours faithfully,  
For Dhanlaxmi Fabrics Limited

  
Vinod Jhavar  
(Managing Director)



Encl: :  
Adopted copy of 27<sup>th</sup> Annual Report



# **Dhanlaxmi**

## **Fabrics Limited**

**(CIN: L17120MH1992PLC068861)**

**27<sup>th</sup>**

**Annual Report**

**2018 - 19**

**BOARD OF DIRECTORS**

NAME	DESIGNATION	DIN
Mr. Ramautar S. Jhawar	Chairman & Director	00002907
Mr. Vinod S. Jhawar	Managing Director	00002903
Mr. Mahesh S. Jhawar	Director & CFO (Resigned w.e.f 07.07.2019)	00002908
Mrs. Jayashree Iyer	Independent Director (Resigned w.e.f 31.07.2019)	01520083
Mr. Durgesh Kabra	Independent Director	00017670
Mr. Gopal Mohta	Independent Director	01877324
Mr. Mukul Jhawar	Director (Executive Director w.e.f 06-08-2019)	07966851
Ms. Ayushi Gilra	Independent Director (w.e.f 06-08-2019)	<b>08511294</b>
Mrs. Bhaviika Jain	Company Secretary & Compliance Officer	

**PRINCIPLE BANKERS :**

AXIS Bank, Kotak Mahindra Bank,  
State Bank of India, The Shamrao Vithal Co-Operative Bank

**STATUTORY AUDITORS:**

**M/s. R. Soni & Co.(upto 07-08-2019)**

1509, Ghanshyam Enclave, Near Lalji Pada, Police Station, Link Road, Kandivali (West), Mumbai – 400067

**STATUTORY AUDITORS( w.e.f 16-08-2019)**

**DINESH BANGAR & CO.**

2nd Floor, Apeejay House, 3 Dinshaw Vachcha Road, Churchgate, Mumbai - 400020.

**COST AUDITORS:**

**Mr. Dilip Murlidhar Bathija**

Mumbai

**REGISTAR & TRANSFER AGENT:**

**Bigshare Services Pvt. Ltd.**

CIN : U99999MH1994PTC076534

1<sup>st</sup>Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),  
Mumbai 400059

Board No. : 91-22-6263 8200, 91-22-6263 8299 ● Email : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**LISTING OF EQUITY SHARES:**

**Bombay Stock Exchange**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 ● Tel: 91-22-22721233/4, 91-22-66545695

**CORPORATE / COMMUNICATION ADDRESS:**

285, Princess Street, Jhawar House, 1st Floor, Mumbai – 400 002.

Tel No. : 091-022-66228033 / 68 ● Fax No. 091-02222089558

**REGISTERED OFFICE :**

Bhopar Village, Manpada Road, Dombivli (East), Thane-421204., Maharashtra.

Tel: 091-0251-2870589 / 590 / 591 ● Fax No. 091-0251-2870545

Email : [info@dlf.net.in](mailto:info@dlf.net.in) ● Website : <http://www.dfl.net.in/>

**ADMINISTRATIVE OFFICE :**

401/402, Kailash Coporate Lounge, Park Site, Vikroli (West), Mumbai-400079.

Tel: 091-22- 25181102 /103 ● Email : [info@dlf.net.in](mailto:info@dlf.net.in) ● Website : [www.info@dlf.net.in](http://www.info@dlf.net.in)

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NOTICE IS HEREBY GIVEN THAT THE 27<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. DHANLAXMI FABRICS LIMITED WILL BE HELD ON SATURDAY ON 28<sup>TH</sup> SEPTEMBER, 2019, AT 01.00 P.M. AT REGISTERED OFFICE: MANPADA ROAD, BHOPAR VILLAGE, DOMBIVLI (EAST), THANE – 421 204. MAHARASHTRA

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Mr. Mahesh Jhawar (DIN:00002908)**, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditor to fill casual vacancy**

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

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification (s), clarifications, exemptions or re-enactments thereof for the time being in force) **M/s. Dinesh Bangar & Co.**, Chartered Accountants, Mumbai (FRN:102588W), be and is hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of **M/s. R. Soni & Co.** Mumbai, (Firm Registration No130349W).

“**RESOLVED FURTHER THAT M/s. Dinesh Bangar & Co.**, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from **August 16, 2019**, until the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

4. **Appointment of Statutory Auditor and to fix their remuneration**

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

“**RESOLVED THAT** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, **M/s. Dinesh Bangar & Co.**, Chartered Accountants, be and are hereby appointed as the Statutory Auditor of the Company, to hold the office from the conclusion of **27<sup>th</sup> Annual General Meeting**, for a single tenure of 5 (five) years, without seeking any further to the ratifications from the shareholders of the company for their appointment as statutory Auditor till the conclusion of their tenure, at Rs. 1,00,000 remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to decide and finalize the terms and remuneration plus taxes at the applicable rates and reimbursement of out of pocket expenses and travelling expenses etc. as may be mutually agreed between Statutory Auditors and the Company based on recommendation of Audit Committee.”

**SPECIAL BUSINESS:****5. Ratification of appointment of Mr. Dilip Murlidhar Bathija., Cost Accountants, as a Cost Auditors of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and rules thereof (including any statutory modification(s) or re-enactment thereof for time being in force) the remuneration of Rs 30,000/- (Rupees Thirty thousand only) (excluding taxes, as applicable) plus reimbursement of out of pocket expenses at actual basis to be paid to Mr. Dilip Murlidhar Bathija., (Cost Accountants) Mumbai, Cost Auditors for the conduct of the cost audit of the Company for the Financial Year 2019-2020 as recommended by the Board of the Directors, be and is hereby ratified.”

**6. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of 500 Crores (Rupees Five Hundred Crores Only), respectively for each entity in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its business activities.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

**7. To re-appoint Mr. Durgesh Kabra, (DIN: 00017670) as an Independent Director of the Company for next 5 years for second term.**

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

“**RESOLVED THAT** pursuant to provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Regulations contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), **Mr. Durgesh Kabra (DIN: 00017670)**, Independent Non-Executive Director of the Company who has submitted a

declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second term up to five (5) consecutive years with effect from **September 19, 2019 till September 18, 2024**;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”

**8. To Appoint Ms. Ayushi Gilra (DIN: 08511294) as an Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, **Ms. Ayushi Gilra (DIN – 08511294)**, who was appointed as an Additional Director of the Company in terms of Section 161 of the Companies Act, 2013, and Articles of Association of the Company by the Board of Directors with effect from **06<sup>th</sup> August, 2019** and who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing her candidature for the office of Director, pursuant to Section 160 of the Act and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, for a term of five (5) consecutive years up to **05<sup>th</sup> August, 2024**.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**9. To appoint Mr. Mukul Jhawar as an Executive Director of the Company and fix remuneration**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 160, 161(1), 188, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), **Mr. Mukul Jhawar (DIN: 07966851)**, who was appointed as an Additional Director and designated as Executive Director of the Company by the Board of Directors with effect from **06<sup>th</sup> August, 2019** on the terms and conditions of the appointment including remuneration as set out in the Statement annexed to the Notice with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment including the remuneration as it may deem fit and as is acceptable to **Mr. Mukul Jhawar**;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as it deem necessary and authorize executives of the Company for the purpose of giving effect to this resolution and to settle any questions, difficulties and/or doubts that may arise in this regard.”

**10. Payment of remuneration to Executive Directors**

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

**Special Resolution:**

(a) annual remuneration to an Executive Director who is a Promoter or member of Promoter Group, exceeding ₹ 5 Crores or 2.5 per cent (2.5%) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 ("Net Profit"), whichever is higher; or

(b) aggregate annual remuneration to all Executive Directors who are Promoters or members of Promoter Group, where there is more than one such Executive Director, exceeding 5 per cent (5%) of the Net Profit;

**RESOLVED FURTHER THAT** the approval hereinabove granted for payment of remuneration to Executive Directors who are Promoters or members of Promoter Group ("such Executive Directors") shall be effective for the Financial Year commencing from April 1, 2019 and for subsequent years till the expiry of respective term of such Executive Directors,"

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for payment of remuneration to the Whole-time Directors including Executive Director exceeding ten per cent of the Net Profits of the Company in any financial year;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to the above Resolution."

**11. To approve related party transaction under Section 188 of the Companies Act, 2013 with Promtech Impex Private Limited**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Promtech Impex Pvt Ltd ., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase of Land, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 10 Crore for the financial year 2019-2020, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."



## 12. Alteration of the Memorandum of Association of the Company

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

**“RESOLVED THAT** pursuant to provisions of Section 4, Section 13 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”) including any statutory modification(s) or re-enactment(s) thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors is authorised to accept as it may deem fit, the consent of the members be and is hereby accorded to alter the Memorandum of Association of the Company as follows:-

- i. Insertion of the words “under the jurisdiction of ROC Mumbai” after the existing Clause II. Pursuant to which Clause II be read now as “The Registered office of the Company will be situated in the State of Maharashtra, under the jurisdiction of ROC Mumbai”.
- ii. The heading of the existing Clause III(A), “THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION” be substituted by the new heading “III(A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-”;
- iii. Insertion of following sub clause after the existing sub clause 2 of Clause III(A) of the Memorandum of Association of the Company :-

“3. To purchase, sell, lease, acquire transfer development right and to let any portion of any immovable property for trade or business purposes, or other private or public purposes, and to collect rent income and to own, hold, occupy, manage, control, construct, erect, alter, develop, improve, repair, renovate, build, plan, sell, transfer, mortgage, demolish, charge, assign, let out, hire, sub-let, sub-lease and deal in all types of lands, plots, buildings, hereditaments, bungalows, apartments, commercial complexes, flats, warehouses, properties, moveable or immovable freehold or lease-hold of whatever nature and description and to deal, sell, manage, lease operate and run the infrastructure so developed on build-Operate-Transfer (BOT) or on Build-Own-Operate-Transfer (BOOT) or on Build-Own-Lease-Transfer (BOLT) basis and buy, sell and deal in any manner, immovable property of any tenure and any interest therein either independently or jointly in partnership, joint venture or on agency or sub contract basis.”

- iv. The heading of the existing Clause III(B), “OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS” be substituted by the new sub-heading “III(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE”.
- v. Sub-clause 27 of the existing Clause III(B) of Memorandum of Association be and is hereby amended and substituted with the following sub-clause:

“27. Subject to Sections 179, 180, 185, 186 & Chapter V of the Companies Act, 2013, and the Rules made there under and the directions issued by Reserve Bank of India to receive money on deposits or loans and to borrow from Banks/ Financial Institutions, NBFCs or any other organization or raise money in such manner and at such time or times as the company may determine and in particular by the issue of debentures, debenture-stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the properties or assets of revenues and profits of the company, both present and future, including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company or any other such person or company of any obligation under taken by the company of such other person or company and to give the lenders the power to sell and such other powers as may seem expedient and to purchase redeem or pay off any such securities.”

- vi. Insertion of following sub clause after the existing sub clause 53 of Clause III(B) of the Memorandum of Association of the Company :-

“I. To enter into any scheme of arrangement, amalgamation, merger, demerger or restructuring and to amalgamate, merge, demerge, or otherwise restructure with any person including firm, limited liability partnership, association of persons, company, body corporate, subsidiaries, associates, joint ventures or any other entity.”

- vii. Clause III(C) of the Memorandum of Association i.e. “OTHER OBJECTS” and the content thereafter upto Clause IV of the Memorandum of Association be and is hereby deleted (all Sub- clauses 54 to 87).

- viii. Clause IV of Memorandum of Association of the company be and is hereby amended and substituted with the following Clause:

“IV. The liability of the Member(s) is Limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and are hereby jointly/ severally authorized to do all such acts, matters, deeds and things including subsequent modifications thereto necessary or desirable in connection with or incidental to giving effect to the above resolution including but not limited to the filing of necessary forms, returns, documents, etc and co-ordinating with the Registrar of Companies and to comply with all other requirements in this regard.”

**IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause. The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories. The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/update their email address to their respective Depository Participants. Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company

**Notes:**

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.
2. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and a proxy need not be a member of the company. A person can act as proxy on behalf of members' upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, 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 may not act as a proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.
3. Corporate Members are requested to send in advance duly certified copy of Board Resolution / power of attorney authorizing their representative to attend the annual general meeting.
4. Members/ proxies are requested to bring their copies of annual reports and the attendance slip duly completed and signed at the meeting, quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
5. Pursuant to section 91 of the Companies Act, 2013 The Register of Members and the Transfer Book of the Company will remain closed from **21/09/2019 to 28/09/2019** (both days inclusive).
6. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (M/s. Bigshare Services Private Limited) of the Company.
7. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: **M/s. Bigshare Services Pvt. Ltd.**, at 1stFloor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059
8. Pursuant to the provisions of Sections 101 and 136 of the Act read with 'The Companies (Accounts) Rules, 2014' electronic copy of the Annual Report for financial year 2018-2019 along with Notice of 27<sup>th</sup>Annual General Meeting of the company (including the Attendance Slip & Proxy Form) is being sent to all the members whose email id is registered with the Registrar/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e mail address, physical copies of the Annual Report for the financial year 2018-2019 along with the notice of the 27<sup>th</sup>Annual general Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Forms is being sent by other permissible modes.

9. Notice convening the 27<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose email addresses are registered with their respective Depository Participants. For those members who have not registered their email address, physical copies of the said Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
10. Members may also note that the Notice of the 27<sup>th</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.dfl.net.in](http://www.dfl.net.in), which can be downloaded from the site. 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 all the working days except Saturdays and Sundays.
11. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
12. Brief details of the Directors, who are seeking appointment / re-appointment, are annexed hereto as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
13. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.

**Procedure and Instruction for E-Voting :**

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Listing Regulation, 2015, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

**a. The instructions for e-voting are as under :**

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per listing regulation (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the below provisions, through the e-voting services provided by CDSL.

**The instructions for shareholders voting electronically are as under:**

- 1) The voting period begins on **25<sup>th</sup> September, 2019** at **9.00 a.m.** and ends on **27<sup>th</sup> September, 2019** at **5.00 p.m.**  
During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21<sup>st</sup> September, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 3) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- 4) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- 5) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- 6) After entering these details appropriately, click on "SUBMIT" tab.
- 7) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 8) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 9) Click on the EVSN for the relevant "DHANLAXMI FABRICS LIMITED" on which you choose to vote.
- 10) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 11) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 12) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 13) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 14) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page. If a demat account holder has forgotten the login password then Enter the User ID and the image
- 15) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system. verification code and click on Forgot Password & enter the details as prompted by the system.

16) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. i-Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**17) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

18) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

19) The Company has appointed M/s. Pankaj Trivedi & Co., Practicing Company Secretaries (C.P. No. 15301) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

20) A copy of this notice has been placed on the website of the Company and the website of CDSL.

21) In case of Members who are entitled to vote but have not electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.

The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**REQUEST TO MEMBERS**

Members are requested to send their question(s), if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before September 21, 2019 so that the answers/details can be kept ready at the Annual General Meeting

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013, SPECIAL BUSINESS:****Item No. 3 & 4**

M/s. R. Soni & Co., Chartered Accountants, Mumbai (FRN: No130349W ) vide their letter dated 07-08-2019 have resigned from the position of Statutory Auditors of the Company resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on **16<sup>th</sup> August, 2019** as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed **M/s. Dinesh Bangar & Co.**, Chartered Accountants, Mumbai (Firm Registration Number: 102588W), to hold office as the Statutory Auditors of the Company till the conclusion of 27<sup>th</sup> AGM and to fill the casual vacancy caused by the resignation of M/s. R. Soni & Co., Chartered Accountants Mumbai (Firm Registration Number: No130349W) subject to the approval by the members in ensuring Meeting of the Company, at such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors.

Further, pursuant to recommendation of Audit Committee, Board also approved appointment of **M/s. Dinesh Bangar & Co.**, as Statutory Auditors of the Company to hold office for a period of five consecutive years, from the conclusion of the 27<sup>th</sup> AGM, till the conclusion of the 32<sup>nd</sup> AGM to be held in year 2024. Accordingly, your board of directors also recommend passing of resolution for appointment of **M/s. Dinesh Bangar & Co.**, for a period of 5 consecutive years.

The Company has also received consent and eligibility certificate from **M/s. Dinesh Bangar & Co** Chartered Accountants, Accountants, Mumbai (Firm Registration Number: 102588W) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

**In pursuance of Regulation 36(5) of the LODR Regulation, 2015)**

Proposed Fee	Rs. 1,00,000/- (excluding GST & out of pocket expenses)
Term of Appointment	5 Years
Material Change in fee compared to outgoing Auditor	Rs. 50,000/-
Rationale of such changes	Difference over Professional fee proposed by Existing Auditor
Basis of recommendation for appointment	Recommendation of the Audit Committee M/s. Dinesh Bangar & Co. Statutory Auditors of the Company due to resignation of existing auditor.
Credential of Statutory Auditors proposed to be appointed	Date of Establishment : 27/02/1989 Partners : Nine (9) Area of Work : Audit & Accounting Tax Advisory and compliance, GST compliance and Consulting, Advisory, Management Consultancy, Financial and Corporate Advisory and etc. Staff Strength : 23

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 and Item No.4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives concerned or interested, in the aforesaid Resolution

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

**Item No.5**

The Board of Directors of the Company, upon the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. Dilip Murlidhar Bathija., Cost Accountants, Mumbai to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019 at a remuneration of Rs. 30,000/- plus taxes and reimbursement of out of pocket expenses for the financial year ending March 31, 2020.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution. The resolution as set out in item no. 5 of this Notice is accordingly commended for your approval.

**Item No.6****Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013**

The shareholders had vide resolution passed through AGM notice dated September 29, 2018 consented and authorized the Board of Directors to make investments / acquisitions / give loan(s) and / or guarantee(s) / provide any security(ies), in excess of limits prescribed under Section 186 of the Companies Act, 2013 viz., 60% of the paid-up share capital, free reserves and securities premium of the Company or 100% of free reserves and securities premium of the Company, whichever is more or up to Rs.500 crore, whichever is higher. The board of directors has been judicious in acting upon the delegations by the shareholders including limits and regularly monitoring the same through proper review mechanisms. The Company is expected to render support for the business requirements of other companies in the group whom directors are interested, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Dhanlaxmi Group.

In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their business activities. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for business activities of the entities in the Dhanlaxmi Group of companies whom directors are interested, from time to time.

None of the directors or Key Managerial Personnel and / or their relatives is deemed to be interested or concerned financial or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

The board recommends passing the resolution as set out at item no.6 of this notice as a special resolution.

**Item No.7****To re-appoint Mr. Durgesh Kabra, (DIN: 00017670) as an Independent Director of the Company for next 5 years for second term.**

Pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), **Mr. Durgesh Kabra (DIN 00017670)** was appointed as an Independent Non-Executive Director of the Company by the members in the 22<sup>nd</sup> Annual General Meeting ("AGM") held on 20<sup>th</sup> September, 2014 to hold office as an Independent Non-Executive Director of the Company for a period up to five (5) consecutive years till the conclusion of the forthcoming 27<sup>th</sup> AGM of the Company.



As per Section 149(10) of the Act, an Independent Director can hold office for a term up to five (5) consecutive years on the Board of a Company and may be re-appointed for another term up to five (5) consecutive years, with the approval of Members of the Company by way of Special Resolution.

In the opinion of the Board of Directors of the Company, **Mr. Durgesh Kabra** fulfils the conditions for re-appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is independent of the management.

The Board of Directors at its meeting held on August 06, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the satisfactory performance evaluation result, considered that given his industrial background and experience and contributions made by him during his tenure, the association of **Mr. Durgesh Kabra** would be beneficial to the Company and it is desirable to re-appoint **Mr. Durgesh Kabra** as an Independent Director for another term up to five (5) consecutive years with effect from September 19, 2019 till September 18, 2024.

Copy of the draft letter of appointment of **Mr. Durgesh Kabra** setting out the terms and conditions of re-appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company during the business hours (except on Saturdays and Sundays) and will also be available at the venue of the AGM till the conclusion of the AGM.

The details of **Mr. Durgesh Kabra** as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure I to this Notice.

**Mr. Durgesh Kabra** does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

**Mr. Durgesh Kabra** has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives except **Mr. Durgesh Kabra** are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

#### **Item No.8**

##### **To Appoint Ms. Ayushi Gilra (DIN: 08511294) as an Independent Director of the Company**

**Ms. Ayushi Gilra**, has done Digital Marketing & Strategic management have consented to be the Director of the Company.

In the opinion of the Board of Directors of the Company, **Ms. Ayushi Gilra** fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is independent of the management.

The Company has received a Notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing candidature of **Ms. Ayushi Gilra** for the office of the Director of the Company. The Board of Directors at its meeting held on August 06, 2019, on the recommendation of the Nomination and Remuneration Committee, appointed her as an additional director designated as independent director of the Company. Pursuant to Section 161(1) of the Companies Act, 2013 she will hold office up to the date of this annual general meeting.

Considering her professional background and experience, the association of **Ms. Ayushi Gilra** would be beneficial to the Company and it is desirable to appoint her as an Independent Women Director for the term of Five (5) consecutive years with effect from August 06, 2019 till August 05, 2024.

The Company has received from **Ms. Ayushi Gilra** (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013.

Copy of the draft letter of appointment of **Ms. Ayushi Gilra** setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company during the business hours (except on Saturdays and Sundays) and will also be available at the venue of the AGM till the conclusion of the AGM.

The details of **Ms. Ayushi Gilra** as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure I to this Notice.

She does not hold by herself or for any other person on a beneficial basis, any shares in the Company. She has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives except **Ms. Ayushi Gilra** are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

#### **Item No.9**

**To appoint Mr. Mukul Jhawar as an Executive Director of the Company and fix remuneration** Mr. Mukul Jhawar has successfully completed his **Business Management from Kingston University**.

Before joining the Company he was the Marketing Manager at Dhanlaxmi Fabrics Limited and has over 6 years of experience in Textile Industry and business management.

Amongst other, he holds Directorship in Western Chlorides And Chemicals Private Limited , wholly owned subsidiary of the Company and designated partner in Landcraft Agro LLP. He is also a part of the promoter group and Son Mr. Vinod Jhawar, Managing Director of the Company.

The Company has received a Notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing candidature of **Mr. Mukul Jhawar** for the office of the Director of the Company. The Board of Directors at their meeting held on 06-08-2019, on the recommendations of the Nomination and Remuneration Committee and subject to approval of the members by an Ordinary Resolution, appointed **Mr. Mukul Jhawar** as an additional director designated as Executive Director for a period of five years with effect from 06<sup>th</sup> August, 2019.

The terms & conditions of the appointment including the remuneration applicable to **Mr. Mukul Jhawar** are as under:

- a) Period: 5 years w.e.f. 06<sup>th</sup> August, 2019 to 05<sup>th</sup> August, 2024 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.
- b) Salary: Rs 3,00,000 per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs.10,00,000/- (Rupees Ten lakhs only) per month (not Inclusive of following perquisites)
  - i. Companies Contribution to Provident Fund;
  - ii. Gratuity as per rules of the Company;
  - iii. Provision for use of Company Car for official duties;
  - iv. Telephone at the residence including payment of Local/STD/ISD Calls for business use;
  - v. Payment of maintenance charges of society where he is residing, as per bills
  - vi. Reimbursement of medical expenses incurred for self and family without any ceiling.
  - vii. Reimbursement of Electricity charges
  - viii. Payment of Club fees/admission fees for two clubs.
  - ix. Leave and encashment of Leave at the end of the tenure in accordance with the rules of the Company
- c) The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law. Provided that where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other

amenities as aforesaid to the Managing Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.

d) Commission of a sum calculated at 0.5% of the net profits of the Company in a particular financial year computed in the manner laid down in section 198, shall be paid within the overall ceilings stipulated in accordance with the provisions of Section 197 and other applicable provisions of the Companies Act, 2013.

e) As long as **Mr. Mukul Jhawar** functions as the Executive Director of the Company, his office shall be subject to retirement by rotation.

f) The Board or the Chairman of the Board may on the recommendation of the Nomination and Remuneration Committee of the Board give annual increases in basic salary, various allowances and perquisites, as may be deemed appropriate, so that the payment to **Mr. Mukul Jhawar** in respect of the aforesaid, does not exceed the limits specified above, during the period of his appointment.

**Mr. Mukul Jhawar** satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Details of **Mr. Mukul Jhawar** are provided in "Annexure I" to the Notice pursuant to the provisions of (i) Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and (iii) applicable provisions of the Companies Act, 2013.

Copy of the draft Service Agreement to be entered into with **Mr. Mukul Jhawar** is available for inspection by the members on all working days between 2.00 p.m. and 4.00 p.m. except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting. Also, the draft of the Agreement can also be accessed at the Website of the company

**Mr. Mukul Jhawar, Vinod Jhawar, Mahesh Jhawar, Ramautar Jhawar and his relatives** are interested in this resolution.

The Board commends the resolution for approval by the members.

#### **Item No.10**

##### **Payment of remuneration to Executive Directors**

As required under Regulation 17 (6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if –

- I. Annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- II. Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity. Further, the approval of the shareholders under the said Regulations shall be valid only till the expiry of the term of such director.

In view of the above and in order to have a flexibility for payment of annual remuneration to the Executive Director(s) who are Promoter(s) or Member(s) of Promoter Group in excess of the limits as mentioned in Regulation 17 (6)(e) of the Listing Regulations from Financial Year 2019-20 and for subsequent years, till the expiry of respective term of such Executive Directors, it is necessary to obtain the approval of shareholders by way of Special Resolution.

