

Dhanlaxmi

Fabrics Limited

(CIN: L17120MH1992PLC068861)

25th

Annual Report

2016 - 17

BOARD OF DIRECTORS

NAME	DESIGNATION	DIN
Shri Ramautar S. Jhavar	Chairman & Director	00002907
Shri Vinod S. Jhavar	Managing Director	00002903
Shri Mahesh S. Jhavar	Director & CFO	00002908
Smt Jayashree Iyer	Independent Director	01520083
Shri Durgesh Kabra	Independent Director	00017670
Shri Gopal Mohta	Additional Independent Director (w.e.f.30-05-2017)	01877324

AUDITORS**M/s. S. G. Kabra & Co.**Wavell House, 1st Floor, 1st Dhobi Talao Lane, Mumbai - 400002**INTERNAL AUDITOR****M/s. R. Soni & Co.,**

1509, Ghanshyam Enclave, Lalji Pada, Link Road, Kandivali (West), Mumbai - 400067

COST AUDITORS:

Mr. Dilip Murlidhar Bathija, Mumbai.

BANKERS

AXIS Bank Ltd.,

Kotak Mahindra Bank Ltd.,

The Shamrao Vithal Co-Operative bank

LISTING

Bombay Stock Exchange,

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001.

REGISTRAR & SHARETRANSFER AGENTS

Bigshare Services Private Limited

CIN : U99999MH1994PTC076534

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai – 400 059.

Tel. No. 091-022-40430200 / 40430295 • email : investor @bigshareonline.com

REGISTERED OFFICE

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

Tel. No.:091-0251-2870589 / 590 / 591

Fax No. : 091-0251-2870545 • email : info@dlf.net.in • www.dlf.net.in

CORPORATE OFFICE285,Princess Street, Jhavar House, 1st Floor, Mumbai – 400 002.

Tel No. : 091-022-66228033 * Fax No. 091-022-22089558

email : info@dlf.net.in

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NOTICE IS HEREBY GIVEN THAT THE 25th ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. DHANLAXMI FABRICS LIMITED WILL BE HELD ON SATURDAY ON 23RD SEPTEMBER, 2017, 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, 2017, 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 Shri Mahesh Jhavar (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. To Appoint Auditor and to fix their remuneration and in this regard 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s. R. Soni & Co., Chartered Accountants, Mumbai (Registration no. 130349W), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. S.G. Kabra & Co, Chartered Accountants, (Regn No. 104507W), Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting) for a period of Five years i.e. from the conclusion of this 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.”

SPECIAL BUSINESS:

4. **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, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, or any statutory modification or re-enactment thereof, **Mr. Dilip Murlidhar Bathija.**, Cost Accountant, appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31st March, 2018, be paid a remuneration of Rs 25,000/- (Rupees Twenty Five thousand only) (excluding service tax, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution”.

5. **Appointment of Shri Gopal Mohta (DIN: 01877324) as an Independent Director**

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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Gopal Mohta (DIN: 01877324) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 30th May, 2017, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing Shri Gopal Mohta (DIN: 01877324) for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 30th May, 2017 to hold office up to 29th May, 2022, not liable to retire by rotation.”

6. **Approval of charges for service of documents on the shareholders**

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 20(2) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the members be and are hereby given to the Board of Directors of the Company (the ‘Board’ which term shall include its Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to levied amount of Rs.25/- (Rupees Twenty Five Only) per such document as a fee to member to enable recovery of expenses incurred by the Company towards complying with such request for delivery of any documents through a particular mode.”

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

7. Reappointment of Shri Vinod Sohanlal Jhavar (DIN: 00002903) as a Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Shri Vinod Sohanlal Jhavar (DIN: 00002903) as the Managing Director of the Company for the period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Shri Vinod Sohanlal Jhavar in the best interests of the Company and as may be permissible at law, viz.:

- a) Period: 5 years w.e.f. 30th March, 2017 to 29th March, 2022 with the liberty to either party to terminate the appointment on three months’ notice in writing to the other.
- b) Salary: Rs 5,00,000 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 (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.
- 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) As long as Shri Vinod Sohanlal Jhavar (DIN: 00002903) functions as the Managing Director of the Company, his office shall not be subject to retirement by rotation.

- e) 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 Shri Vinod Sohanlal Jhawar in respect of the aforesaid, does not exceed the limits specified above, during the period of his appointment.

“RESOLVED FURTHER THAT the Board of Directors, the Chairman of the Board and the Nomination and Remuneration Committee of the Board be and are hereby severally authorized to take such steps as may be necessary or expedient in their entire discretion, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

8. To enter into Related Party Transaction(s) pursuant to Section 188 of the Companies Act, 2013 up to Rs. 75 Crores with each related parties

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

“RESOLVED THAT in continuation of earlier resolution passed in this respect pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, as amended from time to time and subject to consent of the Company, the Board of Directors of the Company be and are hereby authorised to enter into any and all transactions/contracts/arrangements with the ‘related party’ as defined in the Act and Regulation 2(zb) of the Listing Regulation and mentioned in below table, relating to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate or promoter group Company, making of loans to, and/or giving of guarantees or providing security and/or making of investments and the purchase from and/or sale to it of any securities by the Company, or any combination thereof, etc on such terms and conditions as the Board in its absolute discretion may deem fit provided however that the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into and remaining outstanding at any time shall not exceed Rs.75 Crores with each related parties respectively during any financial year.”

Sr. No.	Name of Related Parties	Nature of Relationship	Nature of transactions	Amount
1	M/s. Dhanesh Fabrics Pvt Ltd	Subsidiary Company	Sale, Purchase and processing of fabrics and lease rent payment	Up to R.75 Crores with each related parties’ ongoing basis.
2	M/s. DFL Fabrics Pvt Ltd			
3	M/s. Western Chlorides & Chemicals Pvt Ltd			
4	M/s. Dhalaxmi Cotex Ltd	Group Company	Share Trading and granting and taking of loans	
5	M/s. Sohanlal Export Fabrics Pvt Ltd			
6	M/s. Dhanlaxmi Export Fabric Pvt Ltd			
7	M/s. Promtech Impex Pvt Ltd			
8	M/s. MR Share Broking Pvt Ltd			
9	M/s. VRM Share Broking Pvt Ltd			

For and on behalf Of the Board of Directors

Place: Mumbai
Date: 11th August, 2017

Sd/-
Ramautar S. Jhawar
Chairman & Director

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 REGISTERD OFFICE OF THE COMPNAY 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 **19/09/2017 to 23/09/2017 (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 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, 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 2016-2017 along with Notice of 25th 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 2016-2017 along with the notice of the 25th 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 25th 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 25th Annual General Meeting and the Annual Report for 2016-2017 will also be available on the Company's website 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 25th 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).

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 **20th September, 2017** at **9.00 a.m.** and ends on **22nd September, 2017** 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 **16th September, 2017** 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.
- 4) Now to cast your vote: Click on Shareholders.
- 5) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 6) Next enter the Image Verification as displayed and Click on Login.
- 7) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- 8) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 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 Compan 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 OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.-</p> <p>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>

- 9) After entering these details appropriately, click on "SUBMIT" tab.
- 10) 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.
- 11) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 12) Click on the EVSN for the relevant "DHANLAXMI FABRICS LIMITED" on which you choose to vote.
- 13) 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.

- 14) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 15) 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.
- 16) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- 17) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 18) 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.
- 19) 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 on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

20) **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 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.
 - 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 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.
- 21) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
 - 22) 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.
 - 23) A copy of this notice has been placed on the website of the Company and the website of CDSL.
 - 24) 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 108/109 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 16, 2017 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.4

The Board of Directors of the Company, on 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 31st March, 2018 at a remuneration of '25,000/- plus taxes and reimbursement of out of pocket expenses for the financial year ending March 31, 2018.

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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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. 4 of this Notice is accordingly commended for your approval.

Item No.5

Item No. 5 Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed *Shri Gopal Mohta*, as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Shri Gopal Mohta holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Shri Gopal Mohta as a Director of the Company.

The Company has also received a declaration from Shri Gopal Mohta confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Shri Gopal Mohta is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. In the opinion of the Board, Shri Gopal Mohta fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.dfl.net.in. Shri Gopal Mohta is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Shri Gopal Mohta and his 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

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed.

Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the resolution at Item No. 6 of the accompanying Notice for member's approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Item No.7

Pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on 30th March, 2017 appointed Shri Vinod Sohanlal Jhawar (DIN 00002903) as the Managing Director of the Company with effect from 30th March, 2017 to 29th March, 2022 for a period of five years.

Shri Vinod Sohanlal Jhawar has been associated with the Company for more than 25 years and during such association, he has served in various positions in the Company. Shri Vinod Sohanlal Jhawar will continue to be designated a Managing Director of the Company.

Considering his long association with the Company and adequate experience in various fields, the Board recommends confirmation of the appointment of Shri Vinod Sohanlal Jhawar as Managing Director of the Company for a period of five years with effect from March 30, 2017 on the terms as to remuneration, allowances etc. as set out in the resolution being item No.7 of the accompanying Notice subject to necessary approvals

Considering Shri Vinod Sohanlal Jhawar's experience, seniority and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and are commended for your approval.

A brief resume of Shri Vinod Sohanlal Jhawar as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as an Annexure to this Notice.

In view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid within the limits arrived at in accordance with the requirements of the said section II, subject to the following:-

- (i) The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- (ii) There is no default in repayment of any of its debts or interest payable thereon.
- (iii) A special resolution has been passed at a general meeting of the Company.

The Nomination and Remuneration Committee at its meeting held on March 30, 2017 has already approved the remuneration payable to Shri Vinod Sohanlal Jhawar. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon and The Board recommends the Special Resolution set out at Item No.7 of the accompanying Notice for the approval by the Members.

Shri Vinod Sohanlal Jhawar, Shri Ramautar Jhawar and Shri Mahesh Jhawar and their relatives are concerned or interested, financially or otherwise in the Resolution set out at Item No.7 of the Notice.

The specified information while seeking approval/consent of the shareholders as required under Schedule V is listed out herein below:

I General Information :				
1	Nature of Industry	Manufacturing of diversified products viz. Textiles including Yarn, Viscose Filament Yarn.		
2	Date or expected date of commencement of commercial production	Commercial operations commenced in the year 1992.		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4	Financial performance based on given			
Particulars		As per audited financial results for the year (Rs. In lakhs)		
		2013-14	2014-15	2015-16
	Paid up Capital	858.11	858.11	858.11
	Reserves & Surplus	2878.75	3028.69	3091.05
	Statement of Profit and Loss	180.58	188.49	62.36
	Domestic Revenue from Operations (Net)	6306.04	7837.27	8820.46
	Export Revenue from Operations	-	-	16.64
	Total Revenue from Operations (Net)	6306.04	7837.27	8837.10
	Other Income	104.04	128.42	392.25
	Total Revenue	6410.08	7965.69	9229.35
	Total Expenses	6017.56	7712.72	9087.34
	Profit before Taxation	392.52	252.97	142.01
	Tax Expenses/ (Income) including Deferred Tax	211.94	64.48	79.65
	Net Profit	180.58	188.49	62.36
5	Foreign investments or collaborators, if any	NIL		
6	Background details of Shri Vinod Sohanlal Jhawar	Shri Vinod Jhawar is Commerce Graduate having 30 years' experience in Textile Business. His Director Identification Number is 00002903. He is one of the Senior Most Executive of the Company and has been in the service of the Company for the last over 25 years holding a very senior position and has rich experience about the affairs of the Company.		
7	Past remuneration	Rs.5 Lakhs per month inclusive of all perquisites and benefits.		
8	Recognition or awards	-		
9	Job profile and his suitability	His job involves diverse fields of finance, law, taxation and corporate affairs. It requires long term strategy and in depth knowledge of the Textile market to remain cost efficient and competitive. Further, the Managing Director is entrusted with the powers and authority to manage the affairs of the Company subject to superintendence, direction and control of the Board of Directors. He is having vast experience of Corporate management and possesses all required competencies. Thus, he is ideally suited for the job.		
10	Remuneration proposed	As mentioned in the resolution.		

11 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	In the past few years, the remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to be paid to the Managing Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri Vinod Jhawar before approving the remuneration as proposed herein above.
12 Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Besides the remuneration proposed, Shri Vinod Jhawar, he is a Co-promoter of the Company also holds 3,86,300 equity Shares of the Company and Shri Ramautar Jhawar and Shri Mahesh Jhawar are related to him.
13 Reasons of loss or inadequate profits	N.A
14 Steps taken or proposed to be taken for improvement	N.A
15 Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

Item No.8

Pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), all related party transactions beyond the thresholds mentioned in Rule 15(3) (a) require prior approval of the Members in general meeting. Further, as per the provisions of Regulation 23(2) (4) of the SEBI (LODR), Regulation 2015, as amended from time to time, all related party transactions require prior approval of the Audit Committee and all material transactions with related parties require approval of the members of a public listed company through an Ordinary resolution and the related parties are required to abstain from voting on such resolution whether the entity is a related party to the particular transaction or not.

“Material Related Party Transaction” under Regulation 23(1) of listing Regulation means any transaction to be entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2016-17 is Rs. 104.74 Crores. Accordingly, any transaction(s) by the Company with a related party (except with its wholly owned subsidiaries) exceeding Rs. 10.47 Crores (10% of the Company’s annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members is required for the same.