Further, section 197 and other applicable provisions of the Companies Act, 2013 provide that aggregate annual remuneration to all the whole-time directors including managing director exceeding ten per cent of the Net Profits of the Company in any financial year shall require approval of shareholders by means of a special resolution.

In view of the above and in order to have a flexibility for payment of annual remuneration in excess of ten per cent of the net profits of the Company in any financial year, to the Whole-time Directors including Managing Director, it is necessary to obtain the approval of shareholders by way of Special Resolution.

Mr. Ramautar Jhawar, and Mr. Mahesh Jhawar, Mr. Vinod Jhawar and Mr. Mukul Jhawar are deemed to be concerned or interested in this Special Resolution.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this Special Resolution.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

#### **Item No.11**

#### **To approve related party transaction under Section 188 of the Companies Act, 2013 with Promtech Impex Private Limited**

To ensure stability of Business, your Company proposes to enter into transaction(s) with **Promtech Impex Private Limited**, which is the Group Company of your Company.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with **Promtech Impex Private Limited** in the financial year 2019-2020.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with DFL are as follows:

Sr.No.	Particulars	Remarks
1	Name of the Related Party	<b>Promtech Impex Private Limited</b>
2	Name of the Director or KMP who is related	Mr. Vinod Jhawar, Mr. Ramautar Jhawar and Mr. Mahesh Jhawar
3	Nature of Relationship	Group Company where directors are interested
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase of Land, value of proposed aggregate transaction during financial year 2019-20 is expected to be Rs. 10 Crore.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	Business Expansion

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 11 of this Notice as an Ordinary Resolution

#### **REGISTERED OFFICE:**

Manpada Road, Bhopar Village, Sd/-  
Dombivli (East), Thane – 421 204  
Maharashtra

**Date: 16/08/2019**

#### **By Order of the Board**

Ramautar S. Jhawar  
(Chairman & Director)

**Item No. 12**

The Board of Directors of the Company at its meeting held on August 16, 2019 has decided to convert certain land parcels into stock in trade in order to develop, construct, build, repair and remodel them. In view of the same, the Board of Directors had in its aforesaid meeting decided to foray into real estate business.

The effects of implementation of the Companies Act 2013 are that Companies can carry on business activities which are mentioned in the main object clause of Memorandum. With effect from April 1, 2014, all such Companies which were/propose to carry out activities other than principal business activities as mentioned in the other objects are required to alter the main objects to include such activities therein, otherwise such business activities shall be treated as ultra-virus.

The Company at present is engaged in Manufacturing and trading of textile so in order to comply with Companies Act, 2013, the Company needs to alter Object Clause of Memorandum of Association to enable the Company to undertake real estate business.

The Memorandum of Association of the Company which states the Name, State of Registered Office, Objects, Liability of the members and Capital of the Company, was adopted at the time of incorporation and was amended from time to time in accordance with the provisions of Companies Act, 1956. In view of the amendments brought in by the Companies Act, 2013, the existing MOA is also required to be recast in order to reflect the provisions set out in the Companies Act, 2013.

In terms of Section 4 of the Companies Act, 2013, Objects clause III of the Memorandum of Association of the Company shall state the objects for which the company is incorporated and any matter considered necessary in furtherance of the objects thereof. Also the liability clause IV is required to be modified in terms of the requirement of the aforementioned section.

The Board recommends the passing of the resolution as stated in Item no. 12 as a Special Resolution for your approval. A copy of the Memorandum of Association together with the proposed alterations and documents, if any, referred above, are available for inspection in terms of Point 12 of the Notes to the accompanying Notice.

**REGISTERED OFFICE:**

Manpada Road, Bhopar Village,  
Dombivli (East), **Thane – 421 204**  
**Maharashtra**  
Date: 16/08/2019

**By Order of the Board**

Sd/-  
Ramautar S. Jhawar  
(Chairman & Director)

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT  
AT THE FORTHCOMING ANNUAL GENERAL MEETING  
(In pursuance of Regulation 36(3) of the LODR Regulation, 2015)**

Name of the Director	<b>Mr. Mahesh Jhawar</b>	<b>Mr. Mukul Jhawar</b>
Date of Birth	26-04-1961	23-01-1992
Academic Qualifications	Commerce Graduate	<b>Graduate from Kingston University</b>
Experience and Expertise	Industrialist with vast experience in Textile Business , Finance Business & field of business management and administration	Industrialist with 6 experience in Finance Business & field of business management and administration
Date of first appointment on the Board	01/10/1992	06-08-2019
Directorship in other companies	<ol style="list-style-type: none"> <li>1. Dhanlaxmi Export Fabric LLP</li> <li>2. Jasoda Tracon LLP</li> <li>3. Ramavtar Trading LLP</li> <li>4. Jhawar Property Developers LLP</li> <li>5. Dhanlaxmi Fabrics Limited</li> <li>6. Dhanlaxmi Cotex Limited</li> <li>7. Sohanlal Export Fabrics Pvt Ltd.</li> <li>8. Dhanesh Fabrics Private Limited</li> <li>9. Dhanlaxmi Vidyut Private Limited</li> <li>10. DFL Fabrics Private Limited</li> <li>11. Jhawar Trade And Investments Pvt Ltd</li> <li>12. MR Share Broking Private Limited</li> <li>13. V R M Share Broking Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Western Chlorides And Chemicals Private Limited</li> <li>2. Landcraft Agro Llp</li> </ol>
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	<b>Dhanlaxmi Cotex Limited</b> Membership in Audit Committee Membership in SRC Committee <b>Dhanlaxmi Fabrics Limited</b> Membership in SRC Committee	NIL
No. of Shares held in the Company	<b>27400</b>	60000
DIN	00002908	07966851
Relation with other Directors or Key Managerial Personnel	<b>Brother of Managing Director Mr. Vinod S. Jhawar</b>	<b>Son of Managing Director Mr. Vinod S. Jhawar</b>
Number of Board Meeting attended during the financial year	<b>4 of 4</b>	<b>NIL</b>
Remuneration and other terms & conditions of appointment/ re-appointment	He is entitled to sitting fees for attending Board meetings as approved by the Board of Directors	He is entitled to sitting fees for & Remuneration attending Board meetings as approved by the Board of Directors
Remuneration paid/payable for the Financial Year 2018-19	<b>Sitting Fees: Rs.30,000/-</b>	<b>NIL</b>

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT  
AT THE FORTHCOMING ANNUAL GENERAL MEETING  
(In pursuance of Regulation 36(3) of the LODR Regulation, 2015)**

Name of the Director	<b>Mr. Durgesh Kabra</b>	<b>Ms. Ayushi Gilra</b>
Date of Birth	<b>01/03/1963</b>	<b>13/03/1993</b>
Academic Qualifications	<b>Commerce Graduate &amp; Chartered Accountant</b>	<b>Commerce Graduate</b>
Experience and Expertise	CA. Durgesh Kabra, a fellow member of the Institute of Chartered Accountants of India, is the founder managing partner of the firm with over 23 years of experience in almost every aspect of the accounting and auditing profession. He has expertise in statutory audits under the Companies Act, 2013, Income Tax & other allied laws	<b>Ms. Ayushi Gilra</b> , has done Digital Marketing & Strategic management have consented to be the Director of the Company.
Date of first appointment on the Board	28-05-2005	<b>06-08-2019</b>
Directorship in other companies	1. Swarnsarit a Gems Limited 2. Dhanlaxmi Fabrics Limited 3. Dmkh Consulting Private Limited 4. Indian Institute Of Insolvency Professionals Of ICAI 5. Dmkh Insolvency Resolution Services LLP 6. Dmkh & Co LLP	<b>NIL</b>
No. of Membership(s) / Chairmanship(s) of Board Committees in other companies	<b>Dhanlaxmi Fabrics Limited</b> Chairperson in SRC Committee Chairperson in AC Committee <b>Swarnsarita Gems Limited</b> Member in SRC Committee Member in AC Committee Member in NRC Committee	<b>NIL</b>
No. of Shares held in the Company		<b>NIL</b>
DIN	00017670	08511294
Relation with other Directors or Key Managerial Personnel	<b>NIL</b>	<b>NIL</b>
Number of Board Meeting attended during the financial year	<b>2 of 4</b>	<b>NIL</b>
Remuneration and other terms & conditions of appointment/re-appointment	He is entitled to sitting fees for attending Board meetings as approved by the Board of Directors	She is entitled to sitting fees for attending Board meetings as approved by the Board of Directors
Remuneration paid/payable for the Financial Year 2018-19	<b>Sitting Fee</b>	<b>NA</b>

**REGISTERED OFFICE:**

Manpada Road, Bhopar Village,  
Dombivli (East), Thane – 421 204  
Maharashtra

Date: 16/08/2019

**By Order of the Board  
Sd/-**

**Ramautar S. Jhavar  
(Chairman & Director)**



**BOARD OF DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report on the business operations and activities of the Company together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2019.

**FINANCIAL RESULTS:**

Summary of the Company's financial performance for F.Y. 2018-2019 as compared to the previous financial year is given below: (Rs.in lacs)

Particulars	F.Y. 2018 – 2019		F.Y. 2017 – 2018	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	7414.94	8158.42	7027.63	7802.10
Revenue from other Income	189.18	208.37	274.21	299.62
Total Revenue	7604.12	8366.79	7301.85	8101.73
Profit before Dep. & Int.	742.69	811.21	923.76	969.22
Depreciation	404.15	415.06	406.84	409.34
Interest	217.19	232.29	279.02	286.09
Profit after Depreciation & Interest and before Tax	608.31	650.82	234.16	270.05
Provision for Taxation	212.75	228.52	125.00	133.83
Provison for Tax (deferred)	(221.47)	(221.35)	46.90	47.20
Provision for Taxation for earlier year	-	-	-	-
Profit/ Loss after Tax	617.03	643.95	156.05	183.43

**HIGHLIGHTS:**

Your Company's main activity is cornered in to dealers and manufacturing and Processing of Textile and allied products /services and Power Generation. As it can be clearly seen from the highlights that the company the total revenue generated in current year were increased and profit for the year of the Company is Rs.617.03 Lakhs as compared to 156.05 Lakhs in previous year.

The management of the Company hereby very optimistic regarding performance of the Company in future and taking every steps and making every efforts to turn the Company in to profitable organization

**DIVIDEND:**

During the year, your directors have not recommended any dividend on Equity Shares for the year under review.

**AMOUNTS TO BE TRANSFERRED TO RESERVES**

No fund was transferred to General Reserve.

**BOARD OF DIRECTORS:**

The Composition of the Board during the year was as per the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Companies Act, 2013..

During the year Pursuant to Section 152 of the Companies Act, 2013 Mr. Mahesh Jhawar, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

The first term of the Independent Directors viz. **Mr. Durgesh Kabra, & Mrs. Jayashree Iyer**, expires at the forthcoming annual general meeting. As per Companies Act, 2013, the Independent Directors are eligible for re-appointments for a second term except **Mrs. Jayashree Iyer due to Health issue & other personal Commitment**.

The Board has approved the re-appointment of **Mr. Durgesh Kabra**, the Independent Directors for a second term of five years with effect from **September 19, 2019 till September 18, 2024**. Their re-appointment for a second term of five (5) years is placed for approval of the members in the Notice of the 27<sup>th</sup> Annual General Meeting.

Upon the recommendation of Nomination and Remuneration Committee, your Board inducted **Ms. Ayushi Gilra (DIN – 08511294)**, as an Additional Directors of the Company in the category of Independent Director subject to approval of members at the ensuing Annual General Meeting with effect from **06/08/2019 to 05/08/2024** in order to comply with the requirement of Section 149(1) of the Companies Act, 2013.

In terms of Section 161 of the Companies Act, 2013 she will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with deposit pursuant to Section 160 of Companies Act, 2013, proposing the appointment of **Ms. Ayushi Gilra (DIN – 08511294)**, Directors of the Company. Your Board has recommended the appointment of **Ms. Ayushi Gilra (DIN – 08511294)**, as an Independent Directors of the Company for a period of **five** consecutive years up to the **32<sup>nd</sup>** consecutive Annual General Meeting of the Company, not liable to retire by rotation.

Upon the recommendation of Nomination and Remuneration Committee **Mr. Mukul Jhawar** has been appointed as an additional director designated as Executive Director by the Board at its meeting dated **06-08-2019** for a term of 5 years with effect from **06-08-2019**. His appointment is placed for approval of the members in the Notice of the Annual General Meeting

**Mr. Durgesh Kabra, Mr. Gopal Mohta & Mrs. Niyati Ketan Shah**, Independent director have given declarations that they continues to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

During the year **Mrs. Jayashree Iyer Non-Executive-Independent Director** had resigned from the post of Directorship w.e.f. **31<sup>st</sup> July, 2019**. The Board places on record its deep appreciation for the contribution rendered by **Mrs. Jayashree Iyer**, during their tenure as an **Independent Director of the company**.

**Mr. Mahesh Jhawar, Chief Financial Officer** of the company as tendered his resignation letter with effect from 07--06-2019 and **Mr. Purushottam Randad** appointed as a Chief Financial Officer of the Company with immediate effect 06-08-2019”

None of the Directors are disqualified for appointment/ re-appointment under Section 164 of the Act. As required by law, this position is also reflected in the Auditors' Report.

As required under Regulation 36(3) of the listing Regulations with the stock exchanges, the information on the particulars of Directors proposed for appointment/re-appointment has been given in the notice of annual general meeting.

#### **DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 (1) and 74 of the Companies Act, 2013 read together with the companies (Acceptance of Deposits) Rules, 2014.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, and based on the information provided by management, your Directors' state that:

- a) In the preparation of the annual accounts for the financial year ended **31st March, 2019** the applicable accounting standards have been followed.
- b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the State of affairs of the corporation as at the end of **March 31, 2019** and of the profit of the Company for the year ended on that date.

- c) Proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts of the Company have been prepared on the ongoing concern basis.
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

#### **DECLARATION OF INDEPENDENCE BY DIRECTORS:**

The Independent Non-executive Directors of the Company, viz. **Mr. Durgesh Kabra, Mr. Gopal Mohta, Mrs. Jayashree Iyer & Ms. Ayusi Gilra** has affirmed that they continue to meet all the requirements specified under Regulation 16(1)(b) of the LODR Regulation, 2015 in respect of their position as an "Independent Director" of Dhanlaxmi Fabrics Limited.

#### **POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is available on the website on this link: <http://www.dfl.net.in/company-profile.html>

#### **EVALUATION OF BOARD OF DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors was completed.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The Board as a whole was evaluated on various parameters like Board Composition & Quality, Board Meetings and Procedures, adherence to the Code of Conduct etc. Based on each of the parameter, the Board of Directors formed an opinion that performance of Board as a whole has been outstanding.

#### **MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors was completed.

The evaluation framework for assessing the performance of directors of your company comprises of contribution at meetings, strategies perspective or inputs regarding the growth and performance of your company among others.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Details of program for familiarization of Independent directors of the company are accessible on yours company website at [http://www.dfl.net.in/fam\\_prg.html](http://www.dfl.net.in/fam_prg.html)

#### **MEETING OF INDEPENDENT DIRECTORS:**

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company held their meeting on **28<sup>th</sup> March, 2019** reviewed the performance of non-independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non-executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction.

**DISCLOSURE FROM INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Director of the Company under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6) read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**STATUTORY AUDITORS:**

M/s. R. Soni & Co., Chartered Accountants, Mumbai (FRN: No130349W ) vide their letter dated 07.08.2019 have resigned from the position of Statutory Auditors of the Company resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on **16<sup>th</sup> August, 2019** as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed **M/s. Dinesh Bangar & Co.**, Chartered Accountants, Mumbai (Firm Registration Number: 102588W), to hold office as the Statutory Auditors of the Company till the conclusion of 27<sup>th</sup> AGM and to fill the casual vacancy caused by the resignation of M/s. R. Soni & Co., Chartered Accountants Mumbai (Firm Registration Number: No130349W) subject to the approval by the members in ensuring Meeting of the Company, at Rs. 1,00,000/- remuneration decided by the Board of Directors of the Company and the Statutory Auditors.

Further, pursuant to recommendation of Audit Committee, Board also approved appointment of **M/s. Dinesh Bangar & Co.**, as Statutory Auditors of the Company to hold office for a period of five consecutive years, from the conclusion of the 27<sup>th</sup> AGM, till the conclusion of the 32<sup>nd</sup> AGM to be held in year 2024. Accordingly, your board of directors also recommend passing of resolution for appointment of **M/s. Dinesh Bangar & Co.**, for a period of 5 consecutive years.

The Company has also received consent and eligibility certificate from **M/s. Dinesh Bangar & Co** Chartered Accountants, Accountants, Mumbai (Firm Registration Number: 102588W) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

**AUDITORS REPORT:**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134 (1) of the Companies Act, 2013.

**COST AUDIT AND AUDITOR:**

The central govt. has prescribed the maintenance of Cost records under Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for the year ended 31<sup>st</sup> March 2019. The Audit Committee and Board has recommended the reappointment of Mr. Dilip Murlidhar Bathija., Cost Accountant, Mumbai at their respective meetings for conducting cost Audit for F.Y. 2019-2020 and also recommended for members approval at item no.5 of the Notice.

**SECRETARIAL AUDIT:**

The Audit Committee recommended the name of M/s. Pankaj Trivedi & Co., Company Secretary in Practice, for conducting Secretarial Audit for F.Y. 2018-2019 pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report as received is appended to this Report as **Annexure I.**

**COMMENTS ON REMARKS/OBSERVATION/QUALIFICATION MADE BY STATUTORY AUDITORS:**

M/s. Pankaj Trivedi & Co., Practicing Company Secretary, in his Independent Auditor Report for financial year 2018-19 have drawn the attention of the management on some matters in connection with the same management herewith give the explanation for the same as follows:

The Promoters of the Company hold 500 shares in physical form; however, the same is under process of dematerialization.

The Company is very much regular and compliance in terms of making timely disclosures and filing with concerned regulatory. However as far as non-submission of newspaper publication made by the company to the exchange during the year under review as required under regulation 47(1) of SEBI (LODR) Regulation, 2015 is concerned, we would like to inform that all required newspaper publication has been given by the Company in papers and are also uploaded to the website of the company and are in records with the company in respective file. However the same has not been forwarded to the exchange. As the all publications are already made available to stakeholders at large on company's website

#### **REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

In compliance with Regulation 34 and Schedule V of SEBI (LODR) Regulations 2015, report on the Corporate Governance, along with a certificate from the Statutory Auditors of the Company on compliance with the provisions is annexed and forms part of the Annual Report.

#### **SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is **Annexure II** in this Board's Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements together with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 are appended as **Annexure III**.

**EXTRACT OF ANNUAL RETURN:** Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure-IV**.

#### **NUMBER OF MEETINGS OF THE BOARD:**

The Board met **4 (Four)** times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

#### **POSTAL BALLOT:**

No postal ballot was held during the year 2018-2019.

#### **COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social responsibility

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

**RISK MANAGEMENT AND INTERNAL CONTROLS:**

The Company has the risk management and internal control framework in place commensurate with the size of the Company. However Company is trying to strengthen the same. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

**PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:**

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are as under. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-2019, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No	Name of Director/KMP	Remuneration Received	% increase year ended 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Ramautar S. Jhawar (Chairman & Director)	Nil	Nil	Nil
2	Mr. Vinod S. Jhawar (Managing Director)	60,00,000	Nil	27.31
3	Mrs. Jayashree Iyer (Independent Director)	Nil	Nil	Nil
4	Mr. Mahesh S. Jhawar (Director & Chief Financial Officer)	6,00,000	Nil	2.73
5	Mr. Durgesh Kabra (Independent Director)	Nil	Nil	Nil
6	*Mr. Gopal Mohta (Independent Director)	Nil	Nil	Nil
7	*Mrs. Bhaviika Jain@ (Company Secretary)	6,29,400	4.9%	2.86

Note: Total 107 major employees are on role as on 31.03.2019

Median remuneration of employee is **Rs. 2,19,720** /-

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are given is **Annexed V** to this report.

**FOREIGN EXCHANGE:**

Inflow and Outflow of Foreign Exchange are given is **Annexed VI** to this report.

**INSURANCE OF ASSETS:**

All the fixed assets, finished goods, semi-finished goods, raw material, packing material and goods of the company lying at different locations have been insured against fire and allied risks.

**LISTING OF SHARES:**

Equity Shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing Fees for the Year 2019-2020. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report. During the financial year 2018-2019, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates.

**POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The company has framed policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2018-2019, no cases in the nature of sexual harassment were reported at any workplace of the Company.

**CEO AND CFO CERTIFICATION:**

The Chief Executive Officer and Chief Financial Officer Certification as required under Regulation 17(8) read with Part B of Schedule II of the SEBI(LODR) Regulation, 2015 declaration about the Code of Conduct is Annexed to this Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2018-2019, till the date of this report. Further there was no change in the nature of business of the Company.

**ACKNOWLEDGEMENT:**

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, sup-pliers and employees of Companies for extending support during the year

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S. Jhavar  
(Managing Director)

Sd/-  
Ramautar S. Jhavar  
(Director)

Place: Mumbai  
Date: 16-08-2019

**ANNEXURE-I FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To,**  
**The Members,**  
**M/s. Dhanlaxmi Fabrics Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. DHANLAXMI FABRICSLIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019**, has complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on **31<sup>st</sup>March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **(Not applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period)**;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable to the Company during the Audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
- (i) Having regards to the compliance system prevailing in the Company, information representation provided by management and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;
- i. The Equal Remuneration Act, 1976;
  - ii. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
  - iii. Electricity Act, 2003 & The Electricity Rules, 2005
  - iv.v. Energy Conservation Act, 2011
  - vi. Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011
  - vii. The Water (Prevention And Control Of Pollution) Act 1974
  - viii. The AIR (Prevention And Control Of Pollution) Act, 1981
  - ix. The Minimum Wages Act, 1948
  - x. The Contract Labour (Regulation & Abolition) Act, 1970
  - xi. The Industrial Employment (Standing Orders) Act 1946
  - xii. Employees Provident Fund & Miscellaneous provisions Act 1952, EPF scheme.
  - xiii. Employees State Insurance Act 1948 (ESIC)
  - xiv. Maharashtra Labour welfare fund Act 1953
  - xv. The cloth markets & Shops board Mumbai (Mathadi Kamgar).
  - xvi. Factory Act 1948.
  - xvii. IEM code, Directorate of Industries - District Industry Centre
  - xviii. Maharashtra Pollution control Board - MPCB.
  - xix. Maharashtra Boiler rules 1962 (Certificate of use of boiler).  
Income Tax Act, 1961.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As amended).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. According to SEBI Circular viz. SEBI/Cir/ISD/3/2011 dated June 17, 2011, which mandates the maintenance of entire holdings of the Promoters in demat form only. However the promoters of the Company still have 500 shares in physical form.
2. The Company has not disseminated to the exchange the newspaper publications made by the Company during the year under review as required under regulation 47(1) and (3) of SEBI (LODR) Regulation, 2015.

I further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**For Pankaj Trivedi & Co.,**  
Company Secretary in Practice

**Pankaj Trivedi**

(Proprietor)

CP No. 15301

**Place: Mumbai**

**Dated: 16<sup>th</sup> August, 2019.**

## Annexure To The Secretarial Audit Report

To,  
The Member,  
Dhanlaxmi Fabrics Limited

Our report of even date is to be read along with this letter.

### Management's Responsibility

- 1) It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

### Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Pankaj Trivedi & Co.,  
Practicing Company Secretary  
C P No.: 15301

Sd/-  
Pankaj Trivedi  
Proprietor  
ACS No.: 30512

Place: Mumbai  
Date: 16/08/2019

# Annexure to the Director's Report

## ANNEXURE-II FORM NO. AOC-1

### Salient feature of Financial Statement of Subsidiary Companies

As at 31<sup>st</sup> March, 2019

Rupees in Lacs

Name of Subsidiary Company	Western Chloride & Chemicals Pvt. Ltd	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
<b>Reporting Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>
Rate	1.00	1.00	1.00
Capital	3.00	1.00	1.00
Reserve	10.85	82.66	120.35
Total Assets	14.00	303.66	241.50
Total Liabilities	0.16	220.00	120.15
Investments Other than Investment in Sub-Subsidiary	Nil	Nil	18.83
Turnover	11.41	579.72	163.68
Profit before Taxation	1.80	37.51	3.18
Provision for Taxation	(0.47)	10.12	4.15
Profit After Taxation	(1.33)	27.39	(0.98)
Proposed Dividend	-	-	-
% of Shareholding	99.99	99.99	99.80

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S. Jhavar  
(Managing Director)

Sd/-  
Ramautar S. Jhavar  
(Chairman & Director)

Place: Mumbai  
Date: 16<sup>th</sup> August, 2019

**Annexure –III****FORMAOC - 2****RELATED PARTY TRANSACTIONS:**

(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 Act including certain arm's length transactions under third proviso thereto:

1. Details of material 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:

Name of Related Party and nature of transactions	Nature of contract / arrangement / transactions	Duration of the contract arrangement transactions Ongoing	Salient terms of contract / arrangement / transactions, including value, if any	Date(s) of approval by the Board	Amounts paid as advance(s), if any
DFL Fabrics (Pvt) Ltd	Sales of Fabrics/Yarn	Ongoing	Sold Fabrics of worth of Rs.27,03,636/- Lacs during the year	11.08.2017	-
	Processing Charges	Ongoing	Processing Charges received for Dyeing and bleaching and printing of Fabrics during the year of Rs.26,62,142/-	11.08.2017	-
Dhanesh Fabrics Pvt Ltd Trading	Sales of Fabrics/Yarn	Ongoing	Sold Fabrics of worth of Rs.1,63,22,472/- during the year	11.08.2017	-
	Processing Charges	Ongoing	Processing Charges received for Dyeing and bleaching and printing of Fabrics during the year of Rs.1,48,28,775/-	11.08.2017	-
	Purchase of Fabrics/ Yarn	Ongoing	Trading purchase of Rs.11,254/- during the year	11.08.2017	-
	Lease Rent	Ongoing	Lease Rent of Rs. 30,000/- received for property given on Lease	11.08.2017	-
Western Chloride & Chemicals P Ltd	Lease Rent	Ongoing	Payment of Lease Rent of Rs.7,80,000/- for Land taken on Lease for Installation of Process house at Manpada Road, Bhopar Village, Dombivali	11.08.2017	-
Promtech Impex Pvt Ltd	Interest income		Rs. 86,713/- Interest on unsecured loans received.	11.08.2017	-

For and on behalf of the Board Of Directors

Place: Mumbai  
Date: 16<sup>th</sup> August, 2019

Vinod S. Jhawar  
(Managing Director)

Sd/-  
Ramautar S. Jhawar  
(Chairman & Director)

**ANNEXURE - IV****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	L17120MH1992PLC068861
ii	Registration Date	01/10/1992
iii	Name of the Company	Dhanlaxmi Fabrics Ltd
iv	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v	Address of the Registered office & contact details	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204 Maharashtra Tel: 0251-5690371 – 3 /2870589 / 90 / 91 / 92
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited, CIN U99999MH1994PTC076534 1st Floor, Bharat Tin Works Bldg. Opp. Vasant Oasis, Makwana Road, Andheri (East), Mumbai-400 059 Tel. No. : 022-40430200, 022-40430295 Email : bhagwan@bigshareonline.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products /service	NIC Code of the Products/Services	% to total turnover of the company
1	Processing of Fabric & Yarn	1313	45.65%
2	Fabric Manufacturing & Trading	1311	50.01%
3	Wind Power Generation	3150	4.35%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

No	Name of the Company	CIN/CLN	% Of Shares Held	Applicable Section
1	Dhanesh Fabrics Pvt Ltd	U17120MH1999PTC120739	99.99	2(87)
2	DFI Fabrics Pvt Ltd	U51109MH2008PTC186271	99.80	2(87)
3	Western Chlorides & Chemicals Pvt Ltd	U24100MH1970PTC014919	99.97	2(87)

## IV. Shareholding Pattern (Equity Share capital Break up as % to total Equity)

(a) Category of Shareholders as on 31.03.2019	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				Change during the year	%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	2309881	800	2310681	26.93	2309881	800	2310681	26.93	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	2004525	0	2004525	23.36	2004525	0	2004525	23.36	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other – Group Companies	2113300	0	2113300	24.63	2113300	0	2113300	24.63	0	0
<b>SUB TOTAL:(A)(1)</b>	<b>6427706</b>	<b>800</b>	<b>6428506</b>	<b>74.91</b>	<b>6427706</b>	<b>800</b>	<b>6428506</b>	<b>74.91</b>	<b>0</b>	<b>0</b>
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>6427706</b>	<b>800</b>	<b>6428506</b>	<b>74.91</b>	<b>6427706</b>	<b>800</b>	<b>6428506</b>	<b>74.91</b>	<b>0</b>	<b>0</b>
<b>B. Public Shareholding</b>										
(1) Institutions										
a) Mutual Funds	0	0	0		0	0	0	0	0	0
b) Banks/FI	0	0	0		0	0	0	0	0	0
c) Central Govt	0	0	0		0	0	0	0	0	0
d) State Govt.	0	0	0		0	0	0	0	0	0
e) Venture Capital Fund	0	0	0		0	0	0	0	0	0
f) Insurance Companies	0	0	0		0	0	0	0	0	0
g) FIIS	0	0	0		0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0		0	0	0	0	0	0
i) Others (specify)	0	0	0		0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>

## IV. Shareholding Pattern (Equity Share capital Break up as % to total Equity)

(a) Category of Shareholders as on 31.03.2019	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				change during the year	%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Non Institutions										
a) Bodies Corporate										
i) Indian	1407494	173400	1580894	18.42	1393142	173400	1566542	18.26	(14352)	(0.17)
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	323904	127660	451564	5.26	330107	120260	450367	5.25	(1197)	0.01
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	116270	0	116270	1.35	133420	0	133420	1.55	17150	0.20
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
i) NRI	1460	0	1460	0.02	1457	0	1457	0	3	0
ii) Clearing Member	2406	0	2406	0.03	8	0	8	0	(2398)	(0.03)
<b>SUB TOTAL (B)(2):</b>	<b>1850634</b>	<b>301960</b>	<b>2152594</b>	<b>25.09</b>	<b>1858934</b>	<b>293660</b>	<b>2152594</b>	<b>25.09</b>	<b>0</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1) +(B)(2)	<b>1850634</b>	<b>301960</b>	<b>2152594</b>	<b>25.09</b>	<b>1858934</b>	<b>293660</b>	<b>2152594</b>	<b>25.09</b>	<b>0</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>8279240</b>	<b>301860</b>	<b>8581100</b>	<b>100</b>	<b>8286940</b>	<b>294160</b>	<b>8581100</b>	<b>100</b>	<b>0</b>	<b>0</b>



**II. Shareholding of Pattern of Promoters**

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			%Change in shareholding during the year
		No of Shares	% Total Shares of the Co.	% of Shares pledged encumbered to total shares	No of Shares	% Total Shares of the Co.	% of Shares pledged encumbered to total shares	
1	Laxmi M. Jhavar	1,07,573	1.25	0.00	1,07,573	1.25	0.00	0.00
2	Kamala Ramautar Jhavar	2,87,930	3.36	0.00	2,87,930	3.36	0.00	0.00
3	Mahesh S. Jhavar	27,400	0.32	0.00	27,400	0.32	0.00	0.00
4	Ramautar S. Jhavar	6,81,708	7.94	0.00	6,81,708	7.94	0.00	0.00
5	Vinod Jhavar HUF	30,000	0.35	0.00	30,000	0.35	0.00	0.00
6	Mahesh Jhavar HUF	56,700	0.66	0.00	56,700	0.66	0.00	0.00
7	Vandana Vinod Jhavar	1,44,200	1.68	0.00	1,69,200	1.97	0.00	0.00
8	Vinod Sohanlal Jhavar	3,86,300	4.50	0.00	3,86,300	4.50	0.00	0.00
9	Mukul Vinod Jhavar	60,000	0.70	0.00	60,000	0.70	0.00	0.00
10	Lalit Vinod Jhavar	26,200	0.31	0.00	1,200	0.01	0.00	0.00
11	Vinit R Jhavar	1,98,800	2.32	0.00	1,98,800	2.32	0.00	0.00
12	Rahul Mahesh Jhavar	70,200	0.82	0.00	70,200	0.82	0.00	0.00
13	Ramautar Jhavar Huf Jhavar Huf	1,36,470	1.59	0.00	1,36,470	1.59	0.00	0.00
14	Ramautar Jhavar (Jamnadevi Jhavar Family Trust)	97,200	1.13	0.00	97,200	1.13	0.00	0.00
15	Jhavar Commodities Pvt Ltd	14,57,446	16.98	0.00	14,57,446	16.98	0.00	0.00
16	Dhanlaxmi Cotex Ltd	3,47,079	4.04	0.00	3,47,079	4.04	0.00	0.00
17	M R Share Broking Pvt Ltd	2,00,000	2.33	0.00	2,00,000	2.33	0.00	0.00
18	Promtech Impex Pvt Ltd	12,80,000	14.92	0.00	12,80,000	14.92	0.00	0.00
19	V.R.M. Share Broking Pvt Ltd	2,00,000	2.33	0.00	2,00,000	2.33	0.00	0.00
20	Sohanlal Jhavar Family	1,95,300	2.28	0.00	1,95,300	2.28	0.00	0.00
21	Dhanlaxmi Export Fabric LLP	4,38,000	5.10	0.00	4,38,000	5.10	0.00	0.00
	<b>TOTAL</b>	<b>64,28,506</b>	<b>74.91</b>	<b>0.00</b>	<b>64,28,506</b>	<b>74.91</b>	<b>0.00</b>	<b>0.00</b>

## III. Change in Promoters' Shareholding as on the F.Y Ended on 31-03-2019

Sr. No.	Shareholders Name	Share holding beginning (01-04-2017 to 01/04/2018)		Date	Increase/ Decrease in Share holding Shares	Reason	Cumulative Shareholding during the year (01-04-2018 to 01/04/2019)	% of total Shares of the Co.
		No of Shares	% Total Shares of the Co.					
1	Laxmi M. Jhawar	1,07,573	1.25	-	-	-	1,07,573	1.25
2	Kamala Ramautar Jhawar	2,87,930	3.36	-	-	-	2,87,930	3.36
3	Mahesh S. Jhawar	27,400	0.32	-	-	-	27,400	0.32
4	Ramautar S. Jhawar	6,81,708	7.94	-	-	-	6,81,708	7.94
5	Vinod Jhawar HUF	30,000	0.35	-	-	-	30,000	0.35
6	Mahesh Jhawar HUF	56,700	0.66	-	-	-	56,700	0.66
7	Vandana Vinod Jhawar	1,44,200	1.68	-	-	-	1,69,200	1.97
8	Vinod Sohanlal Jhawar	3,86,300	4.5	-	-	-	3,86,300	4.5
9	Mukul Vinod Jhawar	60,000	0.7	-	-	-	60,000	0.7
10	Lalit Vinod Jhawar	26,200	0.31	-	-	-	1,200	0.01
11	Vinit R Jhawar	1,98,800	2.32	-	-	-	1,98,800	2.32
12	Rahul Mahesh Jhawar	70,200	0.82	-	-	-	70,200	0.82
13	Ramautar Jhawar Huf Jhawar Huf	1,36,470	1.59	-	-	-	1,36,470	1.59
14	Ramautar Jhawar (Jamnadevi Jhawar Family Trust)	97,200	1.13	-	-	-	97,200	1.13
15	Jhawar Commodities Pvt Ltd	14,57,446	16.98	-	-	-	14,57,446	16.98
16	Dhanlaxmi Cotex Ltd	3,47,079	4.04	-	-	-	3,47,079	4.04
17	M R Share Broking Pvt Ltd	2,00,000	2.33	-	-	-	2,00,000	2.33
18	Promtech Impex Pvt Ltd	12,80,000	14.92	-	-	-	12,80,000	14.92
19	V.R.M. Share Broking Pvt Ltd	2,00,000	2.33	-	-	-	2,00,000	2.33
20	Sohanlal Jhawar Family	1,95,300	2.28	-	-	-	1,95,300	2.28
21	Dhanlaxmi Export Fabric LLP	4,38,000	5.10	-	-	-	4,38,000	5.10
	<b>TOTAL</b>	<b>64,28,506</b>	<b>74.91</b>	-	-	-	<b>64,28,506</b>	<b>74.91</b>

<b>IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters &amp; Holders of Gdrs &amp; Adrs)</b>						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019		Type of Transaction)
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in shareholding during the year	
1	<b>Eskay Niryat Pvt Ltd</b>	12,80,000	14.92%	12,80,000	14.92%	N.A.
	Shares Bought during the year	-	-	12,80,000	14.92%	
	Shares Sold During the year	-	-	12,80,000	14.92%	
	<b>Closing balance</b>	<b>12,80,000</b>	<b>14.92%</b>	<b>12,80,000</b>	<b>14.92%</b>	
2	<b>CRB Share Custodian Services Ltd</b>	1,25,000	1.46%	1,25,000	1.46%	N.A.
	Shares Bought during the year	-	-	1,25,000	1.46%	
	Shares Sold During the year	-	-	1,25,000	1.46%	
	<b>Closing balance</b>	<b>1,25,000</b>	<b>1.46%</b>	<b>1,25,000</b>	<b>1.46%</b>	
3	<b>Jignesh Fabrics Pvt Ltd</b>	74,626	0.87%	74,626	0.87%	N.A.
	Shares Bought during the year	-	-	74,626	0.87%	
	Shares Sold During the year	-	-	74,626	0.87%	
	<b>Closing balance</b>	<b>74,626</b>	<b>0.87%</b>	<b>74,626</b>	<b>0.87%</b>	
4	<b>Babita Naresh Jain</b>	59,318	0.69%	59,318	0.69%	N.A.
	Shares Bought during the year	-	-	59,318	0.69%	
	Shares Sold During the year	-	-	59,318	0.69%	
	<b>Closing balance</b>	<b>59,318</b>	<b>0.69%</b>	<b>59,318</b>	<b>0.69%</b>	
5	<b>CRB Capital Markets Ltd</b>	45,500	0.53%	45,500	0.53%	N.A.
	Shares Bought during the year	-	-	45,500	0.53%	
	Shares Sold During the year	-	-	45,500	0.53%	
	<b>Closing balance</b>	<b>45,500</b>	<b>0.53%</b>	<b>45,500</b>	<b>0.53%</b>	
6	<b>Snehalatha Singhi</b>	18,559	0.22%	18,559	0.22%	N.A.
	Shares Bought during the year	-	-	18,559	0.22%	
	Shares Sold During the year	-	-	18,559	0.22%	
	<b>Closing balance</b>	<b>18,559</b>	<b>0.22%</b>	<b>18,559</b>	<b>0.22%</b>	
7	<b>Naval Kishor Malpani</b>	<b>15,534</b>	0.00%	<b>15,534</b>	<b>0.18%</b>	Bought
	Shares Bought during the year 04.05.2018	10,326	0.12%	25,860	0.30%	
	Shares Bought during the year 19.10.2018	3,429	0.04%	29,289	0.34%	
	Shares Bought during the year 04.05.2018	3,395	0.04%	32,684	<b>0.38%</b>	
	<b>Closing Balance</b>	<b>32,684</b>	<b>0.38 %</b>	<b>32,684</b>	<b>0.38%</b>	

<b>IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters &amp; Holders of Gdrs &amp; Adrs)</b>						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019		Type of Transaction)
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in shareholding during the year	
8	<b>Pritty Devi Sarawagi</b>	12,823	0.15%	12,823	0.15%	N.A.
	<b>Closing balance</b>	<b>12,823</b>	<b>0.15%</b>	<b>12,823</b>	<b>0.15%</b>	
9	<b>Edelweiss Broking Ltd</b>	12,360	0.14%	12,360	0.14%	Bought and Sold
	Shares Bought/Sold during the year					
	31-03-2018	0	0.01%	12,360	0.14%	
	18-01-2019	10	0.01%	12,370	0.14%	
	01-02-2019	5	0.01%	12,375	0.14%	
	08-02-2019	(15)	(0.01%)	12,360	0.14%	
	<b>Closing balance</b>	<b>12,360</b>	<b>0.14%</b>	<b>12,360</b>	<b>0.14%</b>	
10	<b>Anil Mansukhlal Kothari</b>	10,036	0.12%	10,036	0.12%	N.A.
	Shares Bought during the year	-	-	10,036	0.12%	
	Shares Sold During the year	-	-	10,036	0.12%	
	<b>Closing balance</b>	<b>10,036</b>	<b>0.12%</b>	<b>10,036</b>	<b>0.12%</b>	

**V) Shareholding Pattern of Directors and Key Managerial Personnel**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	Mr. Ramautar S. Jhwar (Chairman & Director)	681708	7.94	681708	7.94
2	Mr. Vinod S. Jhwar (Managing Director)	386300	4.50	386300	4.50
3	Mrs. Jayashree Iyer (Independent Director)	647	0.00	647	0.00
4	Mr. Mahesh S. Jhwar (Director & Chief Financial Officer)	27400	0.32	27400	0.32
5	Mr. Durgesh Kabra (Independent Director)	0	0.00	0	0.00
6	Mr. Gopal Mohta (Independent Director)	0	0.00	0	0.00
7	Mrs. Bhaviika Jain@ (Company Secretary)	0	0.00	0	0.00

**VI) Indebtedness - Indebtedness of the company including interest Outstanding/Accrued but not due for Payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1057.79	-	-	<b>1057.79</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	<b>1057.79</b>	-	-	<b>1057.79</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	489.97	-	-	<b>489.97</b>
Net Change	<b>(489.97)</b>	-	-	<b>(489.97)</b>
<b>Indebtedness at the end of the financial year</b>	-			-
i) Principal Amount	567.82	-	-	567.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	<b>567.82</b>	-	-	<b>567.82</b>

**VII) Remuneration of Directors and Key Managerial Personnel****A. Remuneration to Managing Director, Whole time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Vinod Jhawar (Managing Director)	Mr. Mahesh Jhawar (Whole Time Director)	
1	Gross salary	60,00,000/-	6,00,000/-	66,00,000/-
	a) Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify – Sitting Fee	-	30,000	30,000
	<b>Total (A)</b>	60,00,000/-	6,30,000/-	66,30,000/-
	Ceiling as per the Act		NIA	N.A

**B. Remuneration to Other Directors**

Sr. No.	Particulars of Remuneration	Mr. Ramautar Jhawar	Mr. Durgesh Kabra	Mrs. Jayashree Iyer	Mr. Gopal Mohta*
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	30,000/-	15,500/-	30,000/-	30,000/-
	Commission	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	30,000/-	15,500/-	30,000/-	30,000/-
	Total Managerial Remuneration	30,000/-	15,500/-	30,000/-	30,000/-

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Sr. No.	Particulars Of Remuneration	Mr. Mahesh Jhawar (Chief Financial Officer)	Mrs. Bhavika Jain* (Company Secretary)	Total Amount
1	Gross salary	<b>6,00,000</b>	<b>6,29,400</b>	<b>12,29,400</b>
	a) Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) I.T. Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify -	<b>30,000</b>	-	<b>30,000</b>
	<b>Total</b>	<b>6,30,000</b>	<b>6,29,400</b>	<b>12,59,400</b>

**VIII. Penalties / Punishment / Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalties/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
<b>COMPANY</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>DIRECTORS</b>					
Penalty					
Punishment			<b>None</b>		
Punishment					
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					

FOR &amp; ON BEHALF OF THE BOARD

Sd/-  
Vinod S. Jhawar  
Managing Director

Sd/-  
Ramautar S. Jhawar  
Chairman & Director

Place: Mumbai  
Date: 16/08/2019

**Annexure - V & VI****To Directors Report****Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo:**

During the year under review, the company had strict control on wasteful electrical consumption.

**Conservation of Energy :**

- |  |                                 |
|--|---------------------------------|
| 1. Energy conservation measures taken.   | Adequate Measures Taken         |
| 2. Investment and proposals, if any, being implemented<br>For reduction of consumption:  | NII                             |
| 3. Impact of measures at (1) and (2) above for reduction of energy<br>Consumption and consequent impact on the cost of production of<br>Goods. | Marginal                        |
| 4. Total energy consumption any energy consumption per unit of<br>Production are as under:   | As given below<br>(Rs. In Lacs) |

Sr. No.	Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>A</b>	<b>Powers and Fuel Consumption (Process Division Yarn + Fabrics)</b>		
1	<b>Electricity</b>		
	a) Purchased		
	<b>Unit</b>		
	MSED (Lacs)	25.42	40.72
	Windmill (Lacs)	17.97	0.00
	Total Unit (Lacs)	43.39	40.72
	Total Amount (Rs.)	294.78	343.61
	Avg. Rate/Unit	6.79	8.44
	b) Own generation (Through D.G. Set)		
	Unit (Lacs)	0.15	0.14
	Diesel Oil Consumed Ltrs (Lacs)	0.07	0.06
	Total Amount (Rs. In Lacs)	4.81	3.86
	Avg Rate per Ltr (Rs.)	68.23	66.09
2	<b>Coal</b>		
	Quantity (M. Tonnes)	8031.78	9545.00
	Total Amount (Rs. In Lacs)	561.73	610.20
	Avg Rate/M. tone M. Tonnes (Rs.)	69.94	63.93
<b>B</b>	<b>Consumption Per Kg Of Production</b>		
	Production (Lacs Kgs)	27.031	23.131
	Electricity (Rs.)	0.59	4.86
	Diesel Oil (Rs.)	0.18	0.17
	Coal (Rs.)	20.78	26.38
	Total	31.55	41.40
<b>C</b>	<b>Weaving Division Power Consumption</b>		
1	Electricity Purchased		
	Units (Lacs)	33.07	31.44
	Total Amount (Rs. In Lacs)	127.48	92.27
	Avg Rate/unit (Rs.)	3.85	2.93
2	Production (Lacs Mtrs)	55.59	38.67
3	Cost of Power per Mtrs (Rs.)	2.29	2.39

**Technology Absorption:**

The company does not need any technology up-gradation for its existing business.



**Foreign Exchange Earnings and (Outgo) :****(Rs. In Lacs)**

	2018-2019	2017-2018
Foreign Exchange Outgo	29.34	-
Foreign Exchange Earnings	-	-

For &amp; On Behalf Of The Board

Sd/-  
Vinod S. Jhawar  
(Managing Director)

Sd/-  
Ramautar S. Jhawar  
(Director)

Place: Mumbai  
Date: 16-08-2019

## REPORT ON CORPORATE GOVERNANCE

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").**

### **INTRODUCTION:**

Corporate Governance represents the value framework, rules, practices by which a Company conducts its business activities. Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

We believe in adopting the best in class Corporate Governance practices and strive to improve them continuously. We emphasize the importance of transparency and accountability in all our businesses. We believe good Corporate Governance is not just a principle but it is embedded in the manner every individual working in our companies conducts himself/herself.

Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical, in the interest of our stakeholders and is in compliance with applicable legislation. Our values reflect our continued commitment to ethical business practices across our operations.

Securities and Exchange Board of India has issued guidelines on the Corporate Governance for all listed companies. These are incorporated in Listing Regulations. We have started diligently to follow these guidelines.

Our multiple initiatives towards maintaining the highest standards of governance are detailed:

### **BOARD OF DIRECTORS:**

#### **Composition of the Board**

As on **31<sup>st</sup> March, 2019**, the Company's Board of Directors comprised of Six directors of which Mr. Vinod S. Jhawar is the Managing Director, Mr. Ramautar Jhawar is Non-Executive Director and Chairman, Mr. Mahesh Jhawar is a Director and was a Chief Financial Officer and rest Mr. Durgesh Kabra, Smt. Jayashree Iyer and Mr. Gopal Mohta are Non- Executive and Independent Directors. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

The Board has inducted Ms Ayushi Gilra, as an Independent Director and Mr. Mukul Jhawar as an Executive Director on Board w.e.f 06-08-2019 and their appointment was ratified by the members at 27<sup>th</sup> Annual General Meeting.

Mrs. Jayashree Iyer resigned w.e.f. 31<sup>st</sup> July, 2019 due to family commitment & Health issues on the Board.

The Board has received confirmation from the Non- Executive and Independent Directors that they qualify to be considered as independent as per the definition of 'Independent Director' stipulated in Regulation 16 (1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 (hereinafter called "the Act"). None of the Directors of the Company is related to each other.

None of the Directors hold directorships in more than 20 companies. Further, any individual director's directorships in public companies do not exceed 10. None of the Directors is serving as a member of more than ten committees or as the Chairman of more than five committees across all the public companies of which he is a Director.

The number of directorships and committee Chairmanships/Memberships held by the Directors in other public companies as on March 31, 2019 are given below:

Sr. No.	Name of Director	Designation	No. of Other Directorship	No. of equity shares held in Co.	Member/Chairperson of the committee	
					Member	Chairman
1	Mr. Ramautar S. Jhawar	Chairman & Non-Executive Director	1	6,81,708	2	-
2	Mr. Vinod S. Jhawar	Managing Director	0	3,86,300	-	-
3	Mr. Mahesh S. Jhawar	Executive Director and CFO	1	27,400	2	-
4	Mrs. Jayashree Iyer	Independent Director	0	647	4	2
5	Mr. Durgesh Kabra	Independent Director	0	0	3	1
6	Mr. Gopal Mohta	Independent Director	1	0	4	1

Directorships mentioned as above do not include directorships of Private Limited Companies, Companies under Section 8 of the Act and of companies incorporated outside India.

Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.

None of the Non-Executive Independent Directors has any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees received by them for attending the meetings of the Board and its Committee(s) and professional fees received by the firm in which a Director is a partner.

#### **BOARD MEETINGS:**

The Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting.

The Company circulates the agenda along with comprehensive notes well in advance before each meeting which, inter-alia, includes the following:

- Quarterly/Half Yearly/Annual financial results of the Company.
- Minutes of various committees of the Board.
- Regulatory notices/judgment/order being material in nature.
- Approvals on the sale of investments/assets of material nature etc.

During the financial year 2018-2019, Four Board Meetings were held. The maximum gap between two Board meetings was less than one hundred and twenty days.

The Board meetings were held on 29/05/2018, 10/08/2018, 02/11/2018 and 01/02/2019.

The details of the attendance of the Board of Directors at the Board Meetings and the last Annual General Meeting (AGM) are as detailed herein below:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Mr. Ramautar S. Jhavar	4	4	Yes
Mr. Vinod S. Jhavar	4	4	Yes
Mr. Mahesh S. Jhavar	4	4	Yes
Mrs. Jayashree Iyer	4	4	No
Mr. Durgesh Kabra	4	2	No
Mr. Gopal Mohta	4	4	Yes

**NOTES:**

**1. Evaluation of Independent Directors and Boards Performance**

The Board evaluated each of Independent Directors participation in the Board and their vast experience, expertise and contribution to the Board and Company. Each and every related party transaction is very well scrutinized and checks were made so that the Company is a beneficiary.