REGISTERED OFFICE:

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

By Order of the Board**Date: 11/08/2017**

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)**

Sr. No	Name of the Directors	Shri. Vinod Sohanlal Jhawar	Shri. Mahesh Sohanlal Jhawar	Shri Gopal Mohta
1	Date of Birth	22 nd February, 1964	26 th April, 1961	11 th November, 1955
2	Age	53 Years	56 Years	62 Years
3	Date of Appointment	01/11/2009	01/10/1992	30/05/2017
4	PAN	AABPJ8706F	AABPJ1860C	ACTPM1508Q
5	DIN	00002903	00002908	01877324
6	No. of Equity shares held in the company (as on 31.03.2017)	3,86,300	27,400	Nil
7	Qualifications	B.Com	B.com	B.com
8	Brief Profile	Shri Vinod Jhawar is Commerce Graduate having 30 years' experience in Textile Business.He is one of the Senior Most Executive of the Company and has been in the service of the Company for the last over 25 years holding and has rich experience about the affairs of the Company.	Shri Mahesh Jhawar is Commerce Graduate having 35 years' experience in Textile Business. He is one of the Senior Most Executive of the Company and has been in the service of the Company for the last over 25 years and has rich experience about the affairs of the Company.	Shri Gopal Mohta is also a Commerce Graduate having more than 35 years' of experience FinanceandAdministration.
9	List of other Directorships (excluding Foreign Company)	1..Jhawar Trade & Investment Pvt. Ltd 2.VRM Share Broking Pvt. Ltd 3.Dhanesh Fabrics Pvt. Ltd 4.Promtech Impex Pvt. Ltd 5. DFL Fabrics Pvt. Ltd 6.Dhanlaxmi Vidyut Private Limited 7.Krishar Multitrade Private Limited 8.Krishita Multitrade Private Limited	1.JhawarTrade&Investment Pvt.Ltd 2.VRM Share Broking Pvt. Ltd 3.Dhanesh Fabrics Pvt. Ltd 4.DFL Fabrics Pvt. Ltd. 5.Dhanlaxmi Cotex Limited 6.MR Share Broking Private Limited 7.Dhanlaxmi Vidyut Private Limited 8.Sohanlal Export Fabrics Pvt Ltd	1. Dhanlaxmi Cotex Limited
10	Membership/Chairmanship of other Public Companies (includes only Audit Committee & Stakeholder Relationship Committee)	None	Dhanlaxmi Fabrics Limited Stakeholder Relationship Committee: Chairman	None
11	Relationships, if any between Directors, interest.	Brother of Mr. Ramautar Jhawar and Mahesh Jhawar	Brother of Mr. Vinod Jhawar and Mr. Ramautar Jhawar	None

BOARD OF DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report on the business operations and activities of the Company together with the Audited Accounts for the Financial Year ended 31st March, 2017.

FINANCIAL RESULTS:

Summary of the Company's financial performance for F.Y. 2016-2017 as compared to the previous financial year is given below: (Rs.in lacs)

Particulars	F.Y. 2016 – 2017	F.Y. 2016 – 2017	F.Y. 2015 – 2016	F.Y. 2015 – 2016
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	9281.21	10473.79	8837.10	10303.68
Revenue from other Income	103.51	143.43	392.25	440.78
Total Revenue	9384.73	10617.23	9229.35	10744.46
Profit before Dep. & Int.	1146.56	1210.36	895.94	968.27
Depreciation	389.31	391.71	484.94	487.35
Interest	309.87	315.53	268.99	280.55
Profit after Depreciation & Interest and before Tax	447.38	503.12	142.02	200.37
Provision for Taxation	172.00	188.00	168.59	186.76
Provison for Tax (deferred)	(23.51)	23.28	88.94	89.07
Provision for Taxation for earlier year	-	-	-	-
Profit/ Loss after Tax	251.87	291.84	62.36	101.99

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 though the total revenue generated in current year were quick slightly higher in figures but profit for the year of the Company is Rs.251.87 lakhs as compared to 62.36 lakhs in previous year registering clear growth of more than 300%, same was the case also in case of consolidated financials.

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 Shri 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.

Further Shri N.C. Sharma tendered his resignation from his post of the Director of the Company of w.e.f 11th November, 2016 due to his Age and health issues. The Board is thankful for their efforts and contribution in the company.

During the year Pursuant to Section Shri Mahesh Jhavar, has been resigned the post of the Whole Time Director and continued as a director of the company, to fulfill the criteria laid under section 152(6) of the Companies Act, 2013 and he also hold the position of Chief Financial Officer .

During the period under review on the recommendation of Nomination and Remuneration Committee, your Board has appointed Shri. Gopal Mohta as an Additional Directors of the Company in the category of Independent Director with effect from 30/05/2017 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 they 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 Shri. Gopal Mohta, Directors of the Company.

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 31stMarch, 2017 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, 2017 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. Shri Durgesh Kabra, Ms. Jayashree Iyer and Shri. Gopal Mohtahas 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://dfil.net.in/docs/policy%20on%20nomination%20and%20remuneration%20of%20directors.pdf>

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.

STATUTORY AUDITORS:

M/s. R. Soni & Co., Chartered Accountants having Registration No. 130349W, has been appointed as an Statutory Auditors of the Company in place of M/s. S.G. Kabra & Co., who has completed his tenure as a Statutory Auditors of the Company as prescribed under Section 139 read with Rule 6 of Chapter X (Audit & Auditors) Rule, 2014 of the Companies Act, 2013.

M/s. R. Soni & Co., has confirmed that he is not anyway connected with the out going auditors of the and hold office up to the forthcoming Annual General Meeting and his appointment is recommended to the members in item no.3 of the notice, for next five consecutive year commencing from F.Y. 2017-18 till 2021-22.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. R. Soni & Co., that their appointment, if made, would be in conformity with the limits specified in the said Section.

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 31st March 2017. 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. 2017-18 and also recommended for members approval at item no.4 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. 2016-17 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 2016-17 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 Company had appointed Company Secretary cum Compliance officer, who match with the size and requirement of the Company w.e.f 30th May, 2017.

As far as filing of MGT-14 and CRA-2 are concerned, which has not been filed mainly due to oversight and Due care will be taken to avoid such instances in future.

Filing of Form CHG-4 with one day delay was a matter of fact the company has followed required procedure and condoned they delay by filing petition to Regional Director and filed all required forms to that respect.

The Company has a function website of the company covering all necessary details.

The promoters hold only 800 shares in physical form which is minimal in case, these shares are still in physical form due to practically difficulty. However the same will be demated in due course of time.

The Company do not follows the practice of seeking approval of the members for appointment and remuneration of Cost Auditor as the provision of rotation are not applicable to them nor company has increase their remuneration since their last appointment.

Auditors Certificate with respect to Unmodified Opinion was submitted on 1st June, 2016 for the meeting held on 30th May, 2016 to the exchange with respect to Audited Financials Result for quarter and year ended 31st March, 2016 as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was mainly due to oversight.

The Company has practice of furnishing single Limited Review Certificate for Standalone and Consolidated Financial Statement. However the Company had submitted separately Limited Review Certificate for consolidated Unaudited Financial Statement for quarter ended 31st December, 2016 to the exchange upon request and now company submits separate certificate to that respect.

Company has a practice submit the proceedings of Annual General Meeting to the exchange along with Scrutinizers' Report and voting result.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to Board.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

The Company has appointed an Internal Auditor pursuant to Section 138 of the Companies Act, 2013 on 9th August, 2016

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 details of the number of meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report.

POSTAL BALLOT:

No postal ballot was held during the year 2016-2017.

COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1	Shri Ramautar S. Jhawar (Chairman & Director)	Nil	Nil	Nil
2	Shri Vinod S. Jhawar (Managing Director)	48,00,000	306%	13.19
3	Ms. Jayashree Iyer (Independent Director)	Nil	Nil	Nil
4	Shri Mahesh S. Jhawar (Director&Chief Financial Officer)	3,00,000	100%	0.81
5	Shri Durgesh Kabra (Independent Director)	Nil	Nil	Nil
6	Shri Gopal Mohta (Independent Director)	Nil	Nil	Nil
7	Shri N.C. Sharma*(Independent Director)	Nil	Nil	Nil
8	Ms. Bhaviika Jain@(Company Secretary)	Nil	Nil	Nil

*Resigned w.e.f 11/11/2016 * @appointed w.e.f. 30/05/2017. Note: Total 45 major employees are on role. Median remuneration of employee is Rs.3,69,381/-

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 V** 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 2017-2018. 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 2016-17, 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 2016-17, 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 and Chief Executive Officer 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 2016-17, 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, suppliers and employees of Companies for extending support during the year

FOR & ON BEHALF OF THE BOARD

Place: Mumbai
Date: 11/08/2016

Sd/-
Vinod S. Jhavar
(Managing Director)

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

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 Member,
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 Fabrics Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns 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, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2017** 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 extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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 as the company has not issued any shares during the year under review;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities which were listed during the year under review;
 - f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993 – Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;
6. Having regards to the compliance system prevailing in the Company 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. Electricity Act, 2003 & The Electricity Rules, 2005
- ii. Energy Conservation Act, 2011
- iii. Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011
- iv. The Water (Prevention And Control Of Pollution) Act 1974
- v. The AIR (Prevention And Control Of Pollution) Act, 1981
- vi. The Minimum Wages Act, 1948
- vii. The Contract Labour (Regulation & Abolition) Act, 1970
- viii. The Industrial Employment (Standing Orders) Act 1946
- ix. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
- x. The Equal Remuneration Act, 1976;
- xi. Employees Provident Fund & Miscellaneous provisions Act 1952, EPF scheme.
- xii. Employees State Insurance Act 1948 (ESIC)
- xiii. Maharashtra Labour welfare fund Act 1953
- xiv. The cloth markets & Shops board Mumbai (Mathadi Kamgar).
- xv. Factory Act 1948.
- xvi. IEM code, Directorate of Industries - District Industry Centre
- xvii. Maharashtra Pollution control Board - MPCB.
- xviii. Maharashtra Boiler rules 1962 (Certificate of use of boiler).
- xix. MVAT, VAT, Service Tax, Income Tax.
- xx. Central Excise, Customs Act (for import of material).
- xxi. IEC Code certificate - For import and export.

I have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the followings:

1. The Company has not appointed any Company Secretary as a Compliance Officer of the Company during the year under review as required pursuant to Section 203 of the Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Company has filed various forms during the year under review, as required under the various provisions of the Act. However Company fails to file Form MGT-14 for approval of Audited Financial Statement for F.Y. 2015-16 and CRA-2 for appointment of Cost Auditor for F.Y. 2016-17 till date.
3. The function website of the company hosts the disclosures made by the Company under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for less than 5 years.
4. According to SEBI/Cir/ISD/3/2011 dated June 17, 2011, the entire holdings of the Promoters are needed to be in demat form only. However the promoters of the Company still have 800 shares in physical form.
5. The Company has not sought the approval of the members at the Annual General meeting held in last year for appointment and remuneration of the Cost Auditor in compliance of Section 148(3) of the Companies Act, 2013.
6. The Company has practice of furnishing single Limited Review Certificate for Standalone and Consolidated Financial Statement. However the Company had submitted separately Limited Review Certificate for consolidated Unaudited Financial Statement for quarter ended 31st December, 2016 to the exchange upon receipt of specific demand from the BSE.

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 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 Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except for meeting called on shorter notice), and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- iv) I further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- 1) During the year under review the Board and members have accorded their approvals for:
 - Ø Appointment of Chief Financial Officer as required pursuant to Section 203 of the Companies Act, 2013 on 9th August, 2016.
 - Ø Appointment of an Internal Auditor pursuant to Section 138 of the Companies Act, 2013 till 9th August, 2016.
 - Ø The Company has satisfied Charge in favor of State Bank of India on 28/01/2016 and Form CHG-4 was filed with one day delay for which Company has filed petition to Regional Director and filed form INC-28 and CHG-8 with that respect.
 - Ø The proceedings of the 24th Annual General Meeting as required under regulation 30(6) of the LODR, Regulation 2015 were filed to the exchange along with Scrutinizers' Report and voting result within 48 hours.
 - Ø Auditors Certificate with respect to Unmodified Opinion was submitted on 1st June, 2016 to the exchange with respect to Audited Financials Result for quarter and year ended 31st March, 2016 as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - Ø Increasing Borrowing Powers of the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013 up to Rs. 100 Crores through Special Resolution.
 - Ø Creation of Security under Section 180 (1) (a) of the Companies Act, 2013 in connection with the borrowings of the Company u/s 180 (1) (c) through Special Resolution.
 - Ø To make Investments, give Loans, Guarantees and provide Securities not exceed an aggregate amount of Rs. 100 Crores through Special Resolution.
 - Ø Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013 through Special Resolution.
 - Ø Approval of Related Party Transactions pursuant to section 188 of the Companies Act, 2013 up to Rs.50 Crores through Special Resolution.

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

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

Sd/-
Pankaj Trivedi
Proprietor
ACS No.: 30512

Place: Mumbai
Date: 11/08/2017

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

- 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: 11/08/2017

Annexure to the Director's Report

ANNEXURE-II FORM NO. AOC-1

Salient feature of Financial Statement of Subsidiary Companies

As at 31st March, 2017

Rupees in Lacs

Name of Subsidiary Company	Western Cholride & Chemicals Pvt. Ltd.	Dhanesh Fabrics Pvt. Ltd.	DFL Fabrics Pvt. Ltd.
Reporting Currency	INR	INR	INR
Rate	1.00	1.00	1.00
Capital	3.00	1.00	1.00
Reserve	10.99	39.29	130.00
Total Assets	16.95	213.22	241.72
Total Liabilities	2.96	172.94	110.71
Investments Other than Investment in Subsuduary	NIL	NIL	NIL
Turnover	8.31	914.64	309.54
Profit before Taxation	0.05	12.10	43.68
Provision for Taxation	-	4.00	12.00
Profit After Taxation	0.05	8.10	31.81
Proposed Dividend	-	-	-
% of Shareholding	99.97	99.99	99.80

For and on behalf of the Board Of Directors

Place: Mumbai
Date: 11th August, 2017

Vinod S. Jhawar
(Managing Director)

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

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.4,150/- 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.19,89,177/-	11.08.2017	-
	Purchase of Fabrics/ Yarn	Ongoing	Trading purchase of Rs.18,43,465/- during the year	11.08.2017	-
Dhanesh Fabrics Pvt Ltd Trading	Sales of Fabrics/Yarn	Ongoing	Sold Fabrics of worth of Rs.4,23,94,159/- 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.1,69,53,291/-	11.08.2017	-
	Purchase of Fabrics/ Yarn	Ongoing	Trading purchase of Rs.2,59,64,358/- during the year	11.08.2017	-
Western Chloride & Chemicals P Ltd	Lease Rent	Ongoing	Payment of Lease Rent of Rs.60,000/- for Land Taken on Lease for Installation of Process house at Manpada Road, Bhopar Village, Dombivali	11.08.2017	-
Promtech Impex Pvt Ltd	Unsecured Loan		1,06,24,984/-	11.08.2017	-