**2. Separate Meeting of Independent Director**

The Company's Independent Directors met on **28<sup>th</sup> March, 2019** without the presence of the Chairman & Whole Time Director and the Senior Management team. The meeting was attended by all the Independent Directors and inter alia discussed:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**3. Familiarization Program**

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. The detail of such familiarization program has been disclosed on the company's website.

**4. Details of Director appointed and re-appointed during the year:**

The details of Director re-appointed in the ensuing Annual General Meeting has been given in the 'Notice' calling the 27<sup>th</sup> Annual General Meeting of the Company.

**5. Code of Conduct**

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Regulation 17(5)(a) of SEBI (LODR) Regulations, 2015. The said code, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions.

All Directors and members of the senior management have confirmed their adherence to the provisions of the said code

**6. Present Directorship in other Companies and Committee Position Including Dhanlaxmi Fabrics Limited)-**

S.No.	Name Of Director	NumberofDirectorship held inPublic Companies(including DhanlaxmiFabrics Limited)-*	Directorship held in Public Listed Companies and Committee Position(s)			
			Name of the company	Listed or	Committee(s)**	Position
1.	Ramautar Sohanlal Jhavar	2	Dhanlaxmi Cotex Limited Managing Director (Interested)	Listed	-	-
			Dhanlaxmi Fabrics Limited Non-Executive (Interested)	Listed	AuditCommittee Stakeholder Relationship Committee	Member Member
2.	Mahesh Sohanlal Jhavar	2	Dhanlaxmi Cotex Limited Director (Interested)	Listed	Audit Committee Stake-holder Relationship Committee	Member Member
			Dhanlaxmi Fabrics Limited Executive (Interested)	Listed	Stakeholder Relationship Committee	Member
3	Vinod Sohanlal Jhavar	1	Dhanlaxmi Cotex Limited Non-Executive Director (Interested)	Listed	-	-
4.	Gopal Mohta	2	Dhanlaxmi Cotex Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Chairman Member
			Dhanlaxmi Fabrics Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Member Member
5.	Durgesh Kabra	2	Swarnsarita Gems Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Member Member
			Dhanlaxmi Fabrics Limited Non-Executive (Independent)	Listed	Audit Committee	Member
6.	Jayashree Iyer	2	Dhanlaxmi Cotex Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Member Chairperson
			Dhanlaxmi Fabrics Limited Non-Executive (Independent)	Listed	Audit Committee Stakeholder Relationship Committee	Member Chairperson

\* It does not include Alternate Directorship, Directorship in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

\*\* Membership / Chairmanship of only Audit Committee and Stakeholder Relationship Committee in all public limited companies (including Dhanlaxmi Fabrics Limited) have been considered.

## 7. Skill/ expertise/ competence of the Board of Directors

The Board comprises qualified members who bring in the required skill, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The table below summarizes the list of core skills/expertise/competencies identified by the Board of Directors desired in the context of the business(es) and sector(s) of the Company for it to function effectively and those actually available with the Board:

Skill area	Description	Number of Directors having particular skills
Financials	Expert knowledge and understanding in Accounts, Finance, Banking, Auditing and Financial Control System	6
Leadership and Strategic Planning	Ability to understand organization, processes, strategic planning and risk management.  Experience in developing talent, succession planning and driving change and long term growth.	6
Legal and Governance	Ability to protect shareholders' interests and observe appropriate governance practices. Monitor risk and compliance management system including legal framework.	6
Corporate Governance	Experience in developing good governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values	6

### **COMMITTEES OF THE BOARD:**

The Board Committees focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. Each Committee of the Board is guided by its terms of reference. The Committees also make specific recommendations to the Board on various matters required. All observations, recommendations and decisions of the Committees are placed before the Board for its information or approval. All the minutes of committee meetings are placed before the Board for its noting.

The Company has following Committees of the Board namely Audit committee, Nomination and Remuneration committee, Stakeholder's Relationship Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their responsibilities. The Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

The terms of reference for each committee have been clearly defined by the Board. The minutes of the meetings and the recommendation, if any, of the committees are submitted to the Board for their consideration and approval

The Company has following Committees of the Board. Specific terms of reference have been laid out for each of them.

## Constitution of Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholder & Investor Grievance Committee
Mr. Durgesh Kabra Mrs. Jayashree Iyer Mr. Ramautar Jhawar Mr. Gopal Mohta	Mr. Durgesh Kabra Mrs. Jayashree Iyer Mr. Ramautar Jhawar Mr. Gopal Mohta	Mrs. Jayashree Iyer Mr. Gopal Mohta Mr. Mahesh Jhawar Mr. Ramautar Jhawar

### **AUDIT COMMITTEE AT GLANCE:**

In order to align with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulation with the Stock Exchanges. The terms of reference of the Audit Committee includes the following:

### **SCOPE AND FUNCTION:**

#### **The Broad terms of reference of the Audit Committee, inter alia, include:**

The terms of reference of the Committee are aligned with the terms of reference provided under Section 177 of the Companies Act, 2013 and Para B of Part D of Schedule II of the Listing Regulations. Viz:

- a) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;
- b) Recommending the appointment and removal of the external Auditors, fixation of Audit fee and approval for payment of any other services;
- c) Reviewing with management the Annual financial Statements before submission to the Board;
- d) Reviewing with the management and external Auditors, the adequacy of internal control systems;
- e) Reviewing the adequacy of Cost Audit function;
- f) Discussing with Cost Auditors any significant findings and follow up on such issues; vii. discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- g) Reviewing the Company's financial and risk management policies; and
- h) Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any
  - i) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

### **COMPOSITION**

The composition of the audit committee and the details of meetings attended by its members are given below

Name of the Audit Committee Members	Category	Number of meetings during the financial year 2018-19	
		No. of Meetings held	No. of Meetings attended
Mr. Durgesh Kabra	Chairman	4	2
Mr. Ramautar Jhawar	Member	4	4
Mrs. Jayashree Iyer	Member	4	4
Mr. Gopal Mohta#	Member	4	4

Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 29/05/2018, 10/08/2018, 02/11/ 2018 and 01/02/2019. The necessary quorum was present for all the meetings

**NOMINATION AND REMUNERATION COMMITTEE AT GLANCE:**

During the year under review, the terms of reference of Nomination and Remuneration Committee were expanded in order to align them with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 Para- A of Part D of Schedule II of the Listing Regulations and Regulation 19 of the Listing Regulations.

- 1 To formulate criteria for evaluation and evaluate the performance of every director, including the Independent Directors;
- 2 To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/ reappointment/removal of the Executive /Non- Executive Directors and the senior management of the Company;
- 3 Recommend to the board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- 4 Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- 5 This shall include "formulation of criteria for evaluation of independent directors and the Board"
- 6 On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- 7 To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 or any amendments thereof;
- 8 Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.
- 9 Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- 10 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

**COMPOSITION:**

The composition of the Nomination and Remuneration and the details of meetings attended by its members are given below:

Name of the NRC Committee Members	Category	Number of meetings during the financial year 2018-19	
		No. of Meetings held	No. of Meetings attended
Mr. Durgesh Kabra	Chairman	1	1
Mr. Ramautar Jhawar	Member	1	1
Mrs. Jayashree Iyer	Member	1	1
Mr. Gopal Mohta #	Member	1	1

Only One NRC meetings were held during the year. The date on which the said meeting was held 01-02-2019. The necessary quorum was present for all the meetings.



**REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED 31ST MARCH, 2019 :**

Name	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
Mr. Ramautar S. Jhawar	0	0	30,000/-	0	30,000/-
Mr. Vinod S. Jhawar	60,00,000	0	0	0	60,00,000/-
Mr. Mahesh S. Jhawar	6,00,000/-	0	30,000/-	0	6,30,000/-
Mrs. Jayashree Iyer	0	0	30,000/-	0	30,000/-
Mr. Durgesh Kabra	0	0	15,000/-	0	15,000/-
Mr. Gopal Mohta#	0	0	30,00/-	0	30,000/-

None of the other Independent director holds any shares, convertible instruments or stock options in the company except Mrs. Jayashree Iyer (647 shares). As on 31st March 2019, there are no outstanding options granted to any of the Directors of the Company.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE AT GLANCE:****Terms of Reference:**

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-named the then "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee". The remit of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The Stakeholders' Relationship Committee met 2 times during the financial year 2018-2019 on 10/08/2018, and 01/02/2019.

Name of the SRC Committee Members	Category	Number of meeting during the financial year 2018-19	
		No. of Meetings held	No. of Meetings attended
Mrs. Jayashree Iyer	Chairperson	2	2
Mr. Ramautar Jhawar	Member	2	2
Mr. Mahesh Jhawar	Member	2	2
Mr. Gopal Mohta #	Mmeber	2	2

**Details of investor complaints received and redressed during the year 2018-19 are as follows:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

**DISCLOSURES:**

During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.

**DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY STATUTORY AUTHORITIES, ON ANY MATTER RELATED TO CAPITAL MARKETS DURING LAST THREE YEARS: NIL**

**LISTING :**

The Company's Shares are listed during the year on Bombay Stock Exchange; the Company has paid the Listing Fees for F.Y. 2019-2020.

**DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES :**

The details of the Subsidiaries and Associates Company are given in Annexure – V of the Report.

**PREVENTION OF INSIDER TRADING:**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prevention of Insider Trading) Regulation, 2015 and the same is available on the Company's website <http://www.dfl.net.in/company-profile.html>. This policy also includes practices and procedures for fair disclosures of unpublished price-sensitive information, initial and continual disclosures.

**CEO AND CFO CERTIFICATION:**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

**Other Disclosures:**

Particulars	Legal requirement	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There were no material significant related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company. (Related Party Transaction Policy).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company (Whistle Blower Policy).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>

Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	The Audit Committee reviews the quarterly financial statements of the Company and the investments made by its unlisted subsidiary companies. The Company does not have any material unlisted Indian subsidiary company. The Company has a policy for determining material subsidiaries which is disclosed on its website (Material Subsidiary).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Policy on determination of materiality for disclosures	Regulation 23 of SEBI Listing Regulations	The Company has adopted a policy on determination of materiality of events for disclosures (Determining Materiality of Events).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Policy on archival and preservation of documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a policy on archival and preservation of documents (Preservation of Documents).	
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Directors and Senior Management (EIL Code of Conduct & Ethics).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment of Independent Directors are available on the Company's website. (Terms of appointment of Independent Director).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company is committed to provide all its employees an environment free of gender based discrimination. In furtherance of this commitment, the Company strives to provide all its employees with equal opportunity and conditions of employment, free from gender based coercion, intimidation or exploitation. The Company is dedicated to ensure enactment, observance and adherence to guidelines and best practices that prevent and prosecute commission of acts of sexual harassment.

- a. Number of complaints filed during the Financial year 2018-19- NIL
- b. Number of complaints disposed of during the Financial year 2018-19- NIL
- c. Number of complaints pending as on end of the Financial year 2018-19- NIL

**RELATED PARTY TRANSACTIONS & MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or Relatives, etc. that may have potential conflict with the interests of the Company at large:

The Audit Committee and the Board consider periodically the statement of related party transactions in detail together with the basis at their meetings and grant their approval. However, these transactions are not likely to have any conflict with the interest of the Company and are not materially significant.

As required by the IND AS-24, the details of related party transactions are given in Note to the notes on financial statements for the Financial Year 2018-19, forming part of Accounts.

#### **MANAGEMENT DISCLOSURES :**

The Senior Management personnel have made disclosures to the Board relating to all material financial and commercial transactions, if any, where they may have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management personnel has entered into any such transactions during the year.

#### **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF THIS CLAUSE.**

The Company is in Compliance with all mandatory requirements of Listing Regulations. In addition Company has also adopted the following Non-mandatory requirements to the extent mentioned below:

Certificate as required under Part C of Schedule V of Listing Regulations, have been received from M/s. Pankaj Trivedi & Co., Practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

#### **PARTICULARS OF SATUTORY AUDITOR:**

Total Fees for all services paid by the listed entity to the statutory auditor:

Total fees for financial Year 2018-19, for all services as mentioned below, was paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part

<b>PAYMENT TO AUDITORS</b>	<b>Basic</b>	<b>GST</b>	<b>Gross</b>
Audit Fees	60000	10800	70800
In Other Capacity (Certification)	15000	2700	17700
<b>Total</b>	<b>75000</b>	<b>13500</b>	<b>88500</b>

Total fees for all services paid by the Company to the statutory auditor are provided in the Notes to Standalone Financial Statements forming part of this Annual Report. The Statutory Auditors have not provided any services to the subsidiaries of the Company

#### **PARTICULARS OF COST AUDITOR:**

Name of the Cost Auditor	Mr. Dilip M. Bathijia
Firm Registration No.	100106
Date of Appointment for the year 2018-19:.(Board Meeting)	27-05-2019
Cost Audit Fees	29500

#### **COMPLIANCE CERTIFICATE FROM AUDITORS ON CORPORATE GOVERNANCE**

Certificate from Statutory auditors M/s. Pankaj Trivedi & Co, Company Secretary in Practice confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT (FORMERLY KNOWN AS SECRETARIAL AUDIT REPORT) AND CERTIFICATE OF COMPLIANCE WITH REGULATION 40(9) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The SEBI vide Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 has modified the terminology of Secretarial Audit, as **Reconciliation of Share Capital Audit**. A qualified Practicing Company Secretary has carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit (formerly known as Secretarial Audit Report) confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL. The audit is carried out by **M/s. Pankaj Trivedi & Co.**, Practicing Company Secretaries every quarter and report thereon is submitted to the Stock Exchanges along with half yearly Compliance Certificate as per Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and placed before the Board of Directors.

**COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS.**

Your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT (UNCLAIMED SHARES): NIL**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause (b) to (i) of sub-regulation (2) of Regulation 46 The discretionary requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance.

**MANAGING DIRECTORS DECLARATION ON CODE OF CONDUCT AND ETHICS:**

The Board of Directors of the Company has laid down Code of Conduct and Ethics (The Code) for the Company's Directors and Senior Executives. All the Directors and the Senior Executives covered by the code have affirmed compliance with the code on an annual basis.

**CIRCULAR RESOLUTION**

The Company has passed one circular resolution dated 27<sup>th</sup> March, 2019, Pursuant to regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, revised 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

**GENERAL BODY MEETING:**

a) Location, date and time of the Annual General Meetings held during the last three years held during the last year are given below:

Financial Year	Type of Meeting	Location	Meeting Date and Time
2017-18	26 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	29 <sup>th</sup> Sept, 2018 at 01:30 p.m.
2016-17	25 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	23 <sup>rd</sup> Sept, 2017 at 01:00 p.m.
2015-16	24 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	24 <sup>th</sup> Sept, 2016 at 01:00 p.m.

- a) No Extra Ordinary General Meeting was held during the year.  
 b) No Postal Ballot was conducted by during the year.

**MEANS OF COMMUNICATION :**

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of communication such as results announcement, annual reports, media releases, and Company's website and through green initiatives.

**GENERAL INFORMATION FOR MEMBERS****A. 27<sup>th</sup> Annual General Meeting:**

Day & Date	Time	Venue
Saturday, 28 <sup>th</sup> September, 2019	01.00 p.m.	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra

**B. Financial Calendar (2019-20)**

Particulars	Period
Financial Year	April 1, 2019 to March 31, 2020
<b>For consideration of Unaudited/Audited Financial Results</b>	
Results for quarter ending June 30, 2019	On or before August 14, 2019
Results for quarter ending September 30, 2019	On or before November 14, 2019
Results for quarter ending December 31, 2019	On or before February 14, 2020
Results for quarter ending March 31, 2020	On or before May 30, 2020
Annual General Meeting for the year ending March 31, 2020	On or before September 30, 2020

**C. BOOK CLOSURE DATE**

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 21/09/2019 to 28/09/2019, (both days inclusive).

**D. SHARE TRANSFER SYSTEM**

Share transfers in physical form are processed by the Registrar and Transfer Agents, **Bigshare Services Private Limited** and are approved by the Stakeholders Relationship Committee of the Company or the authorized signatories of the Company. Share transfers are registered and returned within 15 days from the date of lodgement if documents are complete in all respects. The depository system handles share transfers in dematerialized form.

**E. DIVIDEND PAYMENT DATE : Not applicable**

- F.** a) Listing of Equity Shares: Bombay Stock Exchange  
b) Listing fees is not paid to the Bombay stock exchange Limited due to suspension of trading.

- G.** a) BSE Scrip Code: **521151**  
b) Demat ISIN Numbers in NSDL & CDSL **INE953D01016** for Equity Shares

**H. DEMATERIALIZATION OF SHARES**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on **31<sup>st</sup> March, 2019** are as follows:

Mode	No. of Shares	% Shares
Physical Form	294160	03.43
With NSDL	287805	03.35
With CDSL	79991350	93.22
<b>Total</b>	<b>85,81,100</b>	<b>100%</b>

#### I. Market Price Sensitive Information:

The monthly 'high' and 'low' closing prices of the shares traded during the period from April 2018 to March 2019 on BSE are given below:

Month	High	Low	Close	No of Shares Traded	Month	High	Low	Close	No of Shares Traded
April 2018	32.95	28.00	32.80	1267	October 2018	35.95	28.95	35.95	557
May 2018	33.80	33.80	33.30	58	November 2018	37.50	32.50	32.50	261
June 2018	34.90	22.40	22.60	3354	December 2018	30.90	23.95	26.40	9673
July 2018	25.10	21.35	23.15	2068	January 2019	29.90	25.10	29.80	1597
August 2018	32.95	22.65	31.00	12004	February 2019	28.35	22.35	22.35	736
September 2018	31.80	28.25	28.25	1167	March 2019	29.15	23.45	29.15	2726

#### J. Shareholding pattern of the company as on 31st March, 2019

Category	No. of Shares held	% of Shareholding
<b>A Promoter's Holding</b>		
1 Promoters		
- Indian Promoters	642,8,506	74.91%
- Foreign Promoters	0	0
2 Persons acting in concert	0	0.00%
<b>Sub – Total</b>	<b>64,28,506</b>	<b>74.91%</b>
<b>B Non-Promoter's Holding</b>	0	0
3 Institutional Investors	0	0
a) Mutual Funds and UTI	0	0
b) Banks, Financial Institutions, Insurance Companies	0	0
c) (Central/State Govt. Institutions/Non Government Institutions)	0	0
<b>C FII's</b>	0	0
<b>Sub – Total</b>	<b>0</b>	<b>0</b>
4 Other Cl. member	8	0
a) Private Corporate Bodies	15,66,542	18.26%
b) Indian Public	5,83,787	6.80%
c) NRI's	2,257	0.03%
d) /OCB's	0	0.00%
<b>Sub-Total</b>	<b>21,52,594</b>	<b>25.09%</b>
<b>Grand Total</b>	<b>85,81,100</b>	<b>100.00%</b>

**K. Distribution of shareholding as on 31st March, 2019**

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
Up to 5000	803	79.4263	1565530	1.824
5,001 - 10,000	85	8.40751	720710	0.839
10,001 - 20,000	52	5.14342	804620	0.937
20,001 - 30,000	15	1.48367	387180	0.451
30,001 - 40,000	9	0.89020	313130	0.364
40,001 - 50,000	8	0.79129	368650	0.429
50,001 - 1,00,000	9	0.89020	674060	0.7855
1,00,001 And Above	30	2.96735	80977120	94.366
<b>TOTAL</b>	<b>1011</b>	<b>100%</b>	<b>8,58,11,000</b>	<b>100%</b>

**SHARE CAPITAL AUDIT**

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and is also placed before the Stakeholder Relationship Committee on a quarterly basis.

**SHARE TRANSFER / TRANSMISSION SYSTEM & PROCESS**

Transfer of shares in physical form is processed by the Company's Registrars & Transfer Agents (RTA) generally within fifteen days from the date of receipt, provided the transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for the necessary approval.

The Chairman transfer/transmission requests received in physical form from time to time. Investors may kindly take note that SEBI has mandated that in case of securities market transactions and off market/private transactions involving transfer of shares of a listed company in physical mode, it shall be compulsory for the transferee(s) to furnish a copy of the PAN card to the Company/RTA, together with the transfer documents for registering transfer of such shares.

**MEANS OF COMMUNICATION**

At Dhanlaxmi Fabrics Limited effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of communication such as results announcement, annual reports, media releases, and Company's website and through green initiatives.

**Intimation to Stock Exchange** -Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of listing agreement.

**Company's Website**-The Financial Results was also displayed on the Company's website [www.dfl.net.in](http://www.dfl.net.in) the Company also keeps on updating its website with other relevant information, as and when required. The company did not make any official news releases nor made any presentations to the institutional investors or analysts, during the period under review.

**Newspapers Publications**-The Financial Results and other Communications of the Company were normally published in 2 papers i.e. English 'Free Press Journal' and Marathi 'Navshakti'.



**Annual Report**-Annual Report containing, inter alia, the Standalone Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format.

**M/s. Bigshare Services Pvt Ltd**

CIN : U99999MH1994PTC076534  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Board No. : 022 40430200 | Direct No. : 022  
40430295 | Mobile No.: 7045454392  
Email id: investor@bigshareonline.com

**M/s. Dhanlaxmi Fabrics Limited**

CIN: L17120MH1992PLC068861  
**Regd Off:** Manpada Road, Bhopar Village, Dombivli (East),  
Thane- 421 204, Maharashtra, India  
Tel: 091-0251-2870589 / 590 / 591  
**Corp Off:** 285,Princess Street, Jhawar House, 1<sup>st</sup> Floor,  
Mumbai – 400 002.  
Tel. No. : 022-66228050/33  
**Email Id:** info@dfi.net.in, bhaviikadhanlaxmi@gmail.com  
**Website:** www.dfi.net.in

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended **31<sup>st</sup> March, 2019**.

The Management Discussion and Analysis have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian textile Industry has inherent linkage with agriculture and with the culture & traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile industry contributes to 10% of manufacturing production, 2% of India's GDP and to 13% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country.

The major sub sector that comprise the organized textile sector include the organized cotton and man-made fiber textile mill industry and manufacturing integrated unit involved in fabric processing, solids & prints, weaving, top dyed and fabric finishing.

In keeping with goal of making India's development inclusive and participative, the Governments central focus has been on increasing textile manufacturing by building the best in class manufacturing infrastructure, up-gradation of technology, fostering innovation, enhancing skills and traditional strengths in the textile section. Ministry of Textile has launched successful schemes such as the A-TUFS, SITP and Technology Mission for bringing together the facilities for upgrading Technology and also to strengthen technical Textile.

The Government has approved the Amended Technology Up-gradation Fund Scheme (A-TUFS) in place of RRTUFS for technology up-gradation of the textiles industry with one time capital subsidy for eligible machinery benchmark segments which have got higher employment and export potential such as garmenting and technical textiles subject to cap of 30 Crores segments such weaving for brand new shuttle less looms including weaving preparatory and processing.

### SEGMENT WISE OR PRODUCT-WISE PERFORMANCE:

In the Textile Industry the Company's main business vertical is Textile Processing for both Yarn and fabric. Being an integrated unit weaving i.e. fabric making is another vertical wherein company is involved in cloth manufacturing as well as job work. The company plans to hold stronger direct selling in the coming time to increase the top & bottom line for the year.

The other segment is energy; this business vertical is of non-conventional energy generation from wind, located in Dhule district of Maharashtra. Presently power generated through this wind energy is being sold to MSEDCL. Company is using Production of this segment as a captive consumption from this year.

## CURRENT & FUTUE OUT LOOK

The Company is successful in maintaining the increasing trend of turnover and profit in the changing business environment, though it is influenced by internal and external factors within and outside India. The overall business prospects for the Company is positive and management is ready to face the upcoming challenges like GST in the financial year 2019-2020. From the present stand of textile manufacturers in the industry against GST it seems that market will be little slow, this will show the impact on first Quarter turnover but we are sure that we will be stable in achieving our yearly turnover and margin in this year.

The Company is proactively responding to the changing business environment and is confident of sustaining its market share by improving competitive position in the market. The overall business outlook for the Company is promising with improvement in overall economic environment. Efforts towards higher operational efficiencies shall continue.

Being 26 years old unit placed within the thickly populated area at the out skirts of Dombivali is very much thirsty for expansion and looking for sizable land parcel. To make further investment in the plot & machinery, the company is exploring the possibility of bank& equity funding.

The Company continues to examine the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

### RISK AND CONCERNS:

The Company is always devoted on its core competence stuff in yarn and fabric processing, weaving, printing activities with creative ideas in designing, by and large to cater the market demand. This has a great impact on the operational performance in all the divisions of the company and effects on cost of production. Quality production is the essence of our job work of weaving and processing division.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

To achieve optimum use of available resources i.e. Material, Manpower, Money and Energy Company's operating procedures and controls are in place and monitored with intense care and supervision of the staff and management. The company uses technology and manpower in a great combination to achieve the best of results.

### DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

The Turnover of the company has been increased from 70.27 cr to 74.14 cr as compared to previous year. 5.65% growth in turnover.

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Turnover	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Processing Charges Fabric /Yarn, Labour	3674.61	3240.60
Fabrics / Yarn /Garment Sale	3708.26	3787.03
Power Sale	32.06	0.00
<b>Total</b>	<b>7414.93</b>	<b>7027.63</b>
<b>Profitability</b>		
Net Profit after Taxation	617.04	156.05

**PERFORMANCE OF THE BOARD AND COMMITTEES :**

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

- (a) Most of the Directors attended the Boardmeeting;
- (b) The remunerations paid to executive Directors are strictly as per the company and industry policy.
- (c) The Independent Directors only received sitting fees.
- (d) The Independent Directors contributed a lot in the Board and committee deliberation and business and operation of the company and subsidiaries based on their experience and knowledge and Independent views.
- (e) The Credit Policy, Loan Policy and compliances were reviewed periodically;
- (f) Risk Management Policy was implemented at all critical levels and monitored by the Internal Audit team who places report with the Board and Audit committee.

**HUMAN RESOURCES MANAGEMENT:**

We take this opportunity to thank employees at all levels for their dedicated service and contribution made towards the growth of the company. The relationship with the workers of the Company's manufacturing units and other staff has continued to be cordial.

To ensure good human resources management at the company, we focus on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill-development, engagement and volunteering programs.

As per provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given to this Board's report. In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee(s) drawing remuneration in excess of limits set out in said rules forms part of the annual report.

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours from 11 a.m to 5 p.m on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

**CAUTIONARY STATEMENT:**

Statements in foregoing paragraphs of this report describing the current industry structure, outlook, opportunities, etc., may be construed as "forward looking statements", based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be implied by these forward looking statements.

**STATE OF AFFAIRS OF THE COMPANY:**

In textile segment the company is having fabric process house and yarn dyeing unit at Dombivali, District Thane and weaving unit at Ichalkaranji, District Kolhapur. Fabric process house is fully equipped with latest machinery to bleach, dye, print & finish all type of textile fabric. Yarn dyeing unit is also fully equipped to bleach & dye the yarn required for fancy fabric. Weaving unit is consisting of 36 air jet looms equip to produce 50 lacs mtr per year. In power segment the company has installed Wind turbine of 1.25 MW in Dhule Maharashtra.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company or any of its subsidiaries during the year.

**OPPORTUNITIES AND THREATS:**

The imminent opening up of the export markets without the fetters of the quota system, the strong demand for fabrics from the garment sector and the slew of policy initiatives by the government to revitalize the industry are key factors that have led to a more favourable business environment and enhanced investor interest.

The removal of mandatory duty on pure cotton will lead to increased transparency especially in the cotton yarn market. Tax compliant mills will now have a fair deal in the market as against Tax evading/exempted mills.

The opening of the doors of World markets by desalting of quotas by January 2005 is a tremendous opportunity for cost-effective and quality producers although China is expected to offer stiff competition in order to reap the opportunities.

**KEY FINANCIAL RATIOS:**

In accordance with the amended SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:

The Company has identified following ratios as key financial ratios:

<b>Particular</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>	<b>% Change</b>
Debtors Turnover Ratio	25.83	21.16	4.67
Inventory Turnover Ratio	15.65	13.58	2.07
Interest Coverage Ratio* <sup>1</sup>	270.25%	82.58%	187.67
Current Ratio* <sup>2</sup>	1.22	1.04	0.18
Debt Equity Ratio* <sup>3</sup>	0.63	0.80	-0.17
Operating Profit Margin (%)* <sup>4</sup>	12.98	11.43	1.55
Net Profit Margin (%)* <sup>4</sup>	8.32%	2.22%	6.11%
Return on Net Worth RONW (%)* <sup>5</sup>	12.41%	3.58%	8.83%

\*1 Change 1 Change in interest coverage ratio is due to reduction in borrowings and improved performance during the year.

\*2 Change in current ratio is due to better working capital management.

\*3 Change in debt equity ratio is due to repayment of debt by the company during the year.

\*4 Change in profit margin ratio in FY 2018-19 is due to 5.50% increase in sales and Income from Subsidy over FY 2017-18 on account of better price realizations and higher volumes in certain product groups.

\*5 Change in RONW as compared to FY 2017-18, FY 2018-19 RONW is higher by 8.83%, mainly due to 295.39% growth in PAT against the 14.16% growth in average net worth.

### CEO/CFO Certification

#### **Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015**

- A. I, **Vinod S. Jhavar**, Managing Director of the Company & **Mahesh S. Jhavar**, Chief Financial Officer of Company, have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the listed entity'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 year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware 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
- 1) Significant changes in internal control over financial reporting during the year;
  - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
  - 3) 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 listed entity's internal control system over financial reporting.

#### **For and on behalf of the Board**

Sd/-  
Vinod S. Jhavar  
(Managing Director)

Sd/-  
Mahesh Jhavar  
(CFO & Director)

Place: Mumbai  
Date: 27.05.2019

#### **CERTIFICATE FOR ADHERENCE TO THE CODE OF CONDUCT [PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

#### **Declaration by the Director**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2019.

#### **For and on behalf of the Board**

Sd/-  
**Vinod S. Jhavar**  
(Managing Director)

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE****Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Members of  
Dhanlaxmi Fabrics Limited**

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Fabrics Limited (“the Company”) for the financial year ended **March 31, 2019** as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019, except as mentioned in Secretarial Audit Report for the year.

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

**For Pankaj Trivedi & Co.,  
Practicing Company Secretary  
C P No.: 15301**

**Sd/-  
Pankaj Trivedi  
Proprietor  
ACS No.: 30512**

**Place: Mumbai  
Date: 16-08-2019**

**INDEPENDENT AUDITOR’S REPORT**

To the Members of **Dhanlaxmi Fabrics Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **Dhanlaxmi Fabrics Limited** (“the Company”), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Description of each key audit matter in accordance with SA 701:

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our Audit</b>
<p><b>Revenue Recognition</b> Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer to the Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b> Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>* Assessing the appropriateness of the Company’s revenue recognition accounting policies in line with Ind AS 115 (“Revenue from Contracts with Customers”) and testing thereof.</li> <li>*Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>·*Evaluating the design and implementation of Company’s controls in respect of revenue recognition.</li> </ul>



<p>- Significant Accounting Policies</p>	<p>Testing the effectiveness of such controls over revenue cut off at year-end.</p> <p>Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. ·</p> <p>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing</p>
<p><b>Investment in Properties</b> The company has invested significant amount in Properties. These investments are held for Investment for long term.</p> <p>The recognition of investment in properties (under Acquisition) is a key matter during our audit due to the size of the transaction and the associated complex accounting issues, including proper disclosure. The transaction was further a significant undertaking for the operations of the company, from deal-related procedures to proper integration of the administration.</p> <p>Refer to Point 1 (b) of the Balance sheet</p>	<p>We have evaluated the design and implementation of the acquisition process and verified whether all procedures were performed and approvals were obtained as set forth by the Company's agreements and guidelines. We further verified accurate and complete initial recognition of the portfolio by agreeing the recorded amounts to external documents such as purchase agreements. We verified whether the transaction was recorded and disclosed as required by the applicable accounting principles.</p>
<p><b>Recoverability of investment</b> The carrying value of the parent Company's investment in subsidiaries represents 100% of the Company's total Investment. Recoverability of the investment is not considered a high risk of significant misstatement or subject to significant judgement. However, due to the materiality of the investment in the context of the parent Company financial statements, this is considered to be the area that had the greatest focus of our overall parent Company audit.</p> <p>Refer to note no. 3 attached to the Financial statements</p>	<p>Our procedures included: —</p> <p><b>Tests of detail:</b> Compared the carrying amount of investments being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making.</p> <p><b>Assessing subsidiary audits:</b> Assessing the work performed during the subsidiary audits and considering the results of that work, on profits and net assets.</p>
<p><b><u>Emphasis of Matters</u></b></p> <p>We draw attention to -</p> <ol style="list-style-type: none"> <li>1. Capital work-in- progress includes Investment in properties amounting to Rs. 1048.39Lakhs consist of advances paid for acquisition of Immovable property which are paid for more than 12 months. In absence of specific timelines, registered transfer deeds and external valuations, there carrying values has been considered as fair values. In absence of reliable external information's, No impairment provisions have been made there upon.</li> <li>2. Sundry Debtors includes Rs. 710.90Lakhs due for more than six months. No provision has been made in the books for the same as management has considered the same good and recoverable.</li> </ol>	

3. Balances of Sundry Debtors and other current assets, Trade payables, Investment in Properties etc. are subject to confirmations and consequent changes, if any.
4. Refer to note 3 attached to the financial statements, Company has made an investment of Rs. 67.08Lakh in Subsidiary company which has been considered Long term investments, out of which total net assets of two subsidiaries are below Investment values. No impairment loss has been provided for on such investments.

### **Management's Responsibility for the Standalone 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

#### **Other Matters**

1. Refer to note no. 9 attached to the Financial statements, The Loans and Advances given are closely monitored by Board of Directors and therefore no appraisal, renewal, policies, procedures and documents has been executed.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 books.
- (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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,

(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 A".

(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:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R Soni & Co.**

Chartered Accountants

Firm's registration number: 130349W

**CA Rajesh Soni**

Partner

Membership No.133240

Place: Mumbai

Date- 27-05-2019

### ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31<sup>st</sup>, 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to explanation given to us, the title deeds/ lease deeds are held in the name of the company.
- (ii) (a) There are no inventories held by the Company.
- (iii) (a) The Company has granted loans to one party covered in the register maintained under section 189 of the Companies Act,2013 ('the Act'),
- (b)In the case of the loans granted to any parties in the register maintained under section 189 of the act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(ii) (b) of the order is not applicable to the company in respect of payment of the principal amount.
- (c) There are no overdue amounts for period of more than ninety days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of Act, with respect to the loan and investment made.
- (v) The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, value added tax, employees' state insurance and duty of excise.
- (b) According to the information and explanation given to us, there is no dispute pending in respect of dues of provident fund/sales tax/wealth tax/service tax/custom duty/excise duty/cess/value added tax, were in arrears as at 31<sup>st</sup> march, 2019 for a period of more than six month from the date they became payable except follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Assessment Year	Forum where disputes is pending
Income Tax Act, 1961	Income Tax Assessment	93,41,317	2009-10	CIT (Appeal)
	Income Tax Assessment	31,91,271	2010-11	ITAT (Appeal)
	Income Tax Assessment	25,72,821	2011-12	ITAT (Appeal)
	Income Tax Assessment	80,165	2012-13	ITAT (Appeal)

- (viii) The Company has not defaulted in repayment/ dues etc. to financial institutions, banks or debentureholders or government during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedure performed for purpose of reporting the true and fair view of the Financial Statements and According to the information and explanations given to us, no material fraud on or by the Company 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 record of the Company, managerial remuneration has been paid/provided in accordance with the requisite approvals.
- (xii) In our opinion and according to the information and explanations given to us, the company is not Nidhi Company. Accordingly, paragraph 3(xii) of 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 financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of the section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

**For R Soni & Co.**

Chartered Accountants

Firm's registration number: 130349W

**CA Rajesh Soni**

Partner

Membership No.133240

Place: Mumbai

Date- 27-05-2019

**ANNEXURE B TO THE 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 **Dhanlaxmi Fabrics Limited** (the Company) as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

**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 was 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 auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 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 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at march 31,2019, 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 control over financial reporting issued by the Institute of Chartered Accountant of India.

#### **FOR R SONI & COMPANY**

Chartered Accountants

Firm's registration number: 130349W

#### **CA. Rajesh Soni**

Partner

Membership No.133240

**Place:** Mumbai

**Date:** 27-05-2019



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

(Rupees in Lacs)

PARTICULARS		Note No.	As at 31st March 2019	As at 31st March 2018
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
a.	Property, Plants & Equipment	2	2,676.08	3,016.53
b.	Capital work-in-progress		1,048.39	1,080.92
c.	<u>Financial Assets</u>			
i)	Investments	3	67.08	67.08
ii)	Loans	4	680.52	818.79
iii)	Other Financial Assets		-	-
d.	Other tax assets (Net)	5	0.65	-
e.	Other non - current assets	6	302.23	340.31
	<b>Total Non - Current Assets (A)</b>		<b>4,774.94</b>	<b>5,323.63</b>
<b>2</b>	<b>Current Assets</b>			
a.	Inventories	7	1,160.83	954.37
b.	<u>Financial Assets</u>			
i)	Trade receivables	8	1,910.05	1,487.03
ii)	Cash and cash equivalents	9	23.30	3.20
c.	Current Tax Assets(Net)	10	219.07	65.24
d.	Other Current Assets	11	24.36	19.95
	<b>Total Current Assets (B)</b>		<b>3,337.61</b>	<b>2,529.79</b>
	<b>TOTAL ASSETS (A+B)</b>		<b>8,112.55</b>	<b>7,853.43</b>
	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>A</b>	<b>EQUITY</b>			
<b>1</b>				
a.	Equity Share capital	12	858.11	858.11
b.	Other Equity	13	4,116.34	3,498.98
	<b>Total Equity (A)</b>		<b>4,974.45</b>	<b>4,357.09</b>
<b>2</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
a.	<u>Financial Liabilities</u>			
i)	Long-term borrowings	14	162.51	614.67
ii)	Other Financial Liabilities		-	-
b.	Deferred tax liabilities (net)	15	208.34	429.81
c.	Other long-term liabilities	16	25.00	23.43
d.	Long-term provisions		-	-
e.	Other tax Liabilities (net)	5	-	0.49
	<b>Total Non Current Liabilities (B)</b>		<b>395.85</b>	<b>1,068.40</b>
	<b>Current liabilities</b>			
a.	<u>Financial Liabilities</u>			
i)	Short-term borrowings	17	2,018.25	1,817.85
ii)	Trade payables	18	629.00	539.30
iii)	Other Financial Liabilities		-	-
b.	Other current liabilities	19	36.70	35.74
c.	Short-term provisions	20	58.30	35.04
d.	Current Tax Liabilities(Net)		-	-
	<b>Total Current Liabilities (C)</b>		<b>2,742.25</b>	<b>2,427.94</b>
	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>8,112.55</b>	<b>7,853.43</b>

In Terms Of Our Report Attached

For and on behalf of the Board,

For **R. Soni & Co.**Chartered Accountants  
FR NO. 130349 W**CA Rajesh Soni**  
Partner  
M. No. 133240Place : Mumbai  
Date : 27-05-2019**Ramautar S. Jhawar**  
Chairman & Director**Bhaviika Jain**  
Company Secretary**Vinod S. Jhawar**  
Managing Director**Mahesh S. Jhawar**  
Chief Financial Officer & Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

(Rupees in Lacs)

PARTICULARS	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	21	7,414.94	7,027.63
2 Other income	22	<u>200.31</u>	<u>274.22</u>
<b>Total Revenue (A)</b>		<b><u>7,615.25</u></b>	<b><u>7,301.85</u></b>
<b>3 Expenses</b>			
(a) Cost of materials consumed	23	3,607.62	2,969.06
(b) Cost of Store & Spares Consumed	24	149.49	66.59
(c) Purchases of stock-in-trade	25	199.10	559.22
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(206.46)	512.41
(e) Employee benefits expenses	27	924.78	777.83
(f) Finance costs	28	225.10	283.55
(g) Depreciation	29	404.15	406.85
(f) Other expenses	30	<u>1,946.31</u>	<u>1,488.46</u>
<b>Total Expenses (B)</b>		<b><u>7,250.09</u></b>	<b><u>7,063.96</u></b>
<b>4 Profit before exceptional Items &amp; taxes (A-B)</b>		<b><u>365.16</u></b>	<b><u>237.89</u></b>
5 Exceptional Items - TUF Interest	31	<u>243.48</u>	<u>(3.73)</u>
<b>6 Profit/(Loss) Before Taxes (4+5)</b>		<b><u>608.64</u></b>	<b><u>234.16</u></b>
<b>7 Tax expense:</b>			
(a) Current tax		212.75	125.00
(b) Defered Tax		<u>(221.47)</u>	<u>(46.90)</u>
<b>Net tax expense</b>		<b><u>(8.72)</u></b>	<b><u>78.10</u></b>
<b>8 Profit/(Loss) for the period (6-7)</b>	A	<b>617.37</b>	<b>156.06</b>
<b>9 Other comprehensive income</b>	B		
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
		-	-
<b>10 Total comprehensive income for the period</b> (Profit/ loss + other comprehensive income)	(A+B)	<b>617.37</b>	<b>156.06</b>
<b>11 Earnings per Equity share</b> (Face Value of Rs. 10/- each)			
a) Basic	33	7.19	2.94
b) Diluted	33	7.19	2.94
Significant Accounting Policies Notes on Financial Statements	1 to 37		

In Terms Of Our Report Attached

For and on behalf of the Board,

**For R. Soni & Co.**  
Chartered Accountants  
FR NO. 130349 W

**CA Rajesh Soni**  
Partner  
M. No. 133240

Place : Mumbai  
Date : 27-05-2019

**Ramautar S. Jhavar**  
Chairman & Director

**Bhaviika Jain**  
Company Secretary

**Vinod S. Jhavar**  
Managing Director

**Mahesh S. Jhavar**  
Chief Financial Officer & Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019****(Rs. in Lacs)**

Particulars	For the year ended 31 <sup>st</sup> March 2019		For the year ended 31 <sup>st</sup> March 2018	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		365.16		237.89
<b>Adjustments for:</b>				
Depreciation and amortisation	404.15		406.85	
(Profit) (-) Loss (+) on sale / write off of assets	(11.18)		-	
Finance costs	225.10		279.03	
Interest income	(86.53)		(57.21)	
Dividend Received	(0.01)		(0.01)	
Rental Income from Investment Property	<u>(62.82)</u>		<u>(59.47)</u>	
Operating profit / (loss) before working capital changes		833.86		807.07
<b>Changes in working capital:</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories (increase / decrease)	(206.46)		512.41	
Trade and other receivables	(423.02)		834.11	
Other current assets	(158.25)		(6.27)	
Other Current Liabilities	24.22		(46.09)	
Trade and other Payables	89.70		(427.70)	
Change in Other Non -Current Assets	(0.65)		0.00	
Change in Other Non-Current Liabilities	(0.49)		0.00	
Change in Capital Work in Progress	<u>32.53</u>		<u>0.00</u>	
Cash generated from operations		<u>(642.41)</u>		<u>866.46</u>
Net income tax (paid) / refunds		191.46		1,673.54
		<u>212.75</u>		<u>125.00</u>
<b>Net cash flow from / (used in) operating activities (A)</b>		<b><u>(21.29)</u></b>		<b><u>1,548.54</u></b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(78.51)	-	(81.30)	
Sale of fixed assets	25.99	-	-	
Interest received	86.53	-	57.21	
Rental income from investment properties	62.82	-	59.47	
Long Term Advances	176.36		(620.74)	
Other Long term Liabilities	1.57		0.48	
Interest on TUF Subsidy	243.48		(3.73)	
Dividend Received	<u>0.01</u>		<u>0.01</u>	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>518.26</b>		<b>(588.60)</b>
<b>C. Cash flow from financing activities</b>				
Issue of equity shares	-		-	
Repayment of long-term borrowings	(452.16)		(504.78)	
Net increase / (decrease) in working capital borrowings	200.40		(184.92)	
Finance cost	<u>(225.10)</u>		<u>(279.03)</u>	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b><u>(476.86)</u></b>		<b><u>(968.73)</u></b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>20.10</b>		<b>(8.79)</b>
Cash and cash equivalents at the beginning of the year		<u>3.20</u>		<u>11.99</u>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>23.30</u></b>		<b><u>3.20</u></b>

In Terms Of Our Report Attached

For and on behalf of the Board,

**FOR R. SONI & CO.**      **CA Rajesh Soni**  
Chartered Accountants      Partner  
FR NO. 130349 W      M. No. 133240

Place : Mumbai  
Date : 27-05-2019

**Ramautar S. Jhawar**  
Chairman & Director  
**Bhaviika Jain**  
Company Secretary

**Vinod S. Jhawar**  
Managing Director  
**Mahesh S. Jhawar**  
Chief Financial Officer & Director

**NOTE NO. 1****Company Overview**

The Company ("M/S. DHANLAXMI FABRICS LIMITED") is an existing public limited company incorporated on 1st October 1992 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Manpada Road, Bhopar Village, Dombivli (East), Thane - 421204. The Company's main activity is cornered in to dealers and manufacturing and Processing of Textile and allied products/services and Power Generation. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee ('₹').

**Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(A) Basis Of Preparation Of Financial Statement**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 27th May 2019.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis the TUF subsidiary interest receivable from government for the year 2014-15, 2015-16 which will be accounted on Cash basis as and when received. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

(i) Investments are measured at fair value.

**(B) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

**(I) Sales**

(i) Domestic sales are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.

(ii) The Company recognises income from power generated on Cash basis.

(iii) During the year Interest on TUF Subsidy is accounted on Cash basis.

**(II) Other Income****(i) Interest Income**

Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

**(ii) Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

**(C) Property, plant and equipment**

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

(i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.

(i) All items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

**(ii) Depreciation**

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) The depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(c) Leasehold Land is depreciated over the period of the Lease.

**(D) Inventories Valuation**

(i) Raw materials, components, stores & spares, packing material, semi-finished goods & finished goods are valued at lower of cost and net realisable value.

(ii) Cost of Raw Materials, components, stores & spares and packing material is arrived at Weighted Average Cost and Cost of semi-finished good and finished good is arrived at estimated cost.

(iii) Scrap is valued at net realisable value.

**(E) Cash And Cash Equivalent**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(F) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(G) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(H) Borrowing Cost**

(i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**(I) Investments**

All Unquoted equity investments are measured at carrying value.

**(J) Employee Benefit**

(i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss for the year in which the related service is rendered .

(ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Statement of Profit & Loss. Gratuity which is a defined benefit is accrued based on actuarial valuation as at Balance Sheet date by an independent actuary. The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year.

(iii) The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**(K) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(L) Taxation**

(i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation. Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

(ii) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

(iii) Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(iv) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the no tax has been recognised in the books of Accounts.

**(M) Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(N) Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(O) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

**(P) Financial Instruments****(I) Financial Assets****(i) 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.

**(ii) 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.

**(iii) Impairment of financial assets**

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

Expected credit losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**(II) Financial Liabilities****(i) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**(ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



**(Q) FIRST TIME ADOPTION OF IND AS**

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

**Explanation 1 - Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**(I) Ind AS Optional exemptions****Deemed Cost - Property, Plant and Equipment and Intangible Assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values.

NIL

**(II) Ind AS mandatory exemptions****(i) Estimates**

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

**(ii) Classification and measurement of financial assets (other than equity instruments)**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

**(iii) De-recognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

**(R)** The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

**FOR R SONI & CO.**

Chartered Accountants  
FRN: 130349W

**RAJESH SONI**

Partner  
Membership No. 133240

**FOR DHANLAXMI FABRICS LIMITED**

**Ramautar S. Jhawar**  
Chairman & Director

**Vinod S. Jhawar**  
Managing Director

**Bhaviika Jain**  
Company Secretary

**Mahesh S. Jhawar**  
Chief Financial Officer & Director

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

Description of Asset	Gross carrying Amount						Accumulated Depreciation/Impairment				Net carrying Amount	
	As at 01/04/2018	Addition during the year	Sold during the year	As at 31/03/2019	As at 31/03/2018	Provided during the year	Adjusted during the year	As at 31/03/2019	As at 31/03/2018	As at 31/03/2017	As at 31/03/2018	As at 31/03/2017
	Land	470.63	-	-	470.63	-	-	-	-	470.63	470.63	470.63
Building	763.09	15.00	-	778.09	309.36	24.16	-	333.53	444.57	453.73	444.57	453.73
Plant & Machinery	5,324.70	5024	31299	5,061.95	3,536.55	362.33	302.09	3,596.78	1,465.16	1,788.15	1,465.16	1,788.15
Electrical Installation	150.06	8.91	0.20	158.78	117.05	5.29	-	122.34	36.43	33.01	36.43	33.01
Office Equipment	34.62	-	-	34.62	32.27	0.15	-	32.43	2.20	2.35	2.20	2.35
Furniture & Fixture	108.56	0.19	-	108.75	101.86	0.44	-	102.30	6.45	6.70	6.45	6.70
Laboratory Equipment	27.49	-	-	27.49	24.00	0.51	-	24.50	2.99	3.50	2.99	3.50
Office Equipment	9.78	1.30	-	11.08	8.51	0.48	-	8.99	2.09	1.27	2.09	1.27
Air Conditioner	19.29	-	-	19.29	11.96	1.09	-	13.05	6.24	7.33	6.24	7.33
Computer	47.66	2.86	-	50.52	44.61	1.53	-	46.14	4.38	3.05	4.38	3.05
Motor Vehicle	68.27	-	58.27	10.00	53.63	2.14	54.55	1.22	8.78	14.64	8.78	14.64
Misc. Assets	54.18	-	-	54.18	37.37	2.59	-	39.96	14.22	16.81	14.22	16.81
Office Premises Vikroli	128.59	-	-	128.59	19.67	1.93	-	21.61	106.99	108.92	106.99	108.92
Property - Bhiwandi	93.64	-	-	93.64	12.91	1.43	-	14.34	79.30	80.73	79.30	80.73
<b>Sub Total</b>	<b>7,300.56</b>	<b>78.51</b>	<b>371.46</b>	<b>7,007.61</b>	<b>4,309.74</b>	<b>404.09</b>	<b>356.64</b>	<b>4,357.19</b>	<b>2,650.41</b>	<b>2,990.81</b>	<b>2,650.41</b>	<b>2,990.81</b>
<b>Wind Power Division</b>												
Land	10.00	-	-	10.00	-	-	-	-	10.00	10.00	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	505.28	0.05	-	505.33	15.67	15.72	15.67	15.72
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>531.00</b>	<b>505.28</b>	<b>0.05</b>	<b>-</b>	<b>505.33</b>	<b>25.67</b>	<b>25.72</b>	<b>25.67</b>	<b>25.72</b>
<b>Total</b>	<b>7,831.56</b>	<b>78.51</b>	<b>371.46</b>	<b>7,538.61</b>	<b>4,815.02</b>	<b>404.15</b>	<b>356.64</b>	<b>4,862.53</b>	<b>2,676.08</b>	<b>3016.53</b>	<b>2,676.08</b>	<b>3016.53</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment				Net carrying Amount	
	As at 01/04/2018	Addition during the year	Sold during the year	As at 31/03/2018	Provided during the year	Adjusted during the year	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Land	470.63	-	-	470.63	-	-	-	470.63	470.63
Building	763.09	-	-	763.09	24.05	-	309.36	453.73	477.78
Plant & Machinery	5,282.87	41.83	-	5,324.70	360.38	-	3,536.55	1,788.15	2,106.70
Electrical Installation	150.06	-	-	150.06	5.06	-	117.05	33.01	38.07
Office Equipment	34.62	-	-	34.62	0.15	-	32.27	2.35	2.51
Furniture & Fixture	108.56	-	-	108.56	0.44	-	101.86	6.70	7.14
Laboratory Equipment	27.49	-	-	27.49	0.81	-	24.00	3.50	4.30
Office Equipment	9.05	0.73	-	9.78	0.51	-	8.51	1.27	1.06
Air Conditioner	17.66	1.63	-	19.29	1.02	-	11.96	7.33	6.73
Computer	45.20	2.46	-	47.66	1.23	-	44.61	3.05	1.82
Motor Vehicle	58.27	10.00	-	68.27	1.65	-	53.63	14.64	6.29
Misc. Assets	54.18	-	-	54.18	3.24	-	37.37	16.81	20.05
Office Premises Vikroli	128.59	-	-	128.59	1.93	-	19.67	108.92	110.86
Property - Bhiwandi	93.64	-	-	93.64	1.43	-	12.91	80.73	82.17
<b>Sub Total</b>	<b>7,243.92</b>	<b>56.64</b>	<b>-</b>	<b>7,300.56</b>	<b>401.91</b>	<b>-</b>	<b>4,309.74</b>	<b>2,990.81</b>	<b>3,336.09</b>
<b>Wind Power Division</b>									
Land	10.00	-	-	10.00	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	4.93	-	505.28	15.72	20.65
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>531.00</b>	<b>4.93</b>	<b>-</b>	<b>505.28</b>	<b>25.72</b>	<b>30.65</b>
<b>Total</b>	<b>7,774.92</b>	<b>56.64</b>	<b>-</b>	<b>7,831.56</b>	<b>406.85</b>	<b>-</b>	<b>4,815.02</b>	<b>3,016.53</b>	<b>3,366.74</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

(Rupees in Lacs)

The previous year figures have regrouped/reclassified, wherever necessary to conform to current year presentation.