For and on behalf of the Board Of Directors

Place: Mumbai
Date: 11th August, 2017

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 31.03.2016

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	40.25%
2	Fabric Manufacturing & Trading	1311	58.98%
3	Wind Power Generation		0.76%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Dhanesh Fabrics Pvt Ltd	U17120MH1999PTC120739	Subsidiary	99.99	2(87)
2	DFI Fabrics Pvt Ltd	U51109MH2008PTC186271	Subsidiary	99.80	2(87)
3	Western Chlorides & Chemicals Pvt Ltd	U24100MH1970PTC014919	Subsidiary	99.97	2(87)
4	Dhalaxmi Cotex Ltd	L51100MH1987PLC042280	Group Co.	NIL	
5	Sohanlal Export Fabrics Pvt Ltd	U17100MH1987PTC052567	Group Co.	NIL	
6	Dhanlaxmi Export Fabric Pvt Ltd	U18101MH1991PTC062950	Group Co.	NIL	
7	Promtech Impex Pvt Ltd	U74140MH1992PTC259947	Group Co.	NIL	
8	MR Share Broking Pvt Ltd	U67120MH1999PTC122709	Group Co.	NIL	
9	VRM Share Broking Pvt Ltd	U67120MH2000PTC125421	Group Co.	NIL	
10	Krishar Multitrade Private Limited	U74120MH2014PTC253872	Group Co.	NIL	

Sl No	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
11	Krishita Multitrade Private Limited	U74900MH2014PTC254215		Nil	
12	Jhawar Trade & Investment Pvt. Ltd	U65990MH1994PTC079453		Nil	
13	ASA Agrotech Private Limited	U01400MH2010PTC199121		Nil	

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

(a) Category of Shareholders as on 31.03.2017	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				Change during the year	%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	2309681	1000	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	4004525	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
SUB TOTAL:(A)(1)	6427506	1000	6428506	74.91	6427706	800	6428506	74.91	0	0
(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
SUB TOTAL (A)(2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	6427506	1000	6428506	74.91	6427506	1000	6428506	74.91	0	0
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0	0

Sl No	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
11	Krishita Multitrade Private Limited	U74900MH2014PTC254215		Nil	
12	Jhawar Trade & Investment Pvt. Ltd	U65990MH1994PTC079453		Nil	
13	ASA Agrotech Private Limited	U01400MH2010PTC199121		Nil	

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

(a) Category of Shareholders as on 31.03.2017	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				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	1430069	173400	1603469	18.69	1426476	173400	1599876	18.64	(3593)	(0.05)
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals										
i) Individual	307828	129460	437288	5.10	306187	128560	434747	5.07	(2541)	(0.03)
shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	105615	0	105615	1.23	111891	0	111891	1.30	6276	0.07
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
i) NRI	4315	0	4315	0.05	2432	0	2432	0.03	(1883)	(0.02)
ii) Clearing Member	1907	0	1907	0.02	3648	0	3648	0.04	1741	0.02
SUB TOTAL (B)(2):	1849734	302860	2152594	25.09	1850634	301960	2152594	25.09	0	0
Total Public Shareholding (B)=(B)(1) +(B)(2)	1849734	302860	2152594	25.09	1850634	301960	2152594	25.09	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	8277240	303860	8581100	100	8277240	303860	8581100	100	0	0

II. Shareholding of Pattern of Promoters

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			%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. Jhawar	1,07,573	1.25	0.00	1,07,573	1.25	0.00	0.00
2	Kamala Ramautar Jhawar	2,87,930	3.36	0.00	2,87,930	3.36	0.00	0.00
3	Mahesh S. Jhawar	27,400	0.32	0.00	27,400	0.32	0.00	0.00
4	Ramautar S. Jhawar	6,81,708	7.94	0.00	6,81,708	7.94	0.00	0.00
5	Vinod Jhawar HUF	30,000	0.35	0.00	30,000	0.35	0.00	0.00
6	Mahesh Jhawar HUF	56,700	0.66	0.00	56,700	0.66	0.00	0.00
7	Vandana Vinod Jhawar	1,44,200	1.68	0.00	1,44,200	1.68	0.00	0.00
8	Vinod Sohanlal Jhawar	3,86,300	4.5	0.00	3,86,300	4.5	0.00	0.00
9	Mukul Vinod Jhawar	60,000	0.7	0.00	60,000	0.7	0.00	0.00
10	Lalit Vinod Jhawar	26,200	0.31	0.00	26,200	0.31	0.00	0.00
11	Vinit R Jhawar	1,98,800	2.32	0.00	1,98,800	2.32	0.00	0.00
12	Rahul Mahesh Jhawar	70,200	0.82	0.00	70,200	0.82	0.00	0.00
13	Ramautar Jhawar Huf Jhawar Huf	1,36,470	1.59	0.00	1,36,470	1.59	0.00	0.00
14	Ramautar Jhawar (Jamnadevi Jhawar Family Trust)	97,200	1.13	0.00	97,200	1.13	0.00	0.00
15	Jhawar 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 Jhawar 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	5.1	0.00	0.00
	TOTAL	64,28,506	74.91	0.00	64,28,506	74.91	0.00	0.00

III. Change in Promoters' Shareholding as on the F.YF Ended on 31-03-2017

Sr. No.	Shareholders Name	Shareholding beginning (01-04-2015 to 01/04/2016)		Date	Increase/Decrease in Share holding Shares	Rason	Cumulative Shareholding during the year (01-04-2016 to 01/04/2017)	% 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	-	-	-	1,44,200	1.68
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	-	-	-	26,200	0.31
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
	TOTAL	64,28,506	74.91	-	-	-	64,28,506	74.91

IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of Gdrs & Adrs)						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016		Cumulative Shareholding during the year 31/03/2017		Type of Transaction)
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in shareholding during the year	
1	Eskay Niryat Pvt Ltd	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%	
	Closing balance	12,80,000	14.92%	12,80,000	14.92%	
2	CRB Share Custodian Services Ltd	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%	
	Closing balance	1,25,000	1.46%	1,25,000	1.46%	
3	Jignesh Fabrics Pvt Ltd	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%	
	Closing balance	74,626	0.87%	74,626	0.87%	
4	Babita Naresh Jain	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%	
	Closing balance	59,318	0.69%	59,318	0.69%	
5	CRB Capital Markets Ltd	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%	
	Closing balance	45,500	0.53%	45,500	0.53%	
6	Snehalatha Singhi	36,261	0.42%	32,032	0.37%	Sold
	Shares Bought during the year	-	-	32,032	0.37%	
	Shares Sold During the year 22/07/2016 31/03/2017	1,9502279	0.02%0.03%	32,032	0.37%	
	Closing balance	32,032	0.37%	32,032	0.37%	
7	Hermes Travel and Cargo Pvt Ltd	30,600	0.36%	30,600	0.36%	N.A.
	Shares Bought during the year	-	-	30,600	0.36%	
	Shares Sold During the year	-	-	30,600	0.36%	
	Closing balance	30,600	0.36%	30,600	0.36%	
8	Edelweiss Broking Ltd	12,360	0.14%	12,360	0.14%	Bought and Sold
	Shares Bought during the year 30/09/2016	1	0.00%	12,461	0.14%	
	07/10/2016	100	0.00%			
	Shares Sold During the year 16/12/2016	101	0.00%	12,360	0.14%	
	Closing balance	12,360	0.14%	12,360	0.14%	

IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of Gdrs & Adrs)						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016		Cumulative Shareholding during the year 31/03/2017		Type of Transaction)
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in shareholding during the year	
9	Pritty Devi Sarawagi	5,999	0.07%	10,505	0.12%	Bought and Sold
	Shares Bought during the year 08/07/2016	4,000	0.05%	16,504	0.19%	
	31/03/2017	6,505	0.07%			
	Shares Sold During the year 09/09/2016	5,999	0.07%	10,505	0.12%	
	Closing balance	10,505	0.12%	10,505	0.12%	
10	Anil Mansukhlal Kothari	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%	
	Closing balance	10,036	0.12%	10,036	0.12%	
11	Sanjaykumar Sarawagi	10,000	0.12%	10,000	0.12%	N.A.
	Shares Bought during the year	-	-	10,000	0.12%	
	Shares Sold During the year	-	-	10,000	0.12%	
	Closing balance	10,000	0.12%	10,000	0.12%	
V) Shareholding Pattern of Directors and Key Managerial Personnel						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016		Cumulative Shareholding during the year 31/03/2017		
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
1	Shri Ramautar S. Jhawar (Chairman & Director)	778408	9.07	778408	9.07	
2	Shri Vinod S. Jhawar (Managing Director)	386300	4.50	386300	4.50	
3	Ms. Jayashree Iyer (Independent Director)	0	0.00	0	0.00	
4	Shri Mahesh S. Jhawar (Director & Chief Financial Officer)	27400	0.32	27400	0.32	
5	Shri Durgesh Kabra (Independent Director)	0	0.00	0	0.00	
6	Shri Gopal Mohta (Independent Director)	0	0.00	0	0.00	
7	Shri N.C. Sharma* (Independent Director)	0	0.00	0	0.00	
8	Ms. 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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1396.63	154.43	-	1551.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)	1396.63	154.43	-	1551.06
Change in Indebtedness during the financial year				
Additions	79.59	-	-	-
Reduction	-	92.78	-	13.19
Net Change	79.59	92.78	-	13.19
Indebtedness at the end of the financial year				
i) Principal Amount	1476.22	61.65	-	1537.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)	1476.22	61.65	-	1537.87
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	<u>Gross salary</u>	48,00,000/-	3,00,000/-	51,00,000/-
	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	-	-	36,000/-
	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/-	-
	Total (A)	48,00,000	3,30,000	51,00,000/-
	Ceiling as per the Act	-	-	-

B. Remuneration to Other Directors					
Sr. No.	Particulars of Remuneration	Shri N.C. Sharma	Shri Durgesh Kabra	Smt. Jayashree Iyer	Shri Gopal Mohta*
1	Independent Directors	-	-	-	-
	Fee for attending boardcommittee meetings	15,000/-	22,500/-	30,000/-	-
	Commission	-	-	-	-
	Others (Fee for attending Independent Directorsmeeting)	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending boardcommittee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	15,000/-	22,500/-	30,000/-	-
	Total Managerial Remuneration	15,000/-	22,500/-	30,000/-	-

Note: *appointed w.e.f 30th May,2017

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

Sr. No.	Particulars Of Remuneration	Shri Mahesh Jhavar (Chief Financial Officer)	Ms. Bhavika Jain* (Company Secretary)	Tota Amount
1	Gross salary	-	-	-
	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 -	-	-	-
	Total	-	-	-

Note: *appointed w.e.f 30th May,2017

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)
COMPANY					
Penalty			None		
Punishment					
Compounding					
DIRECTORS					
Penalty					
Punishment			None		
Punishment					
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

FOR & ON BEHALF OF THE BOARD

Sd/-
Vinod S. Jhavar
Managing Director

Sd/-
Ramautar S. Jhavar
Chairman & Director

Place: Mumbai
Date: 11/08/2017

Annexure - V
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
For reduction of consumption: | Nil |
| 3. Impact of measures at (1) and (2) above for reduction of energy
Consumption and consequent impact on the cost of production of
Goods. | Marginal |
| 4. Total energy consumption any energy consumption per unit of
Production are as under: | (Rs. In Lacs) |

Sr. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
A	Powers and Fuel Consumption (Process Division Yarn + Fabrics)		
1	Electricity		
	a) Purchased		
	Unit (Lacs)	42.17	41.60
	Total (Rs. In Lacs)	351.89	333.12
	Amount/Avg. Rate/Unit (Rs.)	8.35	8.01
	b) Own generation (Through D.G. Set)		
	Unit (Lacs)	0.14	0.11
	Diesel Oil Consumed Ltrs (Lacs)	0.07	0.05
	Total Amount (Rs. In Lacs)	3.65	2.78
	Avg Rate per Ltr (Rs.)	55.34	51.03
2	Coal		
	Quantity (M. Tonnes)	7472	9397
	Total Amount (Rs. In Lacs)	359	490.64
	Avg Rate/M. tone M. Tonnes (Rs.)	48	5221
B	Consumption Per Kg Of Production		
	Production (Lacs Kgs)	23.72	27.43
	Electricity (Rs.)	14.84	12.14
	Diesel Oil (Rs.)	0.15	0.10
	Coal (Rs.)	15.14	17.89
	Total	30.13	30.13
C	Weaving Division Power Consumption		
1	Electricity Purchased		
	Units (Lacs)	28.47	27.61
	Total Amount (Rs. In Lacs)	78.54	94.36
	Avg Rate/unit (Rs.)	2.76	3.42
2	Production (Lacs Mtrs)	35.63	44.17
3	Cost of Power per Mtrs (Rs.)	2.20	2.14

Technology Absorption:

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

Foreign Exchange Earnings and Outgo:

	2016-2017	2015-2016	
Foreign Exchange Outgo	61.67	55.26	
Foreign Exchange Earnings	15.40	16.60	

(Rs. In Lacs)
For & On Behalf Of The Board
Sd/-
Ramautar S. Jhawar
(Chairman & Director)

Place: Mumbai
Date: 11/08/2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended **31st March, 2017**.

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 processing, weaving and printing, fabric finishing, garmenting and selling.

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. Almost 50% of the turnover of the company is booked by this Division.

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. The turnover of this segment is increased by 11% than that of previous year, as shown in Notes to Accounts.

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. Even after the hit of de-monetization the company has sustained and successful in keeping its market share intact. The over all business prospects for the Company is positive and management is ready to face the upcoming challenges like GST in the financial year 2017-18. 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.

Being 25 years old unit placed within the thickly populated area at the out skirts of the Dombivli is very much thirsty for expansion and looking for sizable land parcel, Keeping this in mind, company has already booked a plot of 40,000/- sq. mtrs. at Five Star MIDC of Kagal Industrial area of Hatkalnge Taluka in Kolhapur District. To make further investment in the said plot company is exploring possibility of bank funding.

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. Adequate measures have been adopted by the company with upgradation of EDP system in this year with introduction of SAP based ERP along with earlier computerized accounting system Tally ERP 9,

Discussions on financial performance with respect to operational performance:

Inspite of increasing competition your company has able to maintain increase in the turnover by 5.02% over the previous year turnover.

Particulars	2016-17	2015-16
Turnover	(Rs. In Lakhs)	
Processing Charges Fabric /Yarn, Labour	3736.07	3049.67
Fabrics / Yarn /Garment Sale	5474.43	5724.41
Power Sale	70.71	63.02
Total	9281.21	8837.10
Profitability		
Net Profit after Taxation	251.87	62.36

Human Resource Development:

The Company believes that the human resources are vital resources in giving the Company a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the company enjoyed cordial relations with the employees at all levels.