<b>PARTICULARS</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
<b>3 NON-CURRENT INVESTMENTS</b>		
In equity shares of subsidiary companies		
<b>1. Western Chlorides &amp; Chemicals Pvt Ltd</b>	65.08	65.08
2999 Equity Shares @ Rs.2170/- Per Share, F V Rs.100/- Per shares		
<b>2. Dhanesh Fabrics Pvt Ltd</b>	1.00	1.00
9999 Equity Shares @ Rs.10/- each F V Rs.10/- Per shares		
<b>3. DFL Fabrics Pvt Ltd</b>	1.00	1.00
9980 Equity Shares @ Rs.10/- each F V Rs.10/- Per shares		
<b>Total</b>	<b>67.08</b>	<b>67.08</b>
<b>4 LOANS</b>		
Ajay Multi Projects Ltd	616.06	803.73
Jignesh Farics Pvt Ltd	64.46	-
Promtech Impex Pvt Ltd	-	15.06
<b>Total</b>	<b>680.52</b>	<b>818.79</b>
<b>5 OTHER TAX ASSET(NET)</b>		
Advance tax Paid	-	118.00
Income Tax Refund Receivable	191.74	182.49
TDS Receivables	-	62.12
Less: Provision for Income Tax	191.10	363.10
<b>Total</b>	<b>0.65</b>	<b>(0.49)</b>
<b>6 OTHER NON CURRENT ASSETS</b>		
Security Deposits	99.73	97.07
Fixed Deposits with Bank	22.28	71.45
<b>Income Tax Paid Under Protest</b>		
For A.Y. 2010-11 (Under Appeal)	117.22	117.22
For A.Y. 2011-12 (Under Appeal)	52.10	45.00
For A.Y. 2012-13 (Under Appeal)	5.32	4.00
For A.Y. 2013-14 (Under Appeal)	5.57	5.57
<b>Total</b>	<b>302.23</b>	<b>340.31</b>
<b>7 INVENTORIES</b>		
Finished Goods	771.28	496.47
Raw Material	278.94	325.48
Stock in Process - WIP	85.65	91.81
Stores & Spares	24.97	40.62
<b>Total</b>	<b>1,160.83</b>	<b>954.37</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

(Rupees in Lacs)

The previous year figures have regrouped/reclassified, wherever necessary to conform to current year presentation.

<b>PARTICULARS</b>	<b>As at 31/03/2019</b>		<b>As at 31/03/2018</b>	
<b>8 TRADE RECEIVABLES</b>				
<b>Unsecured</b>				
A) Outstanding For a Period exceeding Six Months from the date they are due for payment				
(i) Considered Good	710.90		224.62	
(ii) Considered Doubtful	-		-	
Less: Provisions for Bad Debts	-	710.90	-	224.62
B) Other Trade Receivable				
(i) Considered Good	1,199.15		1,262.37	
(ii) Considered Doubtful	-	1,199.15	-	1,262.37
<b>Total</b>		<b>1,910.05</b>		<b>1,487.00</b>
Note : No provision for doubtful debtors is made as management of the Company is hopeful of full recoverability of the same.				
<b>PARTICULARS</b>	<b>As at 31/03/2019</b>		<b>As at 31/03/2018</b>	
<b>9 CASH AND CASH EQUIVALENTS</b>				
Cash on hand		9.57		3.03
Balance with banks		13.73		0.17
<b>Total</b>		<b>23.30</b>		<b>3.20</b>
<b>10 CURRENT TAX ASSET(NET)</b>				
GST Refund Receivable		213.98		67.01
Advance tax Paid	145.00		55.00	
TDS Receivables	72.84		68.22	
Less: Provision for Income Tax	(212.75)	5.09	(125.00)	(1.78)
<b>Total</b>		<b>219.07</b>		<b>65.24</b>
<b>11 OTHER CURRENT ASSETS</b>				
Other Loans & Advances		2.01		11.16
Loan to staff		0.75		2.16
Prepaid Expenses		21.60		6.63
<b>Total</b>		<b>24.36</b>		<b>19.95</b>
<b>12 EQUITY SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>		<b>1,500.00</b>		<b>1,500.00</b>
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)				
<b>Issued, Subscribed and Paid up</b>		<b>858.11</b>		<b>858.11</b>
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/- Par Value)				
<b>TOTAL</b>		<b>858.11</b>		<b>858.11</b>

(Rupees &amp; Nos. in Lacs)

**Note No 12.1:** The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2019:

Particulars	As at 31/03/2019		As at 31/03/2018	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	85.81	858.11	85.81	858.11
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>85.81</b>	<b>858.11</b>	<b>85.81</b>	<b>858.11</b>

**Note No 12.2: Terms/rights attached to equity shares**

(A) The company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share.

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 12.3: Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date :**

No Bonus Shares Issued and Sub-Division of shares during the period of five years.

**Note No 12.4: The details of Shareholders holding more than 5% Shares in the company**

Name of Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	% held as at	No of Shares	% held as at
Eskay Niryat Pvt Ltd.	12.80	14.92	12.80	14.92
Promtech Impex Pvt Ltd	12.80	14.92	12.80	14.92
Jhawar Commodities Pvt Ltd	14.57	16.98	14.57	16.98
Dhanlaxmi export fabrics LLP	4.38	5.10	4.38	5.10
Ramautar Shohanlal Jhawar	7.78	8.79	7.78	8.79

13 OTHER EQUITY	As at 31/03/2019	As at 31/03/2019
<b>a. Capital Reserve</b>		
At the beginning and at the end of the year	-	-
<b>b. General Reserve</b>		
Opening Balance(As per last Balance Sheet)	108.46	108.46
Add: Transferred from Surplus	-	-
	108.46	108.46
<b>c. Surplus</b>		
Opening Balance (As per last Balance sheet)	2,494.52	2,338.46
Add: Net Profit after tax Transferred from Statement of Profit & Loss	617.37	156.06
	3,111.88	2,494.52
Less: Transfer to General Reserve	-	-
<b>Surplus Closing Balance</b>	<b>3,111.88</b>	<b>2,494.52</b>
<b>d. Security Premium</b>		
Opening Balance	896.00	896.00
Add: During the Year	-	-
<b>Security Premium Closing Balance</b>	<b>896.00</b>	<b>896.00</b>

(Rupees in Lacs)		
Particulars	As at 31/03/2019	As at 31/03/2018
<b>13 OTHER EQUITY</b>		
<b>e) Other Comprehensive Income</b>		
Opening Balance	-	-
Add During the year	-	-
Closing Balance	-	-
<b>Grand Total ( a+b+c+d+e)</b>	<b>4,116.34</b>	<b>3,498.98</b>
<b>14 LONG TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
Term Loan from Kotak Mahindra Bank	-	40.10
Term Loan from AXIS Bank	121.31	206.15
Term Loan from The Shamrao Vithal Co-Op.Bank	41.20	368.42
<b>TOTAL</b>	<b>162.51</b>	<b>614.67</b>
14.1 - Bank term loans are secured by way of first charge over the entire fixed assets of the company both present and future created out of the term loan. Personal guarantee of three director and corporate guarantee of M/s.Western chlorides and chemicals Pvt Ltd subsidiary of the company.		
Particulars	As at 31 /03/2019	As at 31 /03/2018
<b>15. DEFERED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	429.81	476.71
Deferred Tax Liability/ Assets for the year	(221.47)	(46.90)
<b>At Closing of the year</b>	<b>208.34</b>	<b>429.81</b>
15.1 The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation as per Provisions of Companies Act, 2013		
Particulars	As at 31 /03/2019	As at 31 /03/2018
<b>16 OTHER LONG TERM LIABILITIES</b>		
Deposits received from Licensee	25.00	23.43
16.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 to 406 at Kailas Corporate Lounge Vikroli and 2nd floor of Building I at Rajlaxmi Commercial Complex Kalher given on rent to them.		
Particulars	As at 31 /03/2019	As at 31 /03/2018
1. Synergy Property Development Services Pvt Ltd	18.37	16.70
2. G4 Securities Solution (India) Pvt. Ltd.	3.32	3.42
3. Mr. Mohammad Muzaammi Suyani	3.31	3.31
4. Yukti Mercantile pvt. Ltd.	-	-
5. John Keells Logistics Pvt Ltd	-	-
<b>Total</b>	<b>25.00</b>	<b>23.43</b>
16.2 The carrying value of Security Deposits is deemed to be the Fair Value.		

(Rupees in Lacs)

Particulars	As at 31/03/2019	As at 31/03/2018
<b>17 SHORT TERM BORROWING</b>		
<b>Secured Borrowing</b>		
Cash credit from Kotak Mahindra Bank	-	185.55
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	124.61	1,084.00
Cash Credit from Axis Bank Ltd.	788.33	105.18
Working Capital Demand Loan with SVC Bank Ltd	700.00	-
Current Maturities of Long Term Loan from Kotak Mahindra Bank	-	68.75
Current Maturities of Long Term Loan from AXIS Bank	84.84	84.84
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	320.47	289.53
	-	-
<b>TOTAL</b>	<b>2,018.25</b>	<b>1,817.85</b>

17.1 - Cash Credits are secured by way of Hypothication of stocks and Book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.

Particulars	As at 31/03/2019	As at 31/03/2018
<b>18 TRADE PAYABLES</b>		
Sundry Creditors for Goods	560.46	427.66
Sundry Creditors for Expenses	68.56	111.65
Sundry Creditors for Fixed assets	-	-
<b>TOTAL</b>	<b>629.02</b>	<b>539.31</b>

18.1 - Dues to Micro and Small enterprises (Refer note no. 32)

The Company has certain dues to suppliers registered under Micro, small and medium enterprises Development Act 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31/03/2019	As at 31/03/2018
Principle amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	46.05	-
<b>19 OTHER CURRENT LIABILITIES</b>		
Charity Fund	6.05	7.00
Salary payable	23.54	19.27
Statutory Liabilities	7.11	9.47
<b>Total</b>	<b>36.70</b>	<b>35.74</b>
<b>20 SHORT TERM PROVISIONS</b>		
Provision for Outstanding Expenses	58.30	35.04
<b>Total</b>	<b>58.30</b>	<b>35.04</b>



(Rupees in Lacs)		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>21 REVENUE FROM OPERATIONS</b>		
Fabric Sales	3,699.58	3,780.41
Textile Job work Income	3,674.61	3,240.60
Yarn Sales	8.68	6.62
Power Sales	32.06	-
<b>Total</b>	<b>7,414.94</b>	<b>7,027.63</b>
<b>22 OTHER INCOME</b>		
Interest Income	86.53	57.21
Bad Debt Recovery	4.11	-
Profit & Loss on sale of Assets	8.40	-
Misc. Income	0.21	-
Maturity proceeds of Keymen Insurance Policy	-	157.53
Dividend received	0.01	0.01
Rent from house property	62.82	59.47
Scrap Sales	2.78	-
VAT Refund	35.46	-
<b>Total</b>	<b>200.31</b>	<b>274.22</b>
<b>23 COST OF RAW MATERIALS CONSUMED</b>		
Yarn	1,992.37	1,551.45
Dyes	279.31	169.43
Chemicals	668.97	569.94
Packing Material	43.09	62.29
Coal	579.15	579.23
Consumables	48.71	34.76
Diesel	0.77	1.97
Custom Duty	6.33	-
Blanket	0.72	-
Discount	(11.80)	-
<b>Total</b>	<b>3,607.62</b>	<b>2,969.06</b>
<b>24 STORES AND SPARES CONSUMPTION</b>		
Indigenous	149.49	66.59
<b>Total</b>	<b>149.49</b>	<b>66.59</b>
<b>25 PURCHASES OF STOCK IN TRADE</b>		
Fabric	194.35	549.55
Trading Purchase	4.75	9.67
<b>Total</b>	<b>199.10</b>	<b>559.22</b>
<b>26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>Inventory ( At close)</b>		
Fabric	771.28	703.61
Work in Progress	85.65	91.81
Windmill Energy Generation Stock	-	13.10
Raw Material	278.94	105.23
Stores and Spares	24.97	40.62
<b>Total</b>	<b>1,160.83</b>	<b>954.37</b>

(Rupees in Lacs)		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>Inventory ( At commencement)</b>		
Fabric	703.61	1,157.52
Work in Progress	91.81	148.27
Windmill Energy Generation Stock	13.10	-
Raw Material	105.23	117.31
Stores and Spares	40.62	43.67
<b>Total</b>	<b>954.37</b>	<b>1,466.78</b>
<b>Net Change</b>	<b>(206.46)</b>	<b>512.41</b>
<b>27 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Job Charges	616.21	494.92
Salary Bonus and Others	273.05	269.07
Contribution to P.F & ESIC	17.21	7.21
Contribution to Gratuity Fund	12.48	-
Contribution to Maharashtra Labour Welfare Fund	0.06	0.09
Staff welfare Expenses	5.77	6.54
<b>Total</b>	<b>924.78</b>	<b>777.83</b>
<p>(27.1) The Company has provided for Gratuity Fund as per Rs. 12.47 Lakhs as per contribution to LIC Annuity scheme (New Group Gratuity Cash Accumulation Plan) However, as per the Gratuity valuation obtained by the company , the current years obligation to Gratuity to be charged to P &amp;L is Rs. 7.46 Lakhs.</p> <p>(27.2) The Company has not made provision for difference in Defined benefit obligation calculated by Actuarial Valuation and Fair value of plan assets to the extent of Rs. 8.51 Lakhs. Further, the company has not recognised amount to the extent of Rs. 5.61 Lakh as Debits to Other Comprehensive Income during the year.</p>		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>28 FINANCE COST</b>		
Interest on Working capital	124.02	140.92
Interest on Term Loan	81.80	123.81
Interest on Others	9.61	14.30
Bank charges/ Processing Fees	9.66	4.53
<b>Total</b>	<b>225.10</b>	<b>283.55</b>
<b>29 DEPRECIATION</b>		
Depreciation on Fixed Assets	404.15	406.85
<p>29.1 Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis</p>		

(Rupees in Lacs)

**30 OTHER EXPENSES****30 (a) Manufacturing expenses**

Particulars	As on 31/03/2019	As on 31/03/2018
Electricity Charges	425.16	440.76
Water Expenses	266.62	297.33
Repairs to building	6.45	2.13
Repairs to Machinery	31.50	26.61
Repairs and Maintenance Others	10.19	3.69
Weaving Charges	45.49	37.94
Freight & forwarding expenses (Domestic)	26.46	14.75
Laboratory expenses	0.85	0.15
Insurance	7.83	3.67
Clearing and Forwarding Charges (International)	1.43	-
Sizing/Warping Charges	120.86	134.06
Local Body Tax	7.49	-
Excise Duty on Input Reversed	13.30	-
Textile Job work Expenses	722.64	313.43
<b>Total</b>	<b>1,686.29</b>	<b>1,274.50</b>

i) During the Year, amid to ongoing escalation with Government of Maharashtra on Power Tariff, The management has decided to use it Power for captive use. Accordingly the Electricity Expenses stands reduced to that extent.

Particulars	As on 31/03/2019	As on 31/03/2018
<b>30 (b) Selling &amp; distribution expenses</b>		
Sales promotion	10.25	0.66
Cash Discount	-	3.53
Commission & brockering	33.48	44.19
<b>Total</b>	<b>43.73</b>	<b>48.39</b>

<b>30 (c) Administrative expense</b>		
Property Expenses	14.58	12.11
Printing & stationery	7.21	6.77
Postage & courier charges	2.43	2.38
Legal & professional fees	47.77	21.68
Advertisement charges	0.89	0.67
Conveyance expenses	14.30	3.85
General expenses	2.21	2.85
Listing fees - Stock Exchange	3.10	2.50
Lease rent for factory land	7.80	5.35
Vehicle expenses	9.82	4.73
Mobile and Telephone Expenses	2.46	4.08
Auditor Remuneration	6.55	9.00
Directors remuneration	60.00	60.00
Sitting Fees	1.35	1.28
Sundry Balances W/off	24.76	20.11
Travelling Expenses	6.47	4.61
Other expenses	4.58	3.58
<b>Total</b>	<b>216.30</b>	<b>165.57</b>
<b>Total 28(a)+28(b)+28(c.)</b>	<b>1,946.31</b>	<b>1,488.46</b>

(Rupees in Lacs)		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>30 OTHER EXPENSES</b>		
<b>Payment to auditors</b>		
<b>Auditor</b>		
Statutory audit Fees	0.75	0.75
Internal audit fees	5.50	8.00
Cost Audit Fees	0.30	0.25
<b>Total</b>	<b>6.55</b>	<b>9.00</b>
<b>31 EXCEPTIONAL ITEMS</b>		
Interest Received on TUF Subsidy	243.48	132.58
Interest written off since non recoverable	-	(136.31)
<b>Total</b>	<b>243.48</b>	<b>(3.73)</b>
<b>32 MSME disclosure</b>		
The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:		
Particulars	As on 31/03/2019	As on 31/03/2018
1 Principal amount not due and remaining unpaid as on 31.3.2019	24.42	-
2 Principal amount due and remaining unpaid as on 31.03.2019	21.63	-
3 Interest due on (1) above and the unpaid interest	-	-
4 Interest due and payable for the period of delay other than (3) above	-	-
<b>33 EARNING PER SHARE (EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	617.37	251.87
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	7.19	2.94
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>
<b>34 CONTINGENT LIABILITIES</b>		
<b>Contingent Liabilities not provided for in respect of</b>		
1. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appellate Court	528.96	528.96
<b>35 FOREIGN EXCHANGE EARNING AND OUTGO</b>		
a) Earning - Fabrics Export		-
b) Outgo - Import of Spares for Imported Machinery	29.34	-

(Rupees in Lacs)

**36 RELATED PARTY DISCLOSURE**

a) Name of the related party and description of relationship.

S.No.	Related Parties	Nature of Relationship
(i)	Dhanlaxmi Cotex Ltd	Common Directors
(ii)	Sohanlal Export Fabrics Pvt Ltd	Common Directors
(iii)	Sohanlal Jhawar Family Trust	Common Directors
(iv)	Dhanlaxmi Export Fabrics LLP	Common Directors
(v)	Promtech Impex Pvt Ltd	Common Directors
(vi)	M R Share Broking Pvt Ltd	Common Directors
(vii)	VRM Share Broking Pvt Ltd	Common Directors
(viii)	Dhanlaxmi Vidyut Pvt Ltd	Common Directors
(ix)	Jhawar Trade & Investment Pvt Ltd	Common Directors
(x)	ASA Agrotech Pvt Ltd.	Common Directors
(xi)	Western Chlorides & Chemicals Pvt Ltd.	Subsidiary Company
(xii)	Dhanesh Fabrics Pvt Ltd	Subsidiary Company
(xiii)	DFL Fabrics Pvt Ltd.	Subsidiary Company
(xiv)	Vinod S Jhawar	Managing Director
(xv)	Mahesh S Jhawar	Director & Chief Financial Officer

b) Details of Transactions and Balances during the year with related parties at the year end.

Sr. No.	Related Parties	Nature of Transactions during the year	2018-2019	2017-2018
(i)	Promtech Impex Pvt Ltd	Interest	0.87	42.85
(ii)	Western Chlorides & Chemicals Pvt Ltd.	Rent Expenses	7.80	5.20
(iii)	Dhanesh Fabrics Pvt Ltd	Textile Job Income	148.29	204.60
		Rent Income	0.30	0.23
		Fabric Sale	163.22	445.92
		Fabric Purchase	0.11	44.09
		Fabric Purchase	-	3.70
(iv)	DFL Fabrics Pvt Ltd.	Fabric Process Income	26.62	20.25
(v)	Vinod S Jhawar	Fabric Sale	27.04	-
(vi)	Mahesh S Jhawar	Directors Remuneration	60.00	60.00
		Directors Remuneration	6.00	6.00
		Director Sitting Fees	0.30	0.30

c) Details of Balances with related parties at the year end.

Sr. No	Related parties	2018-2019		2017-2018	
		Dr. Balance	Cr. Balance	Dr. Balance	Cr. Balance
(i)	Western Chlorides & Chemicals Pvt Ltd.	65.08	-	65.08	-
(ii)	Dhanesh Fabrics Pvt Ltd	9.28	0.03	1.00	94.30
(iii)	DFL Fabrics Pvt Ltd.	11.82	-	1.00	1.28

Note: 36.1 - All related party transactions are excluding GST and other taxes as applicable.

**37 Financial instruments – Fair values and risk management****A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rupees in Lacs)

**As at 31st March 2019**

Particulars	Carrying Amount			Fair value		
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
<b>Financial assets</b>	-					
Investments	-		67.08	67.08	-	-
Trade Receivables	-		1,910.05	1,910.05	-	-
Cash and cash equivalents	-		23.30	23.30	-	-
	-		<b>2,000.43</b>	<b>2,000.43</b>	-	-
<b>Financial liabilities</b>						
Trade Payables			629.00	629.00		
Short Term Borrowings	-		2,018.25	2,018.25	-	-
Long Term Borrowings	-		162.51	162.51	-	-
	-		<b>2,809.76</b>	<b>2,809.76</b>	-	-

**As at 31st March 2018**

Particulars	Carrying amount			Fair value		
	Through OCI	FVTO	Amortised Cost	Total	Level 1	Total
<b>Financial assets</b>	-					
Investments	-		67.08	67.08	-	-
Trade Receivables	-		1,473.53	1,473.53	-	-
Cash and cash equivalents	-		3.20	3.20	-	-
	-		<b>1,543.81</b>	<b>1,543.81</b>	-	-
<b>Financial liabilities</b>						
Trade Payables			539.30	539.30		
Short Term Borrowings	-		1,817.85	1,817.85	-	-
Long Term Borrowings	-		614.67	614.67	-	-
	-		<b>2,971.82</b>	<b>2,971.82</b>	-	-

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**C. Financial Risk Management****C.i. Risk management framework**

A wide range of risks may affect the Company's business and operational or financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

**C.ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(Rupees in Lacs)

**(a) Trade and other receivables from customers**

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Accounts receivables :**

(Rupees in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
0 - 6 months	1,199.15	1,262.37
Beyond 6 months	710.90	224.67
<b>Total</b>	<b>1,910.05</b>	<b>1,487.03</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

**(b) Cash and cash equivalents and Other Bank Balances**

The Company held cash and cash equivalents and other bank balances as stated in Note No. 06. The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

**C.iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**C.iv. Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk, interest rate risk.

**C.iv.a Currency risk**

The Company is not exposed to any currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in INR's Only. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

**C.iv.b Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

# DHANLAXMI FABRICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rupees & Numbers in Lacs)

Particulars	Numbers	Amount
<b>A. Equity Share Capital</b>		
<b>Balance at at 1st April, 2017</b>	<b>85.81</b>	<b>858.11</b>
Changes in equity share capital during the year		-
<b>Balance at at 31st March, 2018</b>	<b>85.81</b>	<b>858.11</b>
Changes in equity share capital during the year		-
<b>Balance at at 31st March, 2019</b>	<b>85.81</b>	<b>858.11</b>
<b>B. Other Equity</b>		

Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
<b>Balance at 1st April, 2017</b>	<b>896.00</b>	<b>108.46</b>	<b>2,338.46</b>		<b>3,342.92</b>
Profit for the year	-	-	156.06	-	156.06
Trf to General Reserve	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
<b>Balance at 31st March, 2018</b>	<b>896.00</b>	<b>108.46</b>	<b>2,494.52</b>		<b>3,498.98</b>
Profit for the year	-	-	617.37	-	617.37
Final Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
<b>Balance at 31st March, 2019</b>	<b>896.00</b>	<b>108.46</b>	<b>3,111.88</b>	-	<b>4,116.34</b>



# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT

To the Members of Dhanlaxmi Fabrics Limited

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Dhanlaxmi Fabrics Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, (the consolidated statement of changes in equity) and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, (consolidated changes in equity) and its consolidated cash flows for the year then ended.

##### 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### The Key Audit Matter

###### Revenue Recognition

Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.

Refer to the Standalone Financial Statements

##### How the matter was addressed in our Audit

###### Principal Audit Procedures

Our audit approach was a combination of test of internal controls and substantive procedures including:

- Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.
- Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.
- Evaluating the design and implementation of Company's controls in respect of revenue recognition.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

- Significant Accounting Policies

Testing the effectiveness of such controls over revenue cut off at year-end.

· Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.

Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing

### **Emphasis of Matters**

We draw attention to -

1. Capital work-in- progress includes Investment in properties amounting to Rs. 1048.39 Lakhs consist of advances paid for acquisition of Immovable property which are paid for more than 12 months. In absence of specific timelines, registered transfer deeds and external valuations, there carrying values has been considered as fair values. In absence of reliable external information's, No impairment provisions have been made there upon.
2. Sundry Debtors includes Rs. 710.90 Lakhs due for more than six months. No provision has been made in the books for the same as management has considered the same good and recoverable.
3. Balances of Sundry Debtors and other current assets, Trade payables, Investment in Properties etc. are subject to confirmations and consequent changes, if any.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

in the consolidated financial Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 consolidated 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.

### Other Matters

1. Refer to note no. 9 attached to the Financial statements, The Loans and Advances given are closely monitored by Board of Directors and therefore no appraisal, renewal, policies, procedures and documents has been executed.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

### Report on Other Legal and Regulatory Requirements

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

- (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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities
  - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

### **For R SONI & COMPANY**

Chartered Accountants

Firm's Registration No. 130349W

### **CA Rajesh Soni**

Partner

M. No. 133240

Place of Signature: Mumbai

Date: 29.05.2019

# CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH 2019		( Rupees in Lacs)	
PARTICULARS	Note No.	As at 31st March 2019	As at 31 <sup>st</sup> March 2018
<b>B</b>			
<b>1</b>			
<b>ASSETS</b>			
<b>1</b>			
<b>Non-current assets</b>			
a.	2	2,746.01	3,026.28
b.		1,048.39	1,080.92
c.			
<u>Financial Assets</u>			
i)	3	18.83	22.71
ii)	4	634.55	887.67
d.	5	2.00	0.86
e.	6	302.60	340.68
		<b>4,752.38</b>	<b>5,359.13</b>
<b>Total Non - Current Assets (A)</b>			
<b>2</b>			
<b>Current assets</b>			
a.	7	1,355.91	1,132.00
b.			
<u>Financial Assets</u>			
i)	8	2,091.49	1,670.59
ii)	9	33.82	23.27
c.	10	236.92	80.84
d.	11	24.96	16.85
		<b>3,743.10</b>	<b>2,923.54</b>
<b>Total Current Assets (B)</b>			
		<b>8,495.48</b>	<b>8,282.67</b>
<b>TOTAL ASSETS (A+B)</b>			
<b>A</b>			
<b>1</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>1</b>			
<b>EQUITY</b>			
a.	12	858.11	858.11
b.	13	4,268.13	3,634.19
		<b>5,126.24</b>	<b>4,492.30</b>
<b>Total Equity (A)</b>			
<b>2</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a.			
<u>Financial Liabilities</u>			
i)	14	162.51	614.67
ii)	14	165.92	190.69
iii)		-	-
b.	15	207.38	429.58
c.	16	25.00	23.43
d.		-	-
		<b>560.81</b>	<b>1,258.37</b>
<b>Total Non Current Liabilities (B)</b>			
<b>Current liabilities</b>			
a.			
<u>Financial Liabilities</u>			
i)	17	2,018.25	1,817.85
ii)	18	690.09	640.53
iii)		-	-
b.	19	41.69	38.58
c.	20	58.40	35.04
		<b>2,808.43</b>	<b>2,532.00</b>
<b>Total Current Liabilities (C)</b>			
		<b>8,495.48</b>	<b>8,282.67</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>			

In terms of our report attached

FOR R. SONI & CO.  
Chartered Accountants  
FR NO. 130349 W

CA Rajesh Soni  
Partner  
M. No. 133240

Place : Mumbai  
Date : 27-05-2019

For and on behalf of the Board,  
Ramautar S. Jhavar  
Chairman & Directors

Vinod S. Jhavar  
Managing Director

Bhavika Jain  
Company Secretary

Mahesh S. Jhavar  
Chief Financial Officer

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (Rupees in Lacs)

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	21	8,158.34	7,802.10
2 Other income	22	218.74	299.34
<b>Total Revenue</b>		<b>8,377.08</b>	<b>8,101.44</b>
<b>3 Expenses</b>			
(a) Cost of materials consumed	23	3,607.62	2,969.06
(b) Cost of Store & Spares Consumed	24	149.49	66.59
(c) Purchases of stock-in-trade	25	673.01	1,130.55
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(223.91)	425.61
(e) Employee benefits expenses	27	963.88	810.43
(f) Finance costs	28	240.32	290.71
(g) Depreciation	29	415.05	409.34
(f) Other expenses	30	2,143.94	1,725.37
<b>Total Expenses</b>		<b>7,969.42</b>	<b>7,827.66</b>
<b>4 Profit before exceptional Items &amp; taxes</b>		<b>407.65</b>	<b>273.78</b>
Exceptional Items - TUF Interest	31	243.48	(3.73)
<b>Profit/(Loss) Before Taxes</b>			
<b>Tax expense:</b>		<b>651.13</b>	<b>270.05</b>
(a) Current tax		228.22	133.83
(b) Deferred Tax		(222.20)	(47.21)
<b>Net tax expense</b>		<b>6.02</b>	<b>86.62</b>
<b>5 Profit/(Loss) for the period</b>	A	<b>645.11</b>	<b>183.43</b>
<b>Other comprehensive income</b>	B		
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
		-	-
<b>6 Total comprehensive income for the period</b> (Profit/ loss + other comprehensive income)	(A+B)	<b>645.11</b>	<b>183.43</b>
<b>7 Earnings per Equity share</b> (Face Value of Rs. 10/- each)			
a) Basic	33	7.52	2.94
b) Diluted	33	7.52	2.94
<b>8 Significant Accounting Policies</b>	1 to 37		

In Terms Of Our Report Attached

For and on behalf of the Board,

**For R. Soni & Co.**  
Chartered Accountants  
FR NO. 130349 W

**Ramautar S. Jhawar**  
Chairman & Director

**Vinod S. Jhawar**  
Managing Director

**CA Rajesh Soni**  
Partner  
M. No. 133240

Place : Mumbai  
Date : 27-05-2019

**Bhaviika Jain**  
Company Secretary

**Mahesh S. Jhawar**  
Chief Financial Officer & Director

# CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2019		(Rs. in Lacs)	
Particulars	For the year ended 31 <sup>st</sup> March 2019		For the year ended 31 <sup>st</sup> March 2018
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax		407.65	273.78
Adjustments for:			
Depreciation and amortisation	415.05		409.34
(Profit) (-) Loss (+) on sale/write off of assets including Shares	(17.83)		(4.96)
Finance costs	240.32		290.71
Interest income	(90.16)		(71.77)
Dividend Received	(0.12)		(0.21)
Rental Income from Investment Property	(70.62)		(64.87)
Operating profit / (loss) before working capital changes		884.31	832.02
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories (increase / decrease)	(223.91)		425.61
Trade and other receivables	(420.91)		774.00
Other current assets	(164.19)		17.58
Other Current Liabilities	26.47		(54.77)
Trade and other Payables	49.56		(412.76)
Change in Other Non -Current Assets	(1.13)		-
Change in Other Non-Current Liabilities	-		-
Change in Capital Work in Progress	32.53		-
Cash generated from operations		(701.58)	749.67
Net income tax (paid) / refunds		182.72	1,581.69
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>228.22</b>	<b>127.48</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets	(151.03)		(81.58)
Sale of fixed assets	26.42		-
Interest received	90.16		71.77
Rental income from investment properties	70.62		64.87
Long Term Liabilities	(24.77)		27.28
Long Term Advances	291.21		(622.77)
Other Long term Liabilities	1.57		-
Interest on TUF Subsidy	243.48		(3.73)
Sale of Investment	0.36		7.11
Dividend Received	0.12		0.21
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>548.14</b>	<b>536.83</b>
<b>C. Cash flow from financing activities</b>			
Issue of equity shares	-		-
Repayment of long-term borrowings	(452.16)		(507.18)
Net increase / (decrease) in working capital borrowings	200.40		(125.61)
Finance cost	(240.32)		(290.71)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(492.09)</b>	<b>(923.50)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>10.55</b>	<b>(6.12)</b>
Cash and cash equivalents at the beginning of the year		23.27	29.39
<b>Cash and cash equivalents at the end of the year</b>		<b>33.82</b>	<b>23.27</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>		<b>-</b>	<b>-</b>

In Terms Of Our Report Attached

**FOR R. SONI & CO.** CA Rajesh Soni  
Chartered Accountants Partner  
FR NO. 130349 W M. No. 133240

Place : Mumbai  
Date : 29<sup>th</sup> May 2018

**Ramautar S. Jhawar**  
Chairman & Director  
**Bhaviika Jain**  
Company Secretary

For and on behalf of the Board,  
**Vinod S. Jhawar**  
Managing Director  
**Mahesh S. Jhawar**  
Chief Financial Officer & Director



# CONSOLIDATED FINANCIAL STATEMENTS

## Note 1

### Corporate Information

The Consolidated Financial Statements comprise financial statements of "Dhanlaxmi Fabrics Limited" ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31st March 2019. The Principal activities of the group is cornered in to dealers and manufacturing and Processing of Textile and allied products/services and Power Generation.

### Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (A) Basis Of Preparation Of Financial Statement

- i The Financial Statements of the Holding Company and its Subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expense and Cashflows, after dully eliminating intra-group balances and intra-group transactions
- ii The difference in accounting policies of the Holding Company and its subsidiaries/ associates are not material
- iii The Consolidated Financial Statements have been prepared using Uniform accounting policies for like transactions and other events in similar circumstances
- iv The Carrying amount of the parent's investment in each subsidiary is offset(eliminated) against the parent's portion of equity in each subsidiary
- v The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- vi The Consolidated financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 53 on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows which is separately presented in the annual report.
- vii These Consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.
- viii The Group follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis the TUF subsidiary interest receivable from government for the year 2014-15, 2015-16 which will be accounted on Cash basis as and when received. The Consolidated financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:
  - (i) Investments are measured at fair value.

#### (B) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

#### (I) Sales

- (i) Domestic sales are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.

# CONSOLIDATED FINANCIAL STATEMENTS

(ii) The Company recognises income from power generated on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

## **(II) Other Income**

### **(i) Interest Income**

Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

### **(ii) Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group and the amount of the dividend can be measured reliably.

## **(C) Property, plant and equipment**

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

(i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.

(i) All items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

### **(ii) Depreciation**

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) The depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(c) Leasehold Land is depreciated over the period of the Lease.

## **(D) Inventories Valuation**

(i) Raw materials, components, stores & spares, packing material, semi-finished goods & finished goods are valued at lower of cost and net realisable value.

(ii) Cost of Raw Materials, components, stores & spares and packing material is arrived at Weighted Average Cost and Cost of semi-finished good and finished good is arrived at estimated cost.

(iii) Scrap is valued at net realisable value.

(iv) Power Inventory is valued at cost

## **(E) Cash And Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **(F) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## **(G) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

# CONSOLIDATED FINANCIAL STATEMENTS

## **(H) Borrowing Cost**

(i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## **(I) Investments**

All Unquoted equity investments are measured at carrying value and all other equity investments are measured at Fair Value, with value changes recognised in Consolidated Statement of Profit & Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'

## **(J) Employee Benefit**

(i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss for the year in which the related service is rendered .

(ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Statement of Profit & Loss. Gratuity which is a defined benefit is accrued based on actuarial valuation as at Balance Sheet date by an independent actuary. The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year.

(iii) The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

# CONSOLIDATED FINANCIAL STATEMENTS

## **(K) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

## **(L) Taxation**

(i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation. Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

(ii) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

(iii) Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(iv) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the no tax has been recognised in the books of Accounts.

## **(M) Impairment of Assets**

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

# CONSOLIDATED FINANCIAL STATEMENTS

## **(N) Provisions and Contingent Liabilities**

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **(Q) Operating Cycle**

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

## **(P) Financial Instruments**

### **(I) Financial Assets**

#### **(i) 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.

#### **(ii) 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.

#### **(iii) Impairment of financial assets**

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

Expected credit losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

# CONSOLIDATED FINANCIAL STATEMENTS

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## **(II) Financial Liabilities**

### **(i) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### **(ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **(Q) FIRST TIME ADOPTION OF IND AS**

The Group has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

### **Explanation 1 - Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### **(I) Ind AS Optional exemptions**

##### **Deemed Cost - Property, Plant and Equipment and Intangible Assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values.

NIL

#### **(II) Ind AS mandatory exemptions**

##### **(i) Estimates**

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

##### **(ii) Classification and measurement of financial assets (other than equity instruments)**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

##### **(iii) De-recognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

**(R)** The previous year figures have been regrouped/reclassified, where ever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

## **For R Soni & Co**

Chartered Accountants

FR No - 130349W

### **CA Rajesh Soni**

Partner

Membership No.133240

Place : Mumbai

Date : 29<sup>th</sup> May 2018

## **FOR DHANLAXMI FABRICS LIMITED**

### **Ramautar S. Jhawar**

Chairman & Director

### **Vinod S. Jhawar**

Managing Director

### **Mahesh S. Jhawar**

Chief Financial Officer & Director

### **Bhaviika Jain**

Company Secretary

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment				Net carrying Amount	
	As at 01/04/2018	Addition during the year	Sold during the year	As at 31/03/2019	As at 31/03/2018	Provided during the year	Adjusted during the year	As at 31/03/2019	As at 31/03/2018
Land	472.88	-	-	472.88	-	-	-	472.88	470.63
Building	763.09	15.00	-	778.09	309.36	24.16	-	444.57	453.73
Plant & Machinery	5,324.70	50.24	312.99	5,061.95	3,536.55	362.33	302.09	1,465.16	1,788.15
Electrical Installation	150.06	8.91	0.20	158.78	117.05	5.29	-	36.43	33.01
Pipe Fitting	34.62	-	-	34.62	32.27	0.15	-	2.20	2.35
Furniture & Fixture	108.56	0.19	-	108.75	101.86	0.44	-	6.45	6.70
Laboratory Equipment	27.49	-	-	27.49	24.00	0.51	-	2.99	3.50
Office Equipment	9.78	1.30	-	11.08	8.51	0.48	-	2.09	1.27
Air Conditioner	19.29	-	-	19.29	11.96	1.09	-	6.24	7.33
Computer	47.94	3.47	-	51.40	44.70	1.82	-	4.87	3.05
Motor Vehicle	86.16	71.92	64.15	93.93	64.21	12.76	59.01	75.97	14.64
Misc. fixed Assets	54.18	-	-	54.18	37.37	2.59	-	14.22	16.81
House Property	222.23	-	-	222.23	32.58	3.37	-	186.28	189.65
<b>Sub Total</b>	<b>7,320.97</b>	<b>151.03</b>	<b>377.34</b>	<b>7,094.66</b>	<b>4,320.41</b>	<b>415.00</b>	<b>361.10</b>	<b>2,720.35</b>	<b>2,990.81</b>
<b>Wind Power Division</b>									
Land	10.00	-	-	10.00	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	505.28	0.05	-	15.67	15.72
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>531.00</b>	<b>505.28</b>	<b>0.05</b>	<b>-</b>	<b>25.67</b>	<b>25.72</b>
<b>Total</b>	<b>7,851.97</b>	<b>151.03</b>	<b>377.34</b>	<b>7,625.66</b>	<b>4,825.69</b>	<b>415.05</b>	<b>361.10</b>	<b>2,746.01</b>	<b>3,016.53</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment			Net carrying Amount	
	As at 01/04/2017	Addition during the year	Sold during the year	As at 31/03/2017	Provided during the year	Adjusted during the year	As at 31/03/2018	As at 31/03/2017
Land	472.88	-	-	-	-	-	472.88	472.88
Building	763.09	-	-	285.31	24.05	-	453.73	477.78
Plant & Machinery	5,282.87	41.83	-	3,176.17	360.38	-	1,788.15	2,106.70
Electrical Installation	150.06	-	-	111.99	5.06	-	33.01	38.07
Office Equipment	34.62	-	-	32.12	0.15	-	2.35	2.51
Furniture & Fixture	108.56	-	-	101.41	0.44	-	6.70	7.14
Laboratory Equipment	27.49	-	-	23.19	0.81	-	3.50	4.30
Office Equipment	9.05	0.73	-	7.99	0.51	-	1.27	1.06
Air Conditioner	17.66	1.63	-	10.93	1.02	-	7.33	6.73
Computer	45.20	2.73	-	43.39	1.32	-	3.23	1.82
Motor Vehicle	76.16	10.00	-	60.15	4.06	-	21.95	16.00
Misc. Assets	54.18	-	-	34.13	3.24	-	16.81	20.05
Office Premises Vikroli	128.59	-	-	17.73	1.93	-	108.92	110.86
Property - Bhiwandi	93.64	-	-	11.48	1.43	-	80.73	82.17
<b>Sub Total</b>	<b>7,264.05</b>	<b>56.92</b>	<b>-</b>	<b>7,320.97</b>	<b>404.41</b>	<b>-</b>	<b>3,000.56</b>	<b>3,348.05</b>
<b>Wind Power Division</b>								
Land	10.00	-	-	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	500.35	4.93	-	15.72	20.65
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>500.35</b>	<b>4.93</b>	<b>-</b>	<b>25.72</b>	<b>30.65</b>
<b>Total</b>	<b>7,795.05</b>	<b>56.92</b>	<b>-</b>	<b>4,416.35</b>	<b>409.34</b>	<b>-</b>	<b>3,026.28</b>	<b>3,378.70</b>



# CONSOLIDATED FINANCIAL STATEMENTS

<b>NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019</b>		(Rupees in Lacs)
The previous year figures have regrouped/reclassified, wherever necessary to conform to current year presentation.		
<b>Particulars</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
<b>3 NON-CURRENT INVESTMENTS</b>		
Investment in Shares	18.83	22.71
<b>Total</b>	<b>18.83</b>	<b>22.71</b>
<b>4 LOANS GIVEN</b>		
Ajay Multi Projects Ltd	514.65	803.73
Jignesh Farics Pvt Ltd	64.46	-
Lord Venkatesha Yarn Pvt Ltd	54.04	54.04
Sheetal Kumar S Manrere	1.40	29.90
<b>Total</b>	<b>634.55</b>	<b>887.67</b>
<b>5 OTHER TAX ASSET(NET)</b>		
Advance tax Paid	-	118.00
Income Tax Refund Receivable	193.16	183.91
TDS Receivables	-	62.12
Less: Provision for Income Tax	(191.2)	(363.2)
<b>Total</b>	<b>2.00</b>	<b>0.86</b>
<b>6 OTHER NON CURRENT ASSETS</b>		
Security Deposits	100.10	97.44
Fixed Deposits with Bank	22.28	71.45
<b>Income Tax Paid Under Protest</b>	-	-
For A.Y. 2010-11 (Under Appeal)	117.22	117.22
For A.Y. 2011-12 (Under Appeal)	52.10	45.00
For A.Y. 2012-13 (Under Appeal)	5.32	4.00
For A.Y. 2013-14 (Under Appeal)	5.57	5.57
<b>Total</b>	<b>302.60</b>	<b>340.68</b>
<b>7 INVENTORIES</b>		
Finished Goods	933.70	674.10
Raw Material	311.60	325.48
Stock in Process - WIP	85.65	91.81
Stores & Spares	24.97	40.62
<b>Total</b>	<b>1,355.91</b>	<b>1,132.00</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

(Rupees in Lacs)

The previous year figures have regrouped/reclassified, wherever necessary to conform to current year presentation.

8 TRADE RECEIVABLES	As at 31/03/2019		As at 31/03/2018	
<b>Particulars</b>				
<u>Unsecured</u>				
A) Outstanding For a Period exceeding Six Months from the date they are due for payment				
(i) Considered Good	710.90		261.83	
(ii) Considered Doubtful	-		-	
Less: Provisions for Bad Debts	-	710.90	-	261.83
B) Other Trade Receivable				
(i) Considered Good	1,380.60		1,408.76	
(ii) Considered Doubtful	-	1,380.60	-	1,408.76
<b>Total</b>		<b>2,091.49</b>		<b>1,670.59</b>
i) No Provision for Doubtful Debtors is made as Management of the company is hopeful of full recoverability of the same.				
<b>Particulars</b>		<b>As at 31/03/2019</b>		<b>As at 31/03/2018</b>
<b>9 CASH AND CASH EQUIVALENTS</b>				
Cash on hand		11.18		4.01
Balance with banks		22.63		19.25
<b>Total</b>		<b>33.82</b>		<b>23.27</b>
<b>10 CURRENT TAX ASSET(NET)</b>				
Advance tax Paid		179.50		74.00
GST Refund Receivable		218.01		70.50
TDS Receivables		76.46		70.17
Less: Provision for Income Tax		(237.05)		(133.83)
<b>Total</b>		<b>236.92</b>		<b>80.84</b>
<b>11 OTHER CURRENT ASSETS</b>				
Other Loans & Advances		2.01		7.35
Loan to staff		0.75		2.86
Prepaid Expenses		22.19		6.63
<b>Total</b>		<b>24.96</b>		<b>16.85</b>
<b>12 EQUITY SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>				
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)		1,500.00		1,500.00
<b>Issued, Subscribed and Paid up</b>				
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/-Par Value)		858.11		858.11

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

**Note No 12.1:** The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2019:

Particulars	As at 31/03/2019		As at 31/03/2018	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	85.81	858.11	85.81	858.11
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>85.81</b>	<b>858.11</b>	<b>85.81</b>	<b>858.11</b>

**Note No 12.2: Terms/rights attached to equity shares**

(A) The company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share.

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 12.3: Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date :**

No Bonus Shares Issued and Sub-Division of shares during the period of five years.

**Note No 12.4: The details of Shareholders holding more than 5% Shares in the company**

Name of Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	% held as at	No of Shares	% held as at
Eskay Niryat Pvt Ltd.	12.80	14.92	12.80	14.92
Promtech Impex Pvt Ltd	12.80	14.92	12.80	14.92
Jhawar Commodities Pvt Ltd	14.57	16.98	14.57	16.98
Dhanlaxmi export fabrics LLP	4.38	5.10	4.38	5.10
Ramautar Shohanlal Jhawar	7.78	8.79	7.78	8.79

## 13 OTHER EQUITY

Particulars	As at 31/03/2019	As at 31/03/2018
<b>a. Capital Reserve</b> At the beginning and at the end of the year	-	-
<b>b. General Reserve</b> Opening Balance(As per last Balance Sheet)	119.08	119.08
Add: Transferred from Surplus	-	-
	119.08	119.08
<b>c. Surplus</b> Opening Balance (As per last Balance sheet)	2,629.47	2,446.04
Add: Net Profit after tax Transferred from	645.11	183.43
Less: Transfer to General Reserve	-	-
<b>Surplus Closing Balance</b>	<b>3,274.59</b>	<b>2629.47</b>
<b>d. Security Premium</b> Opening Balance	896.00	896.00
Add: During the Year	-	-
	-	-
<b>Closing Balance</b>	<b>896.00</b>	<b>896.00</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)				
<b>13 OTHER EQUITY</b>				
<b>Particulars</b>	<b>As at 31/03/2019</b>		<b>As at 31/03/2018</b>	
<b>Other Comprehensive Income</b>				
Opening Balance		(10.36)		-
Add: During the year		(11.18)		(10.36)
<b>Closing Balance</b>		<b>(21.54)</b>		<b>(10.36)</b>
<b>Total</b>		<b>4,268.13</b>		<b>3634.19</b>
<b>14 LONG TERM BORROWINGS</b>				
<b>Secured Loans</b>				
Term Loan from Kotak Mahindra Bank			40.10	
Term Loan from AXIS Bank	121.31		206.15	
Term Loan from The Shamrao Vithal Co-Op. Bank	41.20	162.51	368.42	614.67
<b>Unsecured Loans</b>				
Maresh S Jhawar	9.97		-	
Promtech Impex Pvt Ltd	155.95	165.92	190.69	190.69
<b>TOTAL</b>		<b>328.43</b>		<b>805.36</b>
14.1 Bank term loans are secured by way of first charge over the entire fixed assets of the company both present and future created out of the term loan. Personal guarantee of three director and corporate guarantee of M/s.Western chlorides and chemicals Pvt Ltd subsidiary of the company.				
<b>Particulars</b>	<b>As at 31 /03/2019</b>		<b>As at 31 /03/2018</b>	
<b>15. DEFERED TAX LIABILITIES (NET)</b>				
<b>Defered Tax Liabilities</b>				
At Beginning of the year		429.58		476.79
Defered Tax Liability/ Assets for the year		(222.20)		(47.21)
<b>At Closing of the year</b>		<b>207.38</b>		<b>429.58</b>
15.1 The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation as per Provisions of Companies Act, 2013				
<b>16 OTHER LONG TERM LIABILITIES</b>				
	<b>As at 31 /03/2019</b>		<b>As at 31 /03/2018</b>	
Deposits received from Licensee		25.00		23.43
16.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 to 406 at Kailas Corporate Lounge Vikroli and 2nd floor of Building I at Rajlaxmi Commercial Complex Kalher given on rent to them.				
<b>Particulars</b>	<b>As at 31 /03/2019</b>		<b>As at 31 /03/2018</b>	
1. Synergy Property Development Services Pvt Ltd		18.37		16.70
2. G4 Securities Solution (India) Pvt. Ltd.		3.32		3.42
3. Mr. Mohammad Muzaammi Suyani		3.31		3.31
<b>Total</b>		<b>25.00</b>		<b>23.43</b>
16.2 The carrying value of Security Deposits is deemed to be the Fair Value.				