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 **Annexed V** 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.

The Company believes that the human resources are vital resource in giving the Company a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the Company enjoyed cordial relations with the employees at all levels.

FUTURE OUTLOOK:

Now days the readymade garments and online shopping trends is increasing in India due to this the demand of designer fancy fabrics will substantially increase. Your company is ready to take advantage of this increase demand of fancy fabric with the help of its weaving unit installed in Sep- 2013 and capable to produce all type of grey fancy fabrics which can be process at its most modern process house. Your Directors are hopeful for better future.

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.

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

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.

FOR & ON BEHALF OF THE BOARD

Sd/-
Vinod S. Jhawar
Managing Director

Sd/-
Ramautar S. Jhawar
Chairman & Director

Place: Mumbai
Date: 11/08/2017

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance represents the value framework, rules, practices by which a Company conducts its business activities. Corporate Governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, customers, suppliers, financiers, government and the community.

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 31st March, 2017, the Company's Board of Directors comprised of five directors of which Shri Vinod S. Jhavar is the Managing Director, Shri Ramautar Jhavar is Non-Executive Director and Chairman, Shri Mahesh Jhavar is a Director and Chief Financial Officer and rest Shri Durgesh Kabra and Smt. Jayashree Iyer are Non-Executive and Independent Directors. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015. Shri N.C. Sharma, Non-Executive and Independent Director has resigned from the Board during the year on November 11, 2016, the Board has placed sincere appreciation on record towards contribution made by Shri N.C. Sharma during his tenure as a Director.

The Board has inducted Shri Gopal Mohta, as an Independent Director on Board w.e.f 30th May, 2017 and his appointment is proposed to members in notice in agenda item no.5.

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, 2017 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	Shri Ramautar S. Jhawar	Chairman & Non-Executive Director	8	6,81,708	4	-
2	Shri Vinod S. Jhawar	Managing Director	8	3,86,300	-	-
3	Shri Mahesh S. Jhawar*	Non - Executive Director and CFO	8	27,400	1	1
4	Ms. Jayashree Iyer	Independent Director	0	0	1	1
5	Shri Durgesh Kabra	Independent Director	0	0	2	1
6	Shri N.C. Sharma@	Independent Director	0	0	2	1
7	Shri Gopal Mohta#	Independent Director	1	0	2	1

**Note: *Appointed CFO w.e.f. 11/08/2016 @Resigned from Directorship w.e.f. 11/11/2016
Appointed as a Director w.e.f. 30/05/2017**

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 2016-17 (6) Six 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 30/05/2016, 27/07/2016, 09/08/2016, 11/11/2016, 10/02/2017, and 30/03/2017

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
Shri Ramautar S. Jhawar	6	6	Yes
Shri Vinod S. Jhawar	6	6	Yes
Shri Mahesh S. Jhawar	6	6	Yes
Smt. Jayashree Iyer	6	5	Yes
Shri Durgesh Kabra	6	5	Yes
Shri N. C. Sharma	6	4	Yes
Shri Gopal Mohta#	-	-	N.A.

Note: *Appointed CFO w.e.f. 11/08/2016 | @Resigned from Directorship w.e.f. 11/11/2016 | #Appointed as a Director w.e.f. 30/05/2017

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors met on 29th March, 2016 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.

CODE OF CONDUCT:

The Company has adopted a Code of Conduct ("Code") which applies to all the Board members and Senior Management Personnel of the Company. It is the responsibility of all Board members and Senior Management Personnel to familiarize them with Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code. A declaration signed by the Chairman and Managing Director to this effect is given below.

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
Shri Durgesh Kabra	Shri Durgesh Kabra	Shri Mahesh Jhawar
Ms. Jayashree Iyer	Ms. Jayashree Iyer	Shri Durgesh Kabra
Shri Ramautar Jhawar	Shri Ramautar Jhawar	Shri 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

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 2016-17	
		No. of Meetings held	No. of Meetings attended
Shri N.C. Sharma@	Chairman	4	4
Shri Durgesh Kabra	Member	5	5
Shri Ramautar Jhawar	Member	5	5
Smt. Jayashree Iyer	Member	1	1

Note: @Resigned from Directorship w.e.f. 11/11/2016

The Constitution of Audit Committee has been changed during the year due to resignation of Shri N.C. Sharma from the Board w.e.f. 11.11.2016 and Ms. Jayashree Iyer has been appointed in his place and Shri Durgesh Kabra has been designed as a Chairman of the Audit Committee.

Five 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: 01/04/2016, 28/05/2016, 09/08/2016, 11/11/2016 and 10/02/2017. 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 Clause 49 of the Listing Agreement.

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.

- ❖ To formulate criteria for evaluation and evaluate the performance of every director, including the Independent Directors;
- ❖ 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;
- ❖ 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).
- ❖ 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.
- ❖ This shall include "formulation of criteria for evaluation of independent directors and the Board"
- ❖ 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.
- ❖ 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;
- ❖ 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.
- ❖ Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

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 2016-17	
		No. of Meetings held	No. of Meetings attended
Shri N.C. Sharma@	Chairman	1	1
Shri Durgesh Kabra	Member	2	2
Shri Ramautar Jhawar	Member	2	2
Smt. Jayashree Iyer	Member	1	1

Note: @Resigned from Directorship w.e.f. 11/11/2016

The Constitution of Audit Committee has been changed during the year due to resignation of Shri N.C. Sharma from the Board w.e.f. 11.11.2016 and Ms. Jayashree Iyer has been appointed in his place and Shri Durgesh Kabra has been designed as a Chairman of the Audit Committee.

Two NRC 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: 11/11/2016 and 30/03/2017. The necessary quorum was present for all the meetings.

REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED 31ST MARCH, 2017:

Name	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
Shri Ramautar S. Jhawar	0	0	0	0	0
Shri Vinod S. Jhawar	48,00,000/-	0	0	0	48,00,000/-
Shri Mahesh S. Jhawar	3,00,000/-	0	30,000/-	0	3,30,000/-
Smt. Jayashree Iyer	0	0	30,000/-	0	30,000/-
Shri Durgesh Kabra	0	0	22,500/-	0	22,500/-
Shri N.C. Sharma@	0	0	15,000/-	0	15,000/-
Shri Gopal Mohta#	0	0	0	0	0

Note: *Appointed CFO w.e.f. 11/08/2016 ' @Resigned from Directorship w.e.f. 11/11/2016 ' #Appointed as a Director w.e.f. 30/05/2017

None of the other Independent director holds any shares, convertible instruments or stock options in the company. As on 31st March 2017, 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 4 times during the financial year 2016-17 on 30/04/2016, 27/07/2016, 27/10/2016 and 07/02/2017.

Name of the Audit Committee Members	Category	Number of meeting during the financial year 2016-17	
		No. of Meetings held	No. of Meetings attended
Shri Durgesh Kabra	Chairman	4	4
Shri Ramautar Jhawar	Member	4	4
Shri Mahesh Jhawar	Member	4	4

Details of investor complaints received and redressed during the year 2016-17 are as follows:

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

The Company is under process to resolve the said complaint.

HEALTH & SAFETY COMMITTEE:

The Committee fulfils its responsibilities by reviewing, monitoring the management of health, safety and social impacts of the Company's various projects and operations. It also ensures safety of women at various workplace/factories. The present Committee consists of:

Name of the Audit Committee Members	Category	Number of meetings during the financial year 2016-17	
		No. of Meetings held	No. of Meetings attended
Smt. Jayashree Iyer	Chairman	1	1
Shri N.C. Sharma@	Member	2	2
Shri Mahesh Jhavar	Member	2	2
Smt. Supriya Ankush Rane	Member	1	1

Note: @Resigned from Directorship w.e.f. 11/11/2016

The Constitution of H&S Committee has been changed during the year due to resignation of Shri N.C. Sharma from the Board w.e.f. 11.11.2016 and Shri Mahesh Jhavar has been appointed in his place and **Mrs. Jayashree Iyer** has been designated as a Chairman of the Audit Committee.

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 strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter related to capital markets, during the last three years – None.

LISTING:

The Company's Shares are listed during the year on Bombay Stock Exchange; the Company has paid the Listing Fees for F.Y. 2017-18.

DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES:

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

POLICY DETERMINING MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS:

Pursuant to requirements of Listing Regulations, 2015 the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at the following link <http://www.dfl.net.in/docs/policy%20for%20determining%20material%20subsidiary.pdf>

DISCLOSURE ON MATERIAL RELATED PARTY TRANSACTIONS

All material transactions entered into with related parties as defined under the Act and Listing Regulations during the financial year 2015-16 were in the ordinary course of business. No materially significant related party transactions have been entered into during financial year 2016-17.

POLICY FOR PROHIBITION OF INSIDER TRADING:

In accordance with Regulation 9 of SEBI Regulations, 2015, the Company has framed a Policy on preservation of documents approved by the Board of Directors of the Company. The Policy is intended to define preservation of documents and to provide guidance to the executives and employees working in the Company to make decisions that may have an impact on the operations of the Company. It not only covers the various aspects on preservation of the Documents, but also the safe disposal/destruction of the Documents.

The Policy have been uploaded on the Company's web-site at the following link <http://www.dfl.net.in/docs/code%20for%20prohibition%20of%20insider%20trading.pdf>

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION:

In accordance with Regulation 30 of SEBI Regulations, 2015, the Company has framed a Policy on Determination of Materiality for Disclosures to disclose events or information which, in the opinion of the Board of Directors of the Company, are material. Further the Company has an Archival Policy in line with the requirements of SEBI Regulations to ensure that information relating to the Company is adequately disclosed on its web-site as required by law. The Policy have been uploaded on the Company's web-site at the following link

<http://www.dfl.net.indocspolicy%20for%20determination%20of%20material%20events.pdf>

PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY :

In accordance with Regulation 9 of SEBI Regulations, 2015, the Company has framed a Policy on preservation of documents approved by the Board of Directors of the Company. The Policy is intended to define preservation of documents and to provide guidance to the executives and employees working in the Company to make decisions that may have an impact on the operations of the Company. It not only covers the various aspects on preservation of the Documents, but also the safe disposal/destruction of the Documents.

The Policy have been uploaded on the Company's web-site at the following link <http://dfl.net.in/company-profile.html>

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Vigil Mechanism/Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behavior, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We affirm that no director or employee has been denied access to the Audit Committee during financial year 2016-17. The Policy provides that no adverse action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Group.

The Policy have been uploaded on the Company's web-site at the following link <http://www.dfl.net.in/docs/whistleblower%20policy.pdf>

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
2015-16	24 th AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	24 th Sept, 2016 at 01:00 p.m.
2014-15	23 rd AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	19 th Sept, 2015 at 01:00 p.m.
2013-14	22 nd AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	20 th Sept, 2014 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. 25th Annual General Meeting:**

Day & Date	Time	Venue
Saturday, 23 rd September, 2017	01.00 p.m.	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra

B. Financial Calendar (2017-18)

Particulars	Period
Financial Year	April 1, 2017 to March 31, 2018
For consideration of Unaudited/Audited Financial Results	
Results for quarter ending June 30, 2017	On or before 14 th September, 2017
Results for quarter ending September 30, 2017	On or before November 14, 2017
Results for quarter ending December 31, 2017	On or before February 14, 2018
Results for quarter ending March 31, 2018	On or before May 30, 2018
Annual General Meeting for the year ending March 31, 2018	On or before September 30, 2018

C. Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 19/09/2017 to 23/09/2017, (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 lodgment 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 31st March, 2017 are as follows:

Mode	No. of Shares	% Shares
Physical Form	3,02,760	03.53%
With NSDL	2,83,854	03.31%
With CDSL	79,94,486	93.16%
Total	85,81,100	100%

I. Market Price Sensitive Information:

The monthly 'high' and 'low' closing prices of the shares traded during the period from April 2016 to March 2017 on BSE are given below:

Month	High	Low	Close	No of Shares Traded	Month	High	Low	Close	No of Shares Traded
April 2016	48.00	45.00	48.00	7,434	October 2016	43.00	35.20	43.00	4,973
May 2016	48.00	42.30	47.70	18,619	November 2016	44.95	31.35	3.35	5,576
June 2016	48.00	37.95	38.80	6,822	December 2016	40.75	31.00	38.00	6,267
July 2016	41.45	36.25	38.30	17,076	January 2017	42.00	34.50	41.90	2,778
August 2016	40.45	32.90	32.90	13,685	February 2017	43.00	37.05	37.05	6,670
September 2016	39.50	31.00	39.50	10,221	March 2017	37.00	31.95	37.00	15,201

J. Shareholding pattern of the company as on 31st March, 2017

Category	No. of Shares held	% of Shareholding
A Promoter's Holding		
1 Promoters		
- Indian Promoters	64,28,506	74.91%
- Foreign Promoters	0	0
2 Persons acting in concert	0	0.00%
Sub - Total	64,28,506	74.91%
B Non-Promoter's Holding	0	0
C FII's	0	0
Sub - Total	0	0
3 Other Cl. member	3,648	0.04%
a) Private Corporate Bodies	15,99,876	18.64%
b) Indian Public	5,46,638	6.37%
c) NRI's	2,432	0.03%
d) /OCB's	0	0
Sub-Total	21,52,594	25.08%
Grand Total	85,81,100	100.00%

K. Distribution of shareholding as on 31st March, 2017

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
Up to 5000	803	80.30%	16,00,690	1.87%
5,001 - 10,000	81	08.10%	7,05,930	0.82%
10,001 - 20,000	45	04.50%	7,39,010	0.86%
20,001 - 30,000	14	01.40%	3,59,380	0.42%
30,001 - 40,000	6	0.60%	2,11,310	0.25%
40,001 - 50,000	9	0.90%	4,12,690	0.48%
50,001 - 1,00,000	10	01.00%	7,05,160	0.82%
1,00,001 And Above	32	03.20%	8,10,76,830	94.48%
TOTAL	1000	100%	8,58,11,000	100%

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 Shamrock 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 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 and Marathi daily having wide circulation.

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.

Investor Correspondence:For Transfer / Dematerialisation of Shares, payment of dividend on shares, interest and redemption of debentures and any other query relating to the shares and debenture of the Company.

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
Corp Off: 285, Princess Street, Jhawar House, 1st Floor,
Mumbai – 400 002.
Tel. No. : 091-022-66228033 | Fax No. 091-022-22089558
Email Id: info@dfl.net.in
Website: www.dfl.net.in

Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations :

Sr. No.	Particulars	Regulation	Compliance status Yes/ No/N.A.	Compliance observed for the following:
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> ● Board Composition- ● Meeting of Board of Directors- ● Review of compliance reports- ● Plans for orderly succession for appointments- ● Code of Conduct- ● Fees / compensation- ● Minimum information to be placed before the Board- ● Compliance Certificate- ● Risk Assessment & Management- ● Performance Evaluation of Independent Directors
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> ● Composition- ● Meeting of Audit Committee- ● Role of Audit Committee and review of information by the Committee
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> ● Composition- ● Role of the Committee
4	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> ● Composition- ● Role of the Committee
5	Risk Management Committee	21	Not Applicable	<ul style="list-style-type: none"> ● The Company is not in the list of top 100 listed entities by market capitalization
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> ● Formulation of Vigil Mechanism for Directors and employees- ● Direct access to Chair person of Audit Committee
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> ● Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions- ● Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders of the Company- ● Review of transactions pursuant to aforesaid contracts
8	Corporate Governance requirements with respect to subsidiary of listed entity	24	Not Applicable	<ul style="list-style-type: none"> ● The Company does not have any subsidiary
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> ● Maximum Directorship and Tenure- ● Meeting of Independent Directors- ● Familiarization of Independent Directors

Sr. No.	Particulars	Regulation	Compliance status Yes/ No/N.A.	Compliance observed for the following:
10	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> ● Memberships / Chairmanships in Committees- ● Affirmation with compliance to Code of Business Conduct and Ethics from Directors and Management Personnel- ● Disclosure of shareholding by Non-executive Directors- ● Disclosures by Senior Management about potential conflicts of interest
11	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> ● Compliance with discretionary requirements- ● Filing of quarterly compliance report on Corporate Governance
12	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> ● Terms and conditions of appointment of Independent Directors ● Composition of various Committees of Board of Directors ● Code of Business Conduct and Ethics for Directors and Management Personnel ● Details of establishment of Vigil Mechanism/ Whistle Blower Policy ● Policy on dealing with Related Party Transactions ● Details of familiarization programmes imparted to Independent Directors

CEO/CFO Certification

- A. I, Vinod Jhawar, Managing Director of the Company and Mahesh Jhawar, 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 2016-2017
 - 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/-	Sd/-
Vinod S. Jhawar	Mahesh Jhawar
(Managing Director)	(CFO & Director)

Place: Mumbai
Date: 30.05.2017

CERTIFICATE FOR ADHERENCE TO THE CODE OF CONDUCT

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 2017.

For and on behalf of the Board

Sd/-
Vinod S. Jhawar
(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, 2017 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.

We have carried out the examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate.

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, 2017, 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: 11/08/2017**

INDEPENDENT AUDITOR'S REPORT**To****The Members of Dhanlaxmi Fabrics Ltd****REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Dhanlaxmi Fabrics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 31st March 2017 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2017 ('the Order') issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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 u/s. 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note 29 "Contingent Liability" to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The company has provided requisite disclosure in the financial statements as regards its holding and dealing in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Minister of Finance, during the period from 8th November 2016 to 30th December, 2016. Based on Audit procedure performed and the representations provided to us by the management, we report that the disclosure are in accordance with the books of accounts maintained by the company and produced to us by the management.

**For S. G. Kabra & Co.,
Chartered Accountants
FRN 104507W**

**Sd/-
(S. G. Kabra)
Partner
M No 038867**

**Place: Mumbai
Dated: 30th May 2017**

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S

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 March 31, 2017 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 issued by the Institute of Chartered Accountants of India. 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. G. Kabra & Co,
Chartered Accountants
FRN : 104507W

(S. G. Kabra)
Partner
M No : 038867

Place : Mumbai
Date: 30th May, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements of our report of even date to the members of Dhalaxmi Fabrics Ltd for the year ended 31st March, 2017)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.
 (b) All the fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
 (c) The title deeds of the land in the immovable property are not held in the name of the company.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals. We are informed that no material discrepancies were noticed on physical verification of the inventory.
- (iii) The Company has not granted any loans, secured and unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Consequently, requirement of clauses 3 (iii) (a) to (iii) (c) of paragraph 3 of the order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the companies act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted any deposits from public.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules prescribed by the Central Government under sub section 1 of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and cost records have been maintained.
- (vii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (viii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

 (b) According to the information and explanations given to us, there are no material dues of Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanation given to us, the following dues of Income Tax have not been deposited by the Company on account of disputes:-

Name of the Statute	Nature of Dues	Amount(Rs.)	Period to which the amount relates AY	Forum where disputes is pending
Income Tax Act, 1961	Income Tax Assessment	86,12,400/-	2009-2010	Commissioner of Income Tax (Appeal)
	Income Tax Assessment	80,60,954/-	2010-11	ITAT (Appeal)
	Income Tax Assessment	19,78,721/-	2011-12	ITAT (Appeal)
	Income Tax Assessment	6,36,910	2012-13	ITAT (Appeal)

(c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 to 1956) and rules made there under has been transferred to such fund within time.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of paragraph 3 (ix) of the Order is not applicable to the Company.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xii) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xiii) In our opinion, the company is not Nidhi Company. Therefore, the provisions of paragraph 3(xii) of the order are not applicable to the company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xv) According to the information and explanation given to us and based on our examination of the record of the company the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xvi) According to the information and explanation given to us and based on our examination of the record of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (vx) of order is not applicable.
- (xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S. G. Kabra & Co,
Chartered Accountants
FRN : 104507W

(S. G. Kabra)
Partner
M No : 038867

Place : Mumbai
Date: 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2017	AS AT 31-03-2016
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	3,342.92	3,091.05
Total		4,201.03	3,949.16
2 Non-current liabilities			
(a) Long-term borrowings	3	1,537.88	1,551.06
(b) Deferred tax liabilities (net)	4	476.71	453.20
(c) Other long-term liabilities	5	22.94	18.53
(d) Long-term provisions	6	363.10	715.58
Total		2,400.64	2,738.37
3 Current liabilities			
(a) Short-term borrowings	7	1,584.34	956.17
(b) Trade payables	8	967.00	644.81
(c) Other current liabilities	9	43.52	77.86
(d) Short-term provisions	10	4.17	49.59
Total		2,599.03	1,728.44
TOTAL		9,200.70	8,415.97
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	3,366.74	2,858.79
(ii) Capital work-in-progress		1,056.26	1,356.20
(b) Non-current investments	12	67.08	67.08
(c) Long-term loans and advances	13	830.10	1,127.36
Total		5,320.18	5,409.43
2 Current assets			
(a) Inventories	14	1,466.78	1,238.53
(b) Trade receivables	15	2,307.64	1,510.31
(c) Cash and cash equivalents	16	78.92	57.89
(d) Short-term loans and advances	17	27.18	199.80
Total		3,880.52	3,006.53
TOTAL		9,200.70	8,415.97
Significant Accounting Policies		-	-
Notes on Financial Statements	1 to 32		

As per our report of even date attached,

For and on behalf of the Board,

For S. G. Kabra & Co.
Chartered Accountants
FR NO. 104507 W

S. G. Kabra
Partner
M. No. 38867

Ramautar S. Jhawar
Chairman & Director

Vinod S. Jhawar
Managing Director

Mahesh S. Jhawar
Director & CFO

Place : Mumbai
Date : 30th May, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2017	FOR THE YEAR ENDED 31-03-2016
A CONTINUING OPERATIONS			
1 Revenue from operations	18	9,281.21	8,837.10
2 Other income	19	103.51	392.25
3 Total revenue		9,384.73	9,229.35
4 Expenses			
(a) Cost of materials consumed	20	3,361.27	3,118.00
(b) Purchases of stock-in-trade	21	2,561.17	2,587.15
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(228.25)	287.44
(d) Employee benefits expenses	23	704.43	668.08
(e) Finance costs	24	309.87	268.99
(f) Depreciation	25	389.31	484.94
(g) Other expenses	26	1,839.55	1,117.48
(h) Extraordinary Expenses (Doubtful Debts on A/c of National sport Exchange Scam W/off)	27		555.26
Total expenses		8,937.35	9,087.33
5 Profit before tax		447.38	142.02
6 Tax expense:			
(a) Current tax expense for current year		172.00	168.59
(b) Less- Deferred tax Credit		(23.51)	88.94
© Add Defered Tax Liability		-	-
(C.) Add Current tax relating to prior year		-	-
Net tax expense		195.51	79.65
7 Profit for the year		251.87	62.36
8 Earnings per Equity share of face value of Rs.10/- each			
(a) Basic and Diluted	28	0.29	0.73
9 Significant Accounting Policies Notes on Financial Statements	1 to 32		

As per our report of even date attached

For and on behalf of the Board,

For S. G. Kabra & Co.

Chartered Accountants

FR NO. 104507W

S. G. Kabra

Partner

M. No. 38867

Ramautar S. Jhawar
Chairman & Director**Vinod S. Jhawar**
Managing Director**Mahesh S. Jhawar**
Director & CFO

Place : Mumbai

Date : 30th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	447.38	142.01
<i>Adjustments for:</i>		
Depreciation and amortisation	389.31	484.94
(Profit) (-) Loss (+) on sale / write off of assets	10.70	(117.01)
Finance costs	309.86	268.99
Interest income	(53.15)	(197.78)
Rental Income from Investment Property	(44.14)	(76.52)
Operating profit / (loss) before working capital changes	612.58	362.62
Changes in working capital:	1,059.96	504.63
Adjustments for (increase) / decrease in operating assets:		
Inventories (increase / decrease)	(228.25)	174.35
Trade and othe receivables	(624.71)	460.19
Other non-current assets	297.26	(305.27)
Trade and other Payables	242.42	(712.94)
Cash generated from operations	(313.28)	(383.67)
Net income tax (paid) / refunds	(0.00)	(168.59)
Net cash flow from / (used in) operating activities (A)	746.68	(47.63)
B. Cash flow from investing activities		
Purchase of fixed assets & sale (net off)	(1,064.44)	(524.37)
Sale of fixed assets	456.44	117.01
Interest received	53.15	197.78
Rental income from investment properties	44.14	76.52
Long Term Liabilities	4.41	-
Long term Provisions	(352.48)	168.88
Net cash flow from / (used in) investing activities (B)	(858.78)	35.82
C. Cash flow from financing activities		
Issue of equity shares	-	-
Capial Subsidy received	-	-
Proceed from Long Term Borrowings		
Repayment of long-term borrowings	(13.17)	(267.66)
Net increase / (decrease) in working capital borrowings	628.17	555.29
Finance cost	(0.00)	(268.99)
Net cash flow from / (used in) financing activities (C)	615.00	18.64
Net increase \	502.90	6.83
Cash and cash equivalents at the beginning of the year	57.89	51.06
Cash and cash equivalents at the end of the year	78.92	57.89
Net increase / (decrease) in Cash and cash equivalents	21.03	6.83

As per our report of even date attached

For and on behalf of the Board,

For S. G. Kabra & Co.

Chartered Accountants

FR NO. 104507W

S. G. Kabra

Partner

M. No. 38867

Place : Mumbai

Date : 30th May, 2017**Ramautar S. Jhawar**

Chairman & Director

Vinod S. Jhawar

Managing Director

Mahesh S. Jhawar

Director & CFO

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The company follows accrual basis of accounting & recognizes Income & Expenditure on accrual basis except 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 accounts are prepared on historical cost convention and materially comply with the Mandatory accounting Standards issued by the Institute of Chartered Accountants of India.

B. Use of Estimates.

The preparation of financial statements requires estimates and assumptions to be that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the result are known/materialized.

C. On Fixed Assets.

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any, the cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre- operational, start –up and trial run expenses form part of the value of the assets capitalized. As per practice, expenses incurred on modernization / d-bottle necking / relocation / relining of plant and equipment are capitalized.

D. Leased Assets.

Lease hold land, acquired on lease from M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the Company is not treated as assets of the Company and lease rentals are charged off as revenue expenses.

E. Depreciation

Depreciation is provided on Own Fixed Assets used during the year under straight line method at the rates specified in schedule II of the Companies act, 2013 on triple shift basis.

F. Impairment of Assets.

An asset is treated as impaired when the carrying coat of asset exceeds its recoverable value. An impairment loss is charges to the profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in estimate of recoverable amount.

G. Foreign Currency Transactions.

a) Transactions denominated in foreign currencies are recorded at the exchange rate Prevailing on the date of the transaction or approximates the actual rate at the date of the transaction.

b) Any income or expense on account of exchange difference either on settlement or on Translation is recognized in the Profit and Loss account.

H. Investments.

Noncurrent investments are carried at cost. These investments are in the Equity Shares of subsidiary companies

I. Inventories.

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on FIFO system basis.

J. Revenue Recognition.

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding helge contracts. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

K. Excise Duty / Service Tax and sales Tax / Value Added Tax.

Excise duty / Service tax is accounted on basis of both, payment made in respect of goods cleared / services provided as also provision made for goods lying in bonded warehouses. Sales tax / Value added tax paid is charged to Profit and Loss account.

L. Employee Benefits.

Short- term employee benefits are recognized as an expenses at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

M. Employee Retirement Benefits.

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five year service. The Company makes annual contribution to funds administered by trustees and managed by Life insurance Corporation of India for amount notified by the said Insurance Company. The Company accounts for the liability for future gratuity benefits based on an independent external actuarial valuation carried out annually as at March 31.

N. Provision for Current and Deferred Tax.

Provision for current tax is made after taking into consideration benefits admissible under the provision of the income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax/asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

O. Provisions, Contingent Liabilities and Contingent Assets.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Asset are neither recognized nor disclosed in the financial statements.