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## 17 SHORT TERM BORROWING

<b>Secured Borrowing</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
Cash credit from Kotak Mahindra Bank	-	185.55
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	124.61	1,084.00
Cash Credit from Axis Bank Ltd.	788.33	105.18
Working Capital Demand Loan with SVC Bank Ltd	700.00	-
Current Maturities of Long Term Loan from Kotak Mahindra Bank	-	68.75
Current Maturities of Long Term Loan from AXIS Bank	84.84	84.84
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	320.47	289.53
	-	-
<b>TOTAL</b>	<b>2,018.25</b>	<b>1,817.85</b>

17.1 - Cash Credits are secured by way of Hypothication of stocks and Book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.

<b>Particulars</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
<b>TRADE PAYABLES</b>		
Sundry Creditors for Goods	621.39	522.40
Sundry Creditors for Expenses	68.70	118.13
Sundry Creditors for Fixed assets	-	-
<b>TOTAL</b>	<b>690.09</b>	<b>640.53</b>

18.1 - Dues to Micro and Small enterprises (Refer note no. 32)

The Company has certain dues to suppliers registered under Micro, small and medium enterprises Development Act 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

<b>Particulars</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
Principle amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	46.05	-
<b>19 OTHER CURRENT LIABILITIES</b>		
Charity Fund	6.05	7.00
Salary payable	27.02	21.58
Statutory Liabilities	8.62	10.00
<b>Total</b>	<b>41.69</b>	<b>38.58</b>
<b>20 SHORT TERM PROVISIONS</b>		
Provision for Outstanding Expenses	58.40	35.04
<b>Total</b>	<b>58.40</b>	<b>35.04</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As at 31/03/2019	As at 31/03/2018
<b>21 REVENUE FROM OPERATIONS</b>		
Fabric Sales	4,442.98	4,554.22
Textile Job work Income	3,674.61	3,241.26
Yarn Sales	8.68	6.62
Power Sales	32.06	-
<b>Total</b>	<b>8,158.34</b>	<b>7,802.10</b>
<b>22 OTHER INCOME</b>		
Interest Income	90.16	71.77
Bad Debt Recovery	4.11	-
Profit & Loss on sale of Assets	7.40	-
LTCG on sale of Shares	5.05	1.51
STCG on Sale of Shares	2.60	3.45
Misc. Income	0.45	-
Maturity proceeds of Keymen Insurance Policy	-	157.53
Dividend received	0.12	0.21
Rent Income	70.62	64.87
Scrap Sales	2.78	-
VAT Refund	35.46	-
<b>Total</b>	<b>218.74</b>	<b>299.34</b>
<b>23 COST OF RAW MATERIALS CONSUMED</b>		
Yarn	1,992.37	1,551.45
Dyes	279.31	169.43
Chemicals	668.97	569.94
Packing Material	43.09	62.29
Coal	579.15	579.23
Consumables	48.71	34.76
Diesel	0.77	1.97
Custom Duty	6.33	-
Blanket	0.72	-
Discount	(11.80)	-
<b>Total</b>	<b>3,607.62</b>	<b>2,969.06</b>
<b>24 STORES AND SPARES CONSUMPTION</b>		
Indigenous	149.49	66.59
<b>Total</b>	<b>149.49</b>	<b>66.59</b>
<b>25 PURCHASES OF STOCK IN TRADE</b>		
Fabric	668.27	1,120.87
Trading Purchase	4.75	9.67
<b>Total</b>	<b>673.01</b>	<b>1,130.55</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>26 Changes in inventories of finished goods, work in progress And stock in trade</b>		
<b>Inventory ( At close)</b>		
Fabric	933.70	881.24
Work in Progress	85.65	91.81
Windmill Energy Generation Stock	-	13.10
Raw Material	311.60	105.23
Stores and Spares	24.97	40.62
<b>Total</b>	<b>1,355.91</b>	<b>1,132.00</b>
<b>Inventory ( At commencement)</b>		
Fabric	881.24	1,248.36
Work in Progress	91.81	148.27
Windmill Energy Generation Stock	13.10	-
Raw Material	105.23	117.31
Stores and Spares	40.62	43.67
<b>Total</b>	<b>1,132.00</b>	<b>1,557.61</b>
<b>Net Change</b>	<b>(223.91)</b>	<b>425.61</b>
<b>27 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Job Charges	616.21	494.92
Salary Bonus and Others	312.06	301.53
Contribution to P.F & ESIC	17.21	7.21
Contribution to Gratuity Fund	12.48	-
Contribution to Maharashtra Labour Welfare Fund	0.06	0.09
Staff welfare Expenses	5.88	6.68
<b>Total</b>	<b>963.88</b>	<b>810.43</b>
<p>(27.1) The Company has provided for Gratuity Fund as per Rs. 12.47 Lakhs as per contribution to LIC Annuity scheme (New Group Gratuity Cash Accumulation Plan) However, as per the Gratuity valuation obtained by the company, the current years obligation to Gratuity to be charged to P &amp;L is Rs. 7.46 Lakhs.</p> <p>(27.2) The Company has not made provision for difference in Defined benefit obligation calculated by Actuarial Valuation and Fair value of plan assets to the extent of Rs. 8.51 Lakhs. Further, the company has not recognised amount to the extent of Rs. 5.61 Lakh as Debits to Other Comprehensive Income during the year.</p>		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>28 FINANCE COST</b>		
Interest on Working capital	147.98	124.02
Interest on Term Loan	123.81	81.80
Interest on Others	14.30	24.70
Bank charges/ Processing Fees	4.62	9.79
<b>Total</b>	<b>290.71</b>	<b>240.32</b>
<b>29 DEPRECIATION</b>		
Depreciation on Fixed Assets	409.34	415.05
<p>29.1 Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis</p>		

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>30 OTHER EXPENSES</b>		
<b>30 (a) Manufacturing expenses</b>		
Electricity Charges	425.57	441.07
Water Expenses	266.62	297.33
Repairs to building	6.45	2.13
Repairs to Machinery	31.50	26.61
Repairs and Maintenance Others	10.19	3.77
Weaving Charges	47.13	41.82
Freight & forwarding expenses (Domestic)	29.17	18.28
Laboratory expenses	0.85	0.15
Insurance	9.20	3.88
Clearing and Forwarding Charges (International)	1.43	-
Sizing/Warping Charges	120.86	134.06
Local Body Tax	7.49	-
Excise Duty on Input Reversed	13.30	-
Textile Job work Expenses	897.34	507.53
<b>Total</b>	<b>1,867.10</b>	<b>1,476.62</b>
i) During the Year, amid to ongoing escalation with Government of Maharashtra on Power Tariff, The management has decided to use it Power for captive use. Accordingly the Electricity Expenses stands reduced to that extent.		
	As on 31/03/2019	As on 31/03/2018
<b>30 (b) Selling &amp; distribution expenses</b>		
Sales promotion	10.25	0.66
Cash Discount	-	0.14
Commission & brokerage	34.38	59.00
<b>Total</b>	<b>44.63</b>	<b>63.80</b>
<b>30 (c) Administrative expenses</b>		
Property Expenses	20.93	18.47
Printing & stationery	7.23	6.78
Postage & courier charges	2.43	2.38
Legal & professional fees	48.83	22.09
Advertisement charges	0.89	0.67
Conveyance expenses	15.98	4.64
General expenses	2.57	2.99
Listing fees - Stock Exchange	3.10	2.50
Lease rent for factory land	7.80	5.35
Vehicle expenses	12.25	6.79
Mobile and Telephone Expenses	2.63	4.59
Mobile and Telephone Expenses	6.81	9.26
Auditor Remuneration	60.00	60.00
Directors remuneration	1.35	1.28
Sitting Fees	24.76	26.25
Sundry Balances W/off	7.62	5.73
Travelling Expenses	7.03	5.20
Other expenses	<b>232.21</b>	<b>184.95</b>
<b>Total</b>	<b>2,143.94</b>	<b>1,725.37</b>



# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2019	As on 31/03/2018
<b>30 OTHER EXPENSES</b>		
<b>Payment to auditors</b>		
Statutory audit Fees	1.01	1.01
Internal audit fees	5.50	8.00
Cost Audit Fees	0.30	0.25
<b>Total</b>	<b>6.81</b>	<b>9.26</b>
<b>31 EXCEPTIONAL ITEMS</b>		
Interest Received on TUF Subsidy	243.48	132.58
Interest written off since non recoverable	-	(136.31)
<b>Total</b>	<b>243.48</b>	<b>(3.73)</b>
<b>32 MSME disclosure</b>		
The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:		
Particulars	As on 31/03/2019	As on 31/03/2018
1 Principal amount not due and remaining unpaid as on 31.3.2019	24.42	-
2 Principal amount due and remaining unpaid as on 31.03.2019	21.63	-
3 Interest due on (1) above and the unpaid interest	-	-
4 Interest due and payable for the period of delay other than (3) above	-	-
<b>33 EARNING PER SHARE(EPS)</b>		
(i) Net Profit after tax as per statement of Profi & Loss Attributable to equity Shareholders	645.11	183.43
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	7.52	2.94
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>
<b>34 CONTINGENT LIABILITIES</b>		
<b>Contingent Liabilities not provided for in respect of</b>		
1. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appealent Court	528.96	528.96
<b>35 FOREIGN EXCHANGE EARNING AND OUTGO</b>		
a) Earning - Fabrics Export		-
b) Outgo - Import of Spares for Imported Machinery	29.34	-

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## 36 RELATED PARTY DISCLOSURE

a) Name of the related party and description of relationship.

S.No.	Related Parties	Nature of Relationship
(i)	Dhanlaxmi Cotex Ltd	Common Directors
(ii)	Sohanlal Export Fabrics Pvt Ltd	Common Directors
(iii)	Sohanlal Jhawar Family Trust	Common Directors
(iv)	Dhanlaxmi Export Fabrics LLP	Common Directors
(v)	Promtech Impex Pvt Ltd	Common Directors
(vi)	M R Share Broking Pvt Ltd	Common Directors
(vii)	VRM Share Broking Pvt Ltd	Common Directors
(viii)	Dhanlaxmi Vidyut Pvt Ltd	Common Directors
(ix)	Jhawar Trade & Investment Pvt Ltd	Common Directors
(x)	ASA Agrotech Pvt Ltd.	Common Directors
(xi)	Western Chlorides & Chemicals Pvt Ltd.	Subsidiary Company
(xii)	Dhanesh Fabrics Pvt Ltd	Subsidiary Company
(xiii)	DFL Fabrics Pvt Ltd.	Subsidiary Company
(xiv)	Vinod S Jhawar	Managing Director
(xv)	Mahesh S Jhawar	Director & Chief Financial Officer

b) Details of Transactions and Balances during the year with related parties at the year end.

Sr. No.	Related Parties	Nature of Transactions during the year	2018-2019	2017-2018
(i)	Promtech Impex Pvt Ltd	Interest	12.84	48.59
(ii)	M R Share Broking Pvt Ltd	Investment Purchase	-	17.61
		Investment Sale	-	23.34
		Unsecured Loan repayment	-	74.75
(iii)	VRM Share Broking Pvt Ltd	Investment Purchase	-	7.82
		Investment Sale	-	13.70
(iv)	Dhanlaxmi Export Fabrics LLP	Trading Sale	-	0.59
(v)	Vinod S Jhawar	Directors Remuneration	60.00	60.00
(vi)	Mahesh S Jhawar	Directors Remuneration	6.00	6.00
		Director Sitting Fees	0.30	0.30

c) Details of Balances with related parties at the year end.

S.No.	Related parties	2018-19		2017-18	
		Dr. Balance	Cr. Balance	Dr. Balance	Cr. Balance
(i)	Promtech Impex Pvt Ltd				190.69

Note: 36.1 - All related party transactions are excluding GST and other taxes as applicable

## 37 Financial instruments – Fair values and risk management

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

As at 31st March 2019						
Particulars	Carrying Amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
<b>Financial assets</b>						
Investments	18.83		67.08	85.91	-	-
Trade Receivables			2,091.49	2,091.49	-	-
Cash and cash equivalents			33.82	33.82	-	-
	<b>18.83</b>		<b>2,192.39</b>	<b>2,211.22</b>	-	-
<b>Financial liabilities</b>						
Trade Payables	-		690.09	690.09	-	-
Short Term Borrowings			2,018.25	2,018.25	-	-
Long Term Borrowings			162.51	162.51	-	-
	-		<b>2,870.85</b>	<b>2,870.85</b>	-	-

As at 31st March 2018						
Particulars	Carrying amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1	Total
<b>Financial assets</b>						
Investments	22.71		62.08	84.79	-	-
Trade Receivables			1,564.05	1,564.05	-	-
Cash and cash equivalents			23.27	23.27	-	-
	<b>22.71</b>		<b>1,649.39</b>	<b>1,672.11</b>	-	-
<b>Financial liabilities</b>						
Trade Payables	-		547.50	547.50	-	-
Short Term Borrowings			1,528.32	1,528.32	-	-
Long Term Borrowings			1,124.55	1,124.55	-	-
	-		<b>3,200.37</b>	<b>3,200.37</b>	-	-

## **B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## **C. Financial Risk Management**

### **C.i. Risk management framework**

A wide range of risks may affect the Company's business and operational or financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

### **C.ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## **(a) Trade and other receivables from customers**

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

### **Ageing of Accounts receivables :**

(Rupees in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
0 - 6 months	1,380.60	1,408.76
Beyond 6 months	710.90	261.83
<b>Total</b>	<b>2,091.49</b>	<b>1,670.59</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

## **(b) Cash and cash equivalents and Other Bank Balances**

The Company held cash and cash equivalents and other bank balances as stated in Note No. 06. The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

### **C.iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### **C.iv. Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk, interest rate risk.

#### **C.iv.a Currency risk**

The Company is not exposed to any currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in INR's Only. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

#### **C.iv.b Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

# CONSOLIDATED FINANCIAL STATEMENTS

## DHANLAXMI FABRICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rupees in Lacs)

### A. Equity Share Capital

Particulars	Numbers	Amount
<b>Balance at at 1st April, 2017</b>	<b>85.81</b>	<b>858.81</b>
Changes in equity share capital during the year	-	-
<b>Balance at at 31st March, 2018</b>	<b>85.81</b>	<b>858.81</b>
Changes in equity share capital during the year	-	-
<b>Balance at at 31st March, 2019</b>	<b>85.81</b>	<b>858.81</b>

### B. Other Equity

Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
<b>Balance at 1st April, 2017</b>	<b>896.00</b>	<b>119.08</b>	<b>2,446.04</b>		<b>3,461.12</b>
Profit for the year	-	-	183.43	-	183.43
Trf to General Reserve	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
<b>Balance at 31st March, 2018</b>	<b>896.00</b>	<b>119.08</b>	<b>2,629.47</b>		<b>3,644.55</b>
Profit for the year	-	-	645.11	-	645.11
Final Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
<b>Balance at 31st March, 2019</b>	<b>896.00</b>	<b>119.08</b>	<b>3,274.59</b>	-	<b>4,289.67</b>

**RESTRICTION ON TRANSFER OF PHYSICAL SHARES & PROCEDURE FOR DEMATERIALISATION OF SHARES****ALL SHAREHOLDERS/ STAKEHOLDERS****Amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with respect to mandatory dematerialization for transfer of securities**

SEBI has vide gazette notification dated June 8, 2018, has mandated that transfer of securities would be carried out in dematerialized form only by making an amendment in Regulation 40 of the Listing Regulations which will come into effect from **December 5, 2018**.

According to the aforesaid notification, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from December 5, 2018.

**PLEASE NOTE THAT BIGSHARE SERVICES PVT. LTD , REGISTRARS AND TRANSFER AGENT AND COMPANY WILL NOT ACCEPT ANY REQUEST FOR TRANSFER OF SHARES IN PHYSICAL FORM WITH EFFECT FROM DECEMBER 5, 2018.**

This restriction shall not be applicable to the request received for transmission or transposition of physical shares. Shareholders are requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account. Please refer procedure for dematerialization of shares.

You may also visit web site of depository's viz., NSDL or CDSL for further understanding about the demat procedure:

NSDL website: <https://nssl.co.in/faqs/faq.php> (dematerialization)

CDSL website: <https://www.cdslindia.com/downloads/faq/Demat%20CDSL%20Way%20-%20V%20-%20Dematerialization.pdf>

You may access the circulars issued by the BSE and NSE in this regard on following links:

BSE website: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=cd22b184-1153-4b05-8ad9d04699161f89&Page=cir>

NSE website: [https://www.nseindia.com/corporates/content/eq\\_listcompanies.htm](https://www.nseindia.com/corporates/content/eq_listcompanies.htm)

**SHAREHOLDERS, HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO ARRANGE THE DEMATERIALIZATION OF THE SAID SHARES AT EARLIEST TO AVOID ANY INCONVENIENCE IN FUTURE FOR TRANSFERRING THOSE SHARES.**

**DEMATERIALIZATION OF SHARES**

Dematerialization offers flexibility along with security and convenience. Holding share certificates in physical format carried risks like certificate forgeries, loss of important share certificates, and consequent delays in certificate transfers.

Dematerialization eliminates these hassles by allowing customers to convert their physical certificates into electronic format. Shares in the electronic format are held in a Demat account.

**Process of dematerialization of shares**

- Dematerialization starts with opening a Demat account. For demat account opening, you need to shortlist a Depository Participant (DP) that offers Demat services. A DP is an agent of the depository (NSDL and CDSL) providing depository services to investors.
- To convert the physical shares into electronic/demat form, A Dematerialization Request Form (DRF), which is available with the Depository Participant (DP), has to be filled in and deposited along with share certificates. On each share certificate, '*Surrendered for Dematerialization*' needs to be mentioned.
- The DP needs to process this request along with the share certificates to the company and simultaneously to registrars and transfer agents through the depository
- Once the request is approved, the share certificates in the physical form will be destroyed and a confirmation of dematerialization will be sent to the depository
- The depository will then confirm the dematerialization of shares to the DP. Once this is done, a credit in the holding of shares will reflect in the investor's account electronically.
- This will take about 15 to 30 days after the submission of dematerialization request
- Dematerialization is possible only with a Demat account.

**Benefits of dematerialization**

- It allows you to conveniently manage your shares and transactions from anywhere;
- Stamp duty is not levied on your electronic securities;
- When you open a demat account, it provides paperless transactions of securities;

**PROXY FORM**  
**DHANLAXMI FABRICS LIMITED**  
**CIN: L17120MH1992PLC068861**

**Registered office:** Manpada Road, Bhopar village, Dombivali (East) Thane-421 204,

**27<sup>th</sup> Annual General Meeting - 28<sup>th</sup> September, 2019 at 1.00 p.m.**

Name of the Member : \_\_\_\_\_

Address of Member : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

**DP ID :** \_\_\_\_\_ **Client Id/Folio No.** \_\_\_\_\_

I/We, being the member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint the following as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at Saturday, 28<sup>th</sup> September, 2019 at Regd. Office Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204, Maharashtra, India at 01.00 p.m.

1) Mr. / Ms \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him / her

2) Mr. / Ms \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him / her

Please Affix  
Re. 1/- Revenue  
Stamp and Sign

3) Mr. / Ms \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Signature of the Member

Note : This form in order to be effective shall be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the meeting



**ATTENDANCE SLIP**

**DHANLAXMI FABRICS LIMITED**

**Registered office:** Manpada Road, Bhopar Village, Dombivali (East), Thane-421204.

27<sup>th</sup> Annual General Meeting - 28<sup>th</sup> September, 2019

Name of the Member:

<b>DP ID :</b>		<b>Client Id/Folio No.</b>	
----------------	--	----------------------------	--

<b>Number of Shares held</b>	
------------------------------	--

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company on 28<sup>th</sup> September 2019 at 1.00 p.m. at **Manpada Road, Bhopar Village, Dombivali (East), Thane-421204.**

.....

If Member please sign here

.....

If proxy, sign here

*Note : This form should be signed and handed over at the Meeting Venue.*

*\* Applicable for investors holding shares in electronic form.*

**Form No. MGT – 12  
Ballot Paper**

**[Pursuant to Section 109(5) of the Companies Act, 2013 (the Act) and  
Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]**

**CIN: L17120MH1992PLC068861**

**Name of the Company : Dhanlaxmi Fabrics Limited**

**Regd. Office : Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204, Maharashtra, India**

**Website : www.dfl.net.in | Email Id: info@dfl.net.in Tel No: 0251-2870545**

**27<sup>th</sup> Annual General Meeting, September 28, 2019 at 01:00 p.m**

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in following manner:

Sr. No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended together with the reports of the Board of Directors and the Auditors thereon.			
2	To appoint a Director in place of <b>Mr. Mahesh Jhawar (DIN:00002908)</b> who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.			
3	Appointment of Statutory Auditor to fill casual vacancy caused by the resignation of M/S. R. Soni & Co., Chartered Accountant, Mumbai.			
4	Appointment of Statutory Auditor, Mr. Dinesh Bangar & Co., Chartered Accountants, as Cost Auditors of the Company.			
5	Ratification of appointment of Mr. Dilip Murlidhar Bathija., Cost Accountants, as a Cost Auditors of the Company.			
6	Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013.			
7	To re-appointment Mr. Durgesh Kabra, 9DIN :00017670) as an Independent Director of the Company for next 5 years for second term.			
8	To appointment Ms. Ayushi Girda (DIN : 08511294 as an Independent Director of the Company.			
9	To appointment Mr. Mukul Jhawar as an Executive Director of the Company and fix remuneration.			
10	Payment of remuneration to Executive Directors.			
11	To approve related party transaction under Section 188 of the Companies Act, 2013 with Promtech Impex Private Limited.			
12	Alteration of the Memorandum of Association of the Company.			

Place: Mumbai

Date:

(Signature of Shareholder)



## Bigshare Services Pvt. Ltd

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai 400059; Maharashtra, India.  
Tel : 022 62638200; www.bigshareonline.com

Ref :

Date : \_\_\_\_\_

### Folio No. :

Dear Shareholder(s),

### Unit :

**Sub.:** Mandatory update of PAN and Bank details

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio.

As per the records of the Company / RTA, your folio needs to be updated with the PAN and complete bank account details.

Hence you are requested to submit the following documents within 21 days of receipt of this communication:

- The form which has been provided overleaf of this letter, dully filled in and sign by all the shareholders
- Self-attested copy of PAN card of the shareholder (including joint holders)
- Original cancelled cheque leaf with the name of first /sole shareholder printed on it and in absence of personalized cheque copy of bank passbook showing name & account details of the account holder attested by bank
- Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

In case if you have any queries or need any assistance in this regard, please contact us at the following address:

Bigshare Services Pvt. Ltd  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai – 400 059  
Tel. No. 91 22 62638200, email : investor@bigshareonline.com

On receipt of the above document we will update the same in our records.

**Important information: In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares converted into demat form at the earliest.**

Thanking you,

Yours faithfully,

for Bigshare Services Pvt Ltd.

**Sd/-**

Authorised Signatory

P.T.O.

## FORM FOR FURNISHING PAN AND BANK DETAILS

**Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri East, Mumbai – 400 059.

**Dear Sir/Madam,**

**Unit :**

I/we hereby furnish our PAN and bank mandate details for updating in your records. I/we am/are enclosing herewith:

- 1) Self-attested copy of PAN card of the shareholder (including joint holders)
- 2) Original personalized cancelled cheque leaf / First page of bank pass book
- 3) Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

Folio No.	
Mobile No.	
E-Mail id	

<b>Bank Account Details : (for electronic credit of dividends)</b>											
Name of the Bank											
Name of the Branch											
Account Number (as appearing in cheque book)											
Account Type (Please tick as applicable)	<b>Saving</b>			<b>Current</b>				<b>Cash Credit</b>			
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification											
11 Digit IFSC Code											

	Name	PAN	Signature (as per specimen registered with the Company / RTA)
First Holder :			
Joint Holder1:			
Joint Holder 2 :			

Date:

Place:

**Note :** The above details will not be updated if the supporting documents are not attached and or not duly signed by the shareholder (including joint holders).

**BOOK-POST**

If undelivered please return to :

**DHANLAXMI FABRICS LIMITED**

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

Dist. Thane, Maharashtra.