P. Disclosure under section 22.

Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as non of the suppliers of the Company have provided the details of their registration under the said Act.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

	Rs. in Lacs	
	As at 31/03/2017	As at 31/03/2016
1 SHARE CAPITAL		
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares)	1500.00	1500.00
Issued, Subscribed and Paid up	858.11	858.11
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity Shares)		
1.1 60,21,100 Equity Shares issued in the year 1994 at Face value of Rs.10/- each through Public issue.		
1.2 25,60,000 Equity Shares issued on Preferential Allotment basis at premium of Rs. 35/- Per Share in the year 2008		
1.3 There is no differential voting right all the Equity Shares are of equal voting right.		
1.4 The details of Shareholders holding more than 5% Shares		
	As at 31/03/2017	As at 31/03/2016
	No of Shares	No of Shares
	%	%
Eskay Niryat Pvt Ltd.	12,80,000	12,80,000
	14.92	14.92
Promtech Impex Pvt Ltd	12,80,000	12,80,000
	14.92	14.92
Jhawar Commodities Pvt Ltd	14,57,446	14,57,446
	16.98	16.98
Dhanlaxmi Export Fabrics LLP	4,38,000	4,38,000
	5.10	5.10
Ramautar Sohanlal Jhawar	7,78,408	7,78,408
	8.79	8.79
2 RESERVES & SURPLUS	As at 31/03/2017	As at 31/03/2016
General Reserve	108.46	108.46
Equity Share Premium reserve	896.00	896.00
Profit & Loss A/c		
As per last Balance sheet	2,086.59	2,024.23
Less : WDV as on 31-03-2014 of fixed assets having NIL usefull life as per schedule II of Companies Act, 2013.	-	-
Add : Profit for the year	251.87	62.36
Total	2,338.46	2,086.59
	TOTAL	3,342.92
		3091.05

3 LONG TERM BORROWINGS	(Rs. in Lacs)	
	As at 31/03/2017	As at 31/03/2016
Secured Loans		
Term Loan from Kotak Mahindra Bank	177.60	249.19
Term Loan from The Shamrao Vithal Co-Op. Bank	923.87	1,147.44
Axis Bank Ltd.	374.75	0.00
Unsecured Loans		
From Promtech Impex Pvt Ltd	61.66	154.43
Total	1,537.88	1,551.06

3.1 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 directors and corporate guarantee of M/s. Western Chlorides and Chemicals Pvt Ltd subsidiary of the company.

3.2 Unsecured loan received from M/s. Promtech Impex Pvt Ltd the associate company. Repayable on demand.

3.3 Repayment schedule of Bank Term Loan.

Term Loan No.	2016-17	2017-18	2018-19
Kotak Mahindra Bank 2925	2.95	0.00	0.00
Kotak Mahindra Bank 0443	68.75	68.75	68.75
SVC 0137	216.68	245.37	277.65
Total	288.38	314.12	346.40

4 DEFERRED TAX LIABILITIES (NET)	As at 31/03/2017	As at 31/03/2016
Deferred Tax Liabilities		
At Beginning of the year	453.20	542.14
Deferred Tax Liability / (Assets) for the year	23.51	(88.94)
Deferred Tax Assets on retained earning amount debited to previous year surplus	-	-
At closing of the year	476.71	453.20

The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation adjusted in account. Though adjustment has been made in term of accounting standard 22, having regard to the normal capital expenditure which the Company is expected to continue to make in future years, the timing difference not effectively reversed and to cash outgo likely to materialize on account thereof.

5. OTHER LONG TERM LIABILITIES	As at 31/03/2017	As at 31/03/2016
Deposits received from Licensee	22.94	18.53

5.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No. 402 to 406 at Kailas Corporate Lounge Vikroli Mumbai and 2nd Floor of Building I at Raj Laxmi Park, Kalher Bhiwandi given on rent to them.

		(Rs. in Lacs)	
1. Yukti Mercantile Pvt Ltd	-	0.96	
2. John Keells Logeistics Pvt Ltd	-	0.87	
3. Synergy Property Development Services Pvt Ltd	16.70	2.83	
4. G4 Securities Solution (India) Pvt. Ltd.	3.42	-	
5. Mr. Mohammad Muzaammi Suyani	2.82	-	
Total	22.94	4.66	
As at 31/03/2017		As at 31/03/2016	
6 LONG TERM PROVISIONS			
Provision for IT	363.10	715.58	
6.1 Provision for IT for the Financial year 2010-11 to 2015-17 has been made which will be written off after actual assesment of IT and difference will be appropriated by Debiting/ Crediting the P&L A/c in that year.			
7 SHORT TERM BORROWINGS.			
Secured Borrowing			
Cash credit from Kotak Mahindra Bank	630.05	484.23	
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd.	473.59	471.94	
Cash credit from Axis Bank Ltd.	480.71	-	
Total	1,584.34	956.17	
7.1 Secured borrowing from Banks are secured by way of Hypothecation 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.			
8 TRADE PAYABLES			
Creditors	967.00	644.81	
8.1 Disclosure under Section 22 of the Micro, Small and medium enterprises Development Act 2006 could not be furnished as none of the suppliers of the company have provided the details of their registration under the said Act.			
9 OTHER CURRENT LIABILITIES			
Charity Fund	12.99	12.92	
Sundry Liabilities	22.52	0.00	
Statutory Liabilities	8.01	62.07	
Advance received from customers	0.00	2.87	
Total	43.52	77.86	
9.1 Unclaimed Divident do not include any amount due and outstanding to be deposited into Investor Education and Protrction Fund.			
10 SHORT TERM PROVISIONS			
Provision for outstanding Expenses	4.17	49.59	

11 FIXED ASSETS

(Rs. in Lacs)

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-04-2016	Addition during the year	Sold during the year	Total as at 31-03-2017	Upto 31-03-2016	Provided for the year	Adjusted during the year	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
1. Land	173.31	297.31	0.00	470.63	0.00	0.00	0.00	0.00	470.63	173.31
2. Building	640.94	122.16	0.00	763.09	265.14	20.18	0.00	285.31	477.78	375.80
3. Plant & Machinery	5193.51	521.64	4332.28	5282.87	3228.67	339.30	391.81	3176.17	2106.70	1964.84
4. Electrical Installation	148.63	1.43	0.00	150.06	107.00	4.99	0.00	111.99	38.07	41.63
5. Pipe Fitting	34.62	0.00	0.00	34.62	31.96	0.15	0.00	32.12	2.51	2.66
6. Furniture & Fixture	108.56	0.00	0.00	108.56	100.44	0.98	0.00	101.41	7.14	8.12
7. Laboratory Equipment	25.71	1.79	0.00	27.49	21.90	1.29	0.00	23.19	4.30	3.81
8. Office Equipment	9.05	0.00	0.00	9.05	7.49	0.50	0.00	7.99	1.06	1.56
9. Air Conditioner	17.07	0.59	0.00	17.66	9.93	1.00	0.00	10.93	6.73	7.14
10. Computer	44.67	0.54	0.00	45.20	40.85	2.54	0.00	43.39	1.82	3.82
11. Motor Vehicle	82.43	0.00	24.16	58.27	64.75	3.50	16.27	51.98	6.29	17.68
12. Misc. Fixed Assets	54.01	0.17	0.00	54.18	28.79	5.35	0.00	34.13	20.05	25.22
13. House Property	222.23	0.00	0.00	222.23	25.84	3.37	0.00	29.21	193.02	196.39
SUB-TOTAL	6754.74	945.62	456.44	7243.92	3932.76	383.14	408.08	3907.83	3336.09	2821.98
Wind Power Division										
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00
2. Plant And Machinery	521.00	0.00	0.00	521.00	494.19	6.16	0.00	500.35	20.65	26.81
Sub Total	531.00	0.00	0.00	531.00	494.19	6.16	0.00	500.35	30.65	36.81
Total	7285.74	945.62	456.44	7774.92	4426.95	389.31	408.08	4408.18	3366.74	2858.79
PREVIOUS YEAR	8250.78	34.96	1000.00	7285.74	4831.02	484.94	889.01	4426.95	2858.79	

Capital Work in Progress **Rs. 1056.26** Lacs (Previous Year Rs. 1356.20 Lacs)**12 NON-CURRENT INVESTMENTS**

In equity shares of subsidiary companies

As at 31/03/2017**As at 31/03/2016****1. Western Chlorides & Chemicals Pvt Ltd**

65.08

65.08

2999 Equity Shares @ Rs.2170/- Per Share, face Value Rs.100/- Per shares

2. Dhanesh Fabrics Pvt Ltd

1.00

1.00

9999 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares

3. DFL Fabrics Pvt Ltd

1.00

1.00

9980 Equity Shares @ Rs.10/- each

Total**67.08****67.08****13 LONG TERM LOANS & ADVANCES****As at 31/03/2017****As at 31/03/2016**

Balances with Excise dept.

34.91

38.68

Security Deposits

151.22

104.55

Interest Receivable under TUF Scheme

136.31

136.31

TDS Receivables

58.17

428.83

Advance tax Paid

118.00

270.00

IT Refund

182.49

-

IT paid under protest

100.00

100.00

For A.Y. 2010-11 (under Appeal)

45.00

45.00

For A.Y. 2011-12 (under Appeal)

4.00

4.00

For A.Y. 2012-13 (under Appeal)

Total**830.10****1,127.37**

	As at 31/03/2017	(Rs. In Lacs) As at 31/03/2016
14 INVENTORIES		
Fabric	660.43	653.74
Yarn	497.09	347.95
Stock in Process	148.27	91.02
Dyes	57.88	51.10
Chemicals	44.74	42.84
Packing Material	7.86	7.76
Coal	6.42	4.18
Diesel	0.42	0.34
Stores & Spares	43.67	39.60
Total	1,466.78	1,238.53
15 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over Six Months	1,052.03	200.64
Other	1,255.61	1,309.67
Total	2,307.64	1,511.31
15.1 Trade receivables as at 31/03/2015 are inclusive of amount of Rs.5,55,25,606.62 which has been written off on 31-03-2016.		
16 CASH AND BANK BALANCES		
Cash on hand	08.46	7.41
Balance with banks	3.53	1.61
Fixed deposits with banks	66.93	48.88
Total	78.92	57.89
17 SHORT TERM LOANS & ADVANCES		
Loan to staff	0.56	1.00
Prepaid Expenses	1.44	7.89
Advance to Suppliers	15.00	171.51
Other Loans advances	10.18	19.40
Total	27.18	199.80
17.1 Other loans advances includes primarily Interest receivable on FD with Bank		
18 REVENUE FROM OPERATIONS		
Process Charges of Fabrics	2,908.77	2,641.92
Process Charges of Yarn	-	407.75
Weaving Sales	5,398.82	-
Weaving Job Work Income	443.55	138.81
Fabric Sales	61.24	5,553.05
Yarn Process Charges Local	255.61	32.55
Yarn Process Charges Oms	99.04	-
Yarn Sales	14.38	-
Power sales	29.11	-
Power sales	70.71	63.02
Total	9,281.21	8,837.10

	For the year ended As on 31/03/2017	(Rs. In Lacs) For the year ended As on 31/03/2016
19 OTHER INCOME		
Interest accrued on FD	5.34	5.15
Other Interest	20.34	95.22
TUF Interest Subsidy	27.47	97.41
Duty Drawback	3.09	0.85
Profit & Loss on sale of Assets	(10.70)	117.01
Sundry balance W/off	13.04	-
Misc. Income	0.78	0.09
Dividend received	0.01	0.01
Rent from house property	44.14	766.52
Total	103.51	392.25
20 COST OF RAW MATERIALS CONSUMED		
Yarn	1,911.23	1418.07
Dyes	230.38	278.92
Chemicals	617.43	560.58
Packing Material	100.07	210.28
Coal	359.20	490.64
Diesel	3.65	2.78
Excise	3.57	0.00
Store & Spares	135.74	156.75
Total	3,361.27	3,118.00
20.1 Store & spares Consumption		
Indigenous	135.74	146.82
Imported	-	9.91
Total	135.74	156.73
21 PURCHASES OF STOCK IN TRADE		
Fabric	1,790.67	2,587.15
Other	510.86	-
Fabric	259.64	-
Total	2,561.17	2,587.15
22 CHANGES IN INVENTORIES OF FINISHSHED GOODS WORK IN PROGRESS AND STOCK IN TRADE		
Inventory (At close)		
Fabric	824.73	653.74
Work in Progress	148.27	91.02
Total	973.00	744.76
Inventory (At commencement)		
Fabric	653.74	954.35
Work in Progress	91.02	77.85
Total	744.76	1032.19
Net Change	(228.25)	287.44

	(Rs. in Lacs)	
	For the year ended 31/03/2017	For the year ended 31/03/2016
23 EMPLOYEE BENEFIT EXPENSES		
Labour Charges	480.64	460.14
Salary	209.61	197.77
Contribution to P.F & ESIC	4.70	4.61
Contribution to Graduty Fund	6.58	2.96
Staff welfare Expenses	2.91	2.60
Total	704.43	668.08
24 FINANCE COST		
Interest on Working capital	12.00	60.36
Interest on Term Loan	171.70	197.30
Interest On Others	126.17	11.33
Total	309.87	268.99
24.1 The benefit of TUF subsidy on interest recieved has been accounted under Heading "Other Income" Note No. 19.		
25 DEPRECIATION		
Depreciation on Fixed Assets	389.31	484.94
25.1 Depreciation has been provided as per guidlene given in schedule II of Companies Act 2013.		
26 OTHER EXPENSES		
26 (a) Manufacturing expenses		
Electricity Charges	430.43	427.48
Water Expenses	214.11	171.89
Repairs to building	2.77	8.39
Repairs to Machinery	34.38	44.51
Job charges paid	109.87	187.48
Freight & forwarding expenses	25.21	25.84
Laboratory expenses	0.55	0.58
Insurance	13.99	13.00
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.39	0.97
Others	827.22	0.00
Analysis Charges	-	16.06
Total	1,659.51	896.80
26(b) Selling & distribution expenses		
Sales promotion	0.33	1.25
Commission & brokerage	13.17	44.10
Total	13.50	45.35

	(Rs. in Lacs)	
	For the year ended	
	31/03/2017	31/03/2016
26.(c) ADMINISTRATIVE EXPENSES		
Property tax	1.48	7.25
Printing & stationery	7.68	9.01
Rent, Rates & Taxes	5.30	4.55
Travelling expenses	3.08	2.16
Postage & courier charges	2.14	2.25
Legal & professional fees	18.88	33.00
Advertisement charges	2.28	1.65
Repairs to others	4.30	7.93
Conveyance expenses	3.19	2.75
General expenses	6.17	5.55
Bank Loan processing fees & Stamp duty	14.28	5.12
Listing fees	2.29	2.25
Bank charges	1.64	1.86
Demate Charges	0.52	0.26
Vehicle expenses	5.85	8.71
Trunk & telephone	4.10	3.98
Auditor Remuneration	6.83	2.04
Keyman Insurance Exp.	7.94	7.94
Directors remuneration	48.00	12.00
Sitting Fees	1.05	1.13
Real Estate Expenses	6.37	10.87
Clearing & Forwarding	4.88	-
Others	5.13	-
Sundry Balances W/off	-	42.94
Exchange Rate Fluctuation	-	0.15
Total	163.39	175.33
Total 26(a)+26(b)+26(c.)	1,836.40	1,117.48
26.1 Payment to auditors		
(a) Auditor		
Statutory audit Fees	0.75	0.89
Tax Audit Fee	0.15	1.15
Internal Audit Fee	2.00	1.00
(b) Cost Audit Fees	0.25	0.00
Total	3.15	2.04
27 EXTRAORDINARY EXPENSES		
Doubtful Debts on Account of National Spot Exchange	-	555.26
Scam W/off		
28 EARNING PER SHARE(EPS)		
(i) Net Profit after tax as per statement of Profit & Loss	251.87	62.36
Attributable to equity Shareholders		
(ii) Weighted average number of Equity shares in Lacs used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	2.94	0.73
(iv) Face Value per Equity share	Rs.10/-	Rs.10/-

(Rs. in Lacs)

29 CONTINGENT LIABILITIES**As at 31st March 2017 As at 31st March 2016****Contingent Liabilities not provided for in respect of**

1. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66	74.66
2. 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 pending before Tribunal	528.96	528.96

For the year ended
31/03/2017 31/03/2016

30 FOREIGN EXCHANGE EARNING AND OUTGO

a) Earning -Fabric Export to Bangladesh	16.60	16.64
b) Outgo - Import of Spares and Machinery	22.87	55.26

31 RELATED PARTY DISCLOSURES**31(a) List of Associated Companies:-**

1. Dhanlaxmi Cotex Ltd	7. VRM Share Broking Pvt Ltd
2. Sohanlal Export fabrics Pvt Ltd	8. Dhanlaxmi Vidyut Pvt. Ltd.
3. Sohanlal Jhawar Family Trust	9. Kishar Multitrade Pvt. Ltd.
4. Dhanlaxmi Export Fabrics Pvt Ltd	10. Krishita Multitrade Pvt. Ltd.
5. Promtech Impex Pvt Ltd	11. Jhawar Trade & Investment Pvt. Ltd.
6. MR share Broking Pvt Ltd	12. ASA Agrotech Pvt. Ltd.

Subsidiary Companies:-

1. Western Chlorides & Chemicals Pvt Ltd
2. Dhanesh fabrics Pvt Ltd
3. DFL Fabrics Pvt Ltd

Management Personnel and Relatives

1. Vinod S. Jhawar - Managing Director
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31(b) Transactions during the year with related parties

Nature of transaction				Rs. In Lacs
	Subsidiaries	Associates	Key Managerial Personnel	Total
Revenue from operation	613.41	0.00	0.00	613.41
Purchases	278.08	0.00	0.00	278.08
Expenditure on service	0.60	0.00	0.00	0.60
Outstanding balance As at 31-03-2014				
Receivables	49.06	0.00	0.00	49.06
Payables	0.43	61.66	0.00	62.09
Managerial remuneration	0.00	0.00	48.00	48.00

32 SEGMENT INFORMATION

The Company is currently organized into two business operating systems. Textile Processing and and Power Generation. The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments. Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable or allocable on a reasonable basis to that segment. Certain corporate level revenue and expenses, besides financial cost and taxes are not allocated to operating segments and are included in "unallocable". Assets and liabilities represent employed in operation and liabilities owned to Third party that is individually identifiable or allocable on a reasonable basis to that segment. Asset and liabilities excluded from allocation to operating segments such as investments, corporate debt and taxes etc are included in "unallocable". segment assets employed in the company's various business segments are all located in india. Capital expenditure includes expenditure incurred during the year on acquisition of segment fixed assets. The company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, revenues are bifurcated based on sales in india and Outside india.

32(a) Primary Segment :**(Rs. In Lacs)**

Particulars	Textile Division		Power Division		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Segment Revenue	0.09	0.09	0.00	0.00	0.00	0.09
Other Income	0.00	275.24	0.00	117.01	0.00	392.25
Total Income	0.09	275.33	0.00	117.01	0.09	392.34
Operating Profit	712.44	315.23	44.81	96.67	757.25	411.90
Financial Cost	309.87	268.99	0.00	0.00	309.87	268.99
Taxes	180.28	7.71	15.23	71.94	195.51	79.65
Net Profit	222.29	38.53	29.58	24.73	251.87	63.26
Segment Fixed Assets	-30.61	4178.18	30.65	36.81	0.04	4214.99
Segment Long term Borrowing	0.02	1551.06	0.00	0.00	0.02	1551.06
Capital Employed	5617.75	5723.70	195.63	229.72	5813.38	5953.42
Depreciation	-6.16	478.78	6.16	6.16	0.00	484.94

NOTE- DISCLOSURE ON SPECIFIED BANK NOTES:

During the year, company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8th, 2016 to December 30th, 2016, the denomination wise SBNs and other notes as per the notification as follow:

Particulars	SBNs Amount	Other Denomination Note Amount	Total Amount
Closing Cash in Hand as on 08/11/2016	3,40,000.00	61,029.64	4,01,029.64
Permitted Received	-	-	-
Permitted Payment	46,000.00	44,725.00	90,725.00
Amount Deposited in Bank	2,94,000.00	-	2,94,000.00
Closing Cash in Hand as on 30/12/2016	-	16,304.64	16,304.64

For the purpose of clause, the term specified Bank Notes shall have the same meaning provided in the notification of the Government of India, Department of Economics Affairs number S.O. 3407(E), dated November 8, 2016.

In terms of our report attached.

For and on behalf of the Board.

For S.G.KABRA & Co.

Chartered Accountants

FR No- 104507W

S.G.Kabra**Partner**

Membership No.38867

Place : Mumbai

Date : 30th May, 2017**Ramautar S. Jhavar**

Chairman & Director

Vinod S. Jhavar

Managing Director

Mahesh S. Jhavar

Director & CFO

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANLAXMI FABRICS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dhanlaxmi Fabrics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries Western Chlorides & Chemicals Pvt Ltd, Dhanesh Fabrics Pvt Ltd, DFL Fabrics Pvt Ltd (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group 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; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of Western Chlorides & Chemicals Pvt Ltd, Dhanesh Fabrics Pvt Ltd, DFL Fabrics Pvt Ltd subsidiaries, whose financial statements / financial information reflect total assets of Rs.471.89 Lacs as at 31st March, 2017, total revenues of Rs.1232.49 Lacs and net cash flows amounting to Rs. 7.17 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 39.96 Lacs for the year ended 31st March, 2017, as considered in the consolidated financial statements, have been

audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e). On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 Contingent Liabilities to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The parent company has provided requisite disclosure in the financial statements as regards its holding and dealing in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Minister of Finance, during the period from 8th November 2016 to 30th December, 2016. Based on Audit procedure performed and the representations provided to us by the management, we report that the disclosure are in accordance with the books of accounts maintained by the company and produced to us by the management.

For S. G. Kabra & Co,
Chartered Accountants
FRN : 104507W

Place : Mumbai
Date: 30th May 2017

S. G. Kabra
Partner
M No : 038867

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

“ANNEXURE A” TO THE INDEPENDENT AUDITOR'S

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 March 31, 2017 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 issued by the Institute of Chartered Accountants of India. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. G. Kabra & Co,
Chartered Accountants
FRN : 104507W

(S. G. Kabra)
Partner
M No : 038867

Place : Mumbai
Date: 30th May, 2017

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2017	AS AT 31-03-2016
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	3,528.20	3,231.81
Total		4,386.31	4,089.92
2 Non-current liabilities			
(a) Long-term borrowings	3	1,713.98	1,728.06
(b) Deferred tax liabilities (net)	4	476.79	453.50
(c) Other long-term liabilities	5	25.99	18.53
(d) Long-term provisions	6	375.10	760.28
Total		2,591.85	2,960.37
3 Current liabilities			
(a) Short-term borrowings	7	1,584.34	956.17
(b) Trade payables	8	1,046.94	802.95
(c) Other current liabilities	9	59.13	97.96
(d) Short-term provisions	10	4.17	50.47
Total		2,694.58	1,907.55
TOTAL		9,672.75	8,957.85
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	3,378.86	2,870.91
(iii) Capital work-in-progress		1,056.26	1,356.20
(b) Non-current investments	12	67.08	62.08
(c) Long-term loans and advances	13	992.11	1,336.00
Total		5,494.31	5,625.19
2 Current assets			
(a) Inventories	14	1,592.84	1,332.64
(b) Trade receivables	15	2,431.09	1,655.48
(c) Cash and cash equivalents	16	96.32	67.68
(d) Short-term loans and advances	17	56.76	276.86
(e) Other Current Assets	17	1.42	-
Total		4,178.43	3,332.66
TOTAL		9,672.75	8,957.85
Significant Accounting Policies			
Notes on Financial Statements	1 to 30		

As per our report of even date attached,

For S. G. Kabra & Co.

Chartered Accountants

FR NO. 104507 W

S. G. Kabra

Partner

M. No. 38867

Place : Mumbai

Date : 30th May, 2017

For and on behalf of the Board,

Ramautar S. Jhwar
Chairman & Director

Vinod S. Jhwar
Managing Director

Mahesh S. Jhwar
Director & CFO

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017 (Rs. in Lacs)			
PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2017	FOR THE YEAR ENDED 31-03-2016
A CONTINUING OPERATIONS			
1 Revenue from operations	18	10,473.79	10,303.68
2 Other income	19	143.43	440.78
3 Total revenue		10,617.23	10,744.46
4 Expenses			
(a) Cost of materials consumed	20	3,361.27	3,118.00
(b) Purchases of stock-in-trade	21	3,509.20	3,867.21
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22 23	(260.20) 718.78	273.82 687.46
(d) Employee benefits expenses	24	315.53	280.55
(e) Finance costs	25	391.71	487.35
(f) Depreciation and amortisation expenses	26	2,077.81	1,274.45
(g) Other expenses			
(h) Exrtraordinary Expences (Doubtful Debts on Account of National Spot Exchange Scam W/off)	27		555.26
5 Total expenses		10,114.10	10,544.09
6 Profit / (Loss) before tax		503.12	200.37
Tax expense:			
(a) Current tax expense for current year		188.00	186.76
(b) Less- Deferred tax Credit		-	89.07
© Add Defered Tax Liability		23.28	-
(C.) Add Current tax relating to prior year		-	0.69
Net tax expense		211.28	98.37
7 Profit / (Loss) for the year		291.84	102.00
8 Earnings per Equity share of face value of Rs.10/- each		3.40	1.13
(a) Basic and Diluted	28		
Significant Accounting Policies Notes on Financial Statements	1 to 30		
As per our report of even date attached		For and on behalf of the Board,	
For S. G. Kabra & Co. Chartered Accountants FR NO. 104507W		Ramautar S. Jhawar Chairman& Director	Vinod S. Jhawar Managing Director
S. G. Kabra Partner M. No. 38867		Mahesh S. Jhawar Director & CFO	
Place : Mumbai			
Date : 30 th May, 2017			

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2017		(Rs. in Lacs)	
Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	
A. Cash flow from operating activities	503.07		200.37
Net Profit / (Loss) before extraordinary items and tax			
<i>Adjustments for:</i>			
Depreciation and amortisation	391.71		487.35
(Profit) / loss on sale / write off of assets	10.70		(117.01)
Finance costs	309.86		280.55
Interest income	(84.09)	584.04	(241.66)
Rental Income from Investment Property	(44.14)	1,087.11	(77.12)
Operating profit / (loss) before working capital changes			532.48
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories	(260.21)		128.77
Trade and other receivables	(548.03)		596.23
Other current assets	(1.42)		
Other non-current assets	344.28		(482.94)
Trade and other Payables	200.65	(264.73)	(896.17)
Cash generated from operations		822.38	(121.63)
Net income tax (paid) / refunds		(188.00)	(187.45)
Net cash flow from / (used in) operating activities (A)		634.38	(309.08)
B. Cash flow from investing activities			
Purchase of fixed assets	(1,064.44)		(524.36)
Sale of fixed assets	456.44		117.01
Movement in loans and advances for Investment	-		-
Interest received	84.09		241.66
Rental income from investment properties	44.14		77.12
Long Term Liabilities	4.41		-
Long term Provisions	(385.05)		180.14
Net cash flow from / (used in) investing activities (B)			
C. Cash flow from financing activities		(860.41)	91.57
Issue of equity shares	-		-
Capital Subsidy received	-		-
Repayment of long-term borrowings	(115.42)		(90.67)
Net increase / (decrease) in working capital borrowings	679.52		555.29
Finance cost	(309.87)		(280.55)
Net cash flow from / (used in) financing activities (C)		254.23	184.07
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		28.20	(33.44)
Cash and cash equivalents at the beginning of the year	66.43		101.12
Cash and cash equivalents at the end of the year	94.63		67.68
Net increase / (decrease) in Cash and cash equivalents		28.20	(33.44)
As per our report of even date attached			
For S. G. Kabra & Co. Chartered Accountants FR NO. 104507W S. G. Kabra Partner M. No. 38867	For and on behalf of the Board,		
Place : Mumbai Date : 30 th May, 2017	Ramautar S. Jhaware Chairman & Director	Vinod S. Jhaware Managing Director	Mahesh S. Jhaware Director & CFO

CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by Securities and Exchange Board of India (SEBI).

B. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

C. Operating Cycle

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set in Schedule III of the Act.

D. Principles of Consolidation

The consolidated financial statements relate to Dhanlaxmi Fabrics Ltd. (the 'Company') and its subsidiaries, Western Chloride and Chemical Pvt Ltd, Dhanesh Fabrics Pvt Ltd and DFL Fabrics Pvt Ltd. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- b. The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as of the Company.
- c. The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Notes on Consolidated Financial Statements for the Year ended 31st March, 2017

(Rs. in Lacs)

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

1. SHARE CAPITAL	As at 31/03/2017	As at 31/03/2016
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- Each)	1500.00	1500.00
Issued, Subscribed and Paid up		
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity Shares of Rs. 10/- Each)	858.11	858.11

1.1 60,21,100 Equity Shares issued in the year 1994 at Face value of Rs.10/- each through Public issue.

1.2 25,60,000 Equity Shares issued on Preferential Allotment basis at premium of Rs. 35/- Per Share in the year 2008

1.3 There is no differential voting right all the Equity Shares are of equal voting right.

1.4 The details of Shareholders holding more than 5% Shares

	As at 31/03/2017		As at 31/03/2016	
	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi Export Fabrics LLP	4,38,000	5.10	4,38,000	5.10
Ramautar Sohanlal Jhawar	7,78,408	8.79	7,78,408	7.90

2. RESERVES & SURPLUS

	As at 31/03/2017	As at 31/03/2016
General Reserve	119.08	119.08
Investment allowance Reserve	0.00	0.45
Equity Share Premium reserve	896.00	896.00
Profit & Loss A/c		
As per last Balance sheet	2,216.28	2,114.29
Less : WDV as on 31-03-2014 of fixed assets having NIL usefull life as per usefull life as per schedule II of Companies Act, 2013.	0.00	-
Add Profit for the year	291.84	102.00
Total	2,508.12	2,216.28
Total	3,523.20	3,231.81

CONSOLIDATED FINANCIAL STATEMENTS

3 LONG TERM BORROWINGS

	As at 31/03/2017	(Rs. in Lacs) As at 31/03/2016
Secured Loans		
Term Loan from Kotak Mahindra Bank	177.60	249.19
Term Loan from Axis Bank	374.75	-
Term Loan from The Shamrao Vithal Co-op Bank	923.87	1,147.44
Unsecured Loans		
From Promtech Impex Pvt Ltd	163.01	154.43
From Mahesh Jhawar	74.75	177.00
Total	1,713.98	1,728.06

3.1 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.

3.2 Unsecured loans received are repayable on demand.

3.3 Repayment schedule of bank term loan.

Term Loan No.	2016-17	2017-18	2018-19
Kotak Mahindra Bank			
2925	2.95	0.00	0.00
0443	68.75	68.75	68.75
The Shamrao Vithal Co-Op. Bank			
137	216.68	245.37	277.65
Total	288.38	314.12	346.40

4 DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2017	As at 31/03/2016
Deferred Tax Liabilities		
At Beginning of the year	453.50	542.57
Add/ Less During the year	23.28	(89.07)
Less deferred tax Assets on retained earning amount debited to previous year surplus.	-	-
At closing of the year	476.79	453.50

The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the income tax Act 1961 and depreciation adjusted in account. though adjustment has been made in term of accounting standard 22, having regard to the normal capital expenditure which the company is expected to continue to make in future years, the timing difference not effectively reversed and to cash outgo likely to materialize on account there of.

5. OTHER LONG TERM LIABILITIES

	As at 31 /03/2017	As at 31/03/2016
Deposits received from Licensee	22.94	18.53
Others	3.04	-
Total	25.99	18.53

5.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee

1. Yukti Mercantile Pvt. Ltd.	0.00	0.96
2. John Keelis Logistics Pvt. Ltd.	0.00	0.87
3. Synergy Property Development Services Pvt. Ltd.	16.69	16.70
4. G4 Security Solution India Pvt. Ltd.	3.42	0.00
5. Mr. Mohammad Muzamin Sayani	2.83	0.00
Total	22.94	18.53

CONSOLIDATED FINANCIAL STATEMENTS

6 LONG TERM PROVISIONS

	As at 31/03/2017	(Rs. in Lacs) As at 31/03/2016
Provision for IT	375.10	760.28

6.1 Provision for IT for the year from 2010-11 to 2015-16 has been made which will be written off after actual assesment of IT and difference will be appropriated by Debiting/ Crediting the P&L A/c in that year.

7 SHORT TERM BORROWINGS.

Secured Borrowing

Cash credit from Kotak Mahindra Bank	630.05	484.23
Cash credit from The Shamrao Vithal Co-op Bank	473.59	471.94
Cash credit from Axis Bank	480.71	-
Total	1,584.34	956.17

7.1 Secured by way of Hypothecation 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.

8 TRADE PAYABLES

Creditors	1,046.94	802.96
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8.1 Disclosure under Section 22 of the Micro, Small and medium enterprises Development Act 2006 could not be furnished as none of the suppliers of the company have provided the details their registration under the said Act.

9 OTHER CURRENT LIABILITIES

Charity Fund	12.99	12.92
OCL	22.52	-
Advance received from customers	8.50	-
Statutory Liabilities	8.01	62.45
Salary Payable	1.57	-
Service Tax Payable	0.00	-
TDS on Contractors	0.00	-
T.D.S.on Brokrage & Commission	0.95	-
Provision for Income Tax	4.00	-
T.D.S.on Job Works	0.28	-
T.D.S.on Salary	0.08	-
IT Payable 2012-13	0.07	-
TDS On Interest	0.15	22.58
Total	59.13	97.96

9.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

10 SHORT TERM PROVISIONS

Provision for outstanding Expenses	4.17	50.47
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CONSOLIDATED FINANCIAL STATEMENTS

11 FIXED ASSETS

(Rs. in Lacs)

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-04-2016	Addition during the year	Sold during the year	Total as at 31-03-2017	Upto 31-03-2016	Provided for the year	Adjusted during the year	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
1. Land	173.31	297.31	0.00	470.63	0.00	0.00	0.00	0.00	470.63	173.31
2. Building	644.16	122.16	0.0	766.31	268.35	20.18	0.00	288.53	477.78	375.80
3. Plant & Machinery	5193.83	521.64	432.28	5283.19	3228.99	339.30	391.81	3176.49	2106.70	1964.83
4. Electrical Installation	148.63	1.43	0.00	150.06	107.00	4.99	0.00	111.99	38.07	41.63
5. Pipe Fitting	34.62	0.00	0.00	34.62	31.96	0.15	0.00	32.12	2.51	2.66
6. Furniture & Fixture	108.84	0.00	0.00	108.84	100.72	0.98	0.00	101.70	7.14	8.12
7. Laboratory Equipment	25.70	1.79	0.00	27.49	21.90	1.29	0.00	23.19	4.30	3.80
8. Office Equipment	9.26	0.00	0.00	9.26	7.70	0.50	0.00	8.20	1.06	1.56
9. Air Conditioner	17.07	0.59	0.00	17.66	9.94	1.00	0.00	10.93	6.73	7.14
10. Computer	44.67	0.54	0.00	45.20	40.84	2.54	0.00	43.39	1.82	3.82
11. Motor Vehicle	100.32	0.00	24.16	76.16	70.52	5.91	18.68	57.75	18.41	29.80
12. Misc. fixed Assets	54.23	0.17	0.00	54.40	29.01	5.35	0.00	34.35	20.05	25.22
13. House Property	222.23	0.00	0.00	222.23	25.84	3.37	0.00	29.21	193.02	196.39
Sub Total	6776.87	945.62	456.44	7266.05	3942.78	385.55	410.48	3917.84	3348.21	2834.09
Wind Power Division	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00
2. Plant and Machinery	521.00	0.00	0.00	521.00	494.19	6.16	0.00	500.34	20.66	26.81
Sub Total	531.00	0.00	0.00	531.00	494.19	6.16	0.00	500.34	30.66	36.81
Total	7307.87	945.62	456.44	7797.05	4436.96	391.71	410.48	4418.19	3378.86	2870.91
Previous Year	8272.91	34.96	1000.00	7307.87	4838.62	487.35	889.01	44365.97	2870.91	

Capital Work in Progress **Rs. 1356.20 Lacs** (Previous Year Rs. 755.81 Lacs)

12 NON-CURRENT INVESTMENTS

In equity shares of subsidiary companies	As at 31 /03/2017	As at 31/03/2016
1. Western Chlorides & Chemicals Pvt Ltd 2999 Equity Shares @ Rs.2170/- Per Share, face Value Rs.100/- Per shares	65.08	65.08
2. Dhanesh Fabrics Pvt Ltd 9999 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares	1.00	1.00
3. DFL Fabrics Pvt Ltd 9980 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares	1.00	1.00
Total	67.08	67.08

13 LONG TERM LOANS & ADVANCES

	As at 31/03/2017	As at 31/03/2016
Balances with Excise dept.	34.91	38.68
Security Deposits	151.57	104.90
Interest Receivable under TUF Scheme	136.31	136.31
TDS Receivables	62.86	440.13
Advance tax Paid	136.10	302.91
IT Refund	182.49	-
IT paid under protest	-	-
For A.Y. 2010-11	100.00	100.00
For A.Y. 2011-12	45.00	45.00
For A.Y. 2012-13	4.00	4.00
Other Loans & Advances	138.88	164.07
Total	992.11	1,336.00

CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2017	(Rs. In Lacs) As at 31/03/2016
14 INVENTORIES		
Fabric	751.27	715.88
Yarn	497.09	347.95
Stock in Process	148.27	91.02
Dyes	57.88	51.11
Chemicals	44.74	42.85
Packing Material	7.86	7.75
Coal	6.42	4.18
Diesel	0.42	0.34
Stores & Spares	43.67	39.59
Stock of Shares	35.23	31.97
Total	1,592.84	1,332.64
15 TRADE RECEIVABLES (Unsecured and Considered Good)		
Over Six Months	2,353.77	243.34
Other	77.32	1,412.54
Total	2,431.09	1,655.48
16 CASH AND BANK BALANCES		
Cash on hand	12.47	11.78
Balance with banks	16.92	7.02
Fixed deposits with banks	66.93	48.88
Total	96.32	67.68
16.1 Balance with bank includes unclaimed dividend.		
17 SHORT TERM LOANS & ADVANCES		
Loan to staff	1.26	1.17
Prepaid Expenses	1.44	7.89
Advance to Suppliers	15.38	171.51
Others	38.69	96.29
Total	56.76	276.86
17.1 Other loans advances includes primarily Interest receivable on FD with Bank and advances given against purchases.		
18 OTHER CURRENT ASSETS		
IT REFUND	1.42	-
Total	1.42	-
18 REVENUE FROM OPERATIONS		
Process Charges of Fabrics	2,938.95	2,653.81
Process Charges of Yarn	354.65	407.75
Weaving Sales	5,398.82	0.00
Weaving Job Work	443.55	138.81
Fabric Sales	1,192.02	7,007.74
Yarn Sales	14.38	32.55

CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. In Lacs)	
	For the year ended	
	31/03/2017	31/03/2016
18 REVENUE FROM OPERATIONS		
Screen Charges	29.11	0.00
Sale of Share	31.60	0.00
Power Sales	70.71	63.02
Packing Charges	0.01	0.00
Total	10,473.79	10,303.68
19 OTHER INCOME		
Interest accrued on FD	5.34	5.15
Interest on IT refund	0.00	0.00
Other Interest	56.35	139.10
Duty Drawback	3.09	0.85
Leasing Charges Received	0.60	0.00
Dividend Received	0.09	0.05
TUF Interest subsidy	27.47	97.41
Profit on sale of Assets	(10.70)	117.01
Sundry balance W/off	16.28	1.89
Misc. Income	0.78	0.51
Profit on Share Trading	0.00	1.69
Rent from house property	44.14	77.12
Total	143.43	440.78
20 COST OF RAW MATERIALS CONSUMED		
Yarn	1,911.23	1,418.07
Dyes	230.38	278.92
Chemicals	617.43	560.58
Packing Material	100.07	210.28
Coal	359.20	490.64
Excise	3.57	0.00
Diesel	3.65	2.78
Store & Spares	135.74	156.73
Total	3,361.27	3,118.00
20.1 Store & spares Consumption		
Indigenous	135.74	146.82
Imported	0.00	9.91
Total	135.74	156.73
21 PURCHASES OF STOCK IN TRADE		
Fabric	2,706.92	3,867.20
Trading Purchase	259.64	0.00
Other	542.64	0.00
Total	3,509.20	3,867.20

CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

	For the year ended As at 31 /03/2017	For the year ended As at 31/03/2016
Inventory (At close)		
Fabric	1,409.34	715.88
Shares	35.23	-
Work in Progress	148.27	91.02
Total	1,592.84	806.90
Inventory (At commencement)		
Fabric	1,209.65	1,002.88
Shares	31.97	-
Work in Progress	91.02	77.84
Total	1,332.64	1,080.72
Net Change	260.20	(273.82)

23. EMPLOYEE BENEFIT EXPENSES

Labour Charges	480.64	460.14
Salary	223.95	217.13
Contribution to P.F & ESIC	4.70	4.61
Contribution to Graduty Fund	6.58	2.96
Staff welfare Expenses	2.91	2.63
Total	718.78	687.46

24. FINANCE COST

Interest on Working capital	12.00	60.36
Interest on Term Loan	171.70	197.30
Interest to Others	131.83	22.89
Total	315.53	280.55

25. DEPRECIATION

Depreciation on Fixed Assets	391.71	487.35
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25.1 Depreciation provided as per guidelines given in shedule II of Companies Act, 2013 on straight line method on triple shift basis

CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

26. OTHER EXPENSES

For the year ended
As at 31/03/2017

For the year ended
As at 31/03/2016

26 (a)	Manufacturing expenses		
	Electricity Charges	430.43	427.83
	Water Expenses	214.11	171.89
	Repairs to building	2.77	8.39
	Repairs to Machinery	34.38	44.51
	Repairs to Others	-	-
	Job charges paid	304.78	322.73
	Freight & forwarding expenses	25.23	30.51
	Laboratory expenses	0.55	0.58
	Insurance	14.41	14.27
	Lease rent for factory land	0.60	0.60
	Contribution to Hazzardous waste	0.39	0.97
	Others	827.22	-
	Analysis Charges	-	16.06
	Total	1,854.85	1038.33
26(b)	Selling & distribution expenses		
	Sales promotion	1.05	2.37
	Commision & Brokerage	34.22	53.40
	Total	35.27	55.77
26(c)	Administrative expenses		
	Property tax	7.83	7.25
	Printing & stationery	7.74	9.01
	Rent, Rates & Taxes	5.30	4.55
	Travelling expenses	3.70	3.16
	Postage & courier charges	2.18	2.32
	Legal & professional fees	20.06	33.03
	Advertisement charges	2.28	1.65
	Repairs to others	4.58	8.01
	conveyance expenses	4.32	3.39
	General expenses	6.49	6.03
	Bank Loan processing fees & Stamp duty	14.28	5.12
	Listing fees	2.29	2.25
	Filing Fees	0.29	-
	Bank charges	1.67	1.92
	Demate Charges	0.54	0.27
	Vehicle expenses	6.76	10.27
	Trunk & telephone	4.44	4.29
	Auditor Remuneration	9.58	2.67
	Medical expenses	2.33	0.15

CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended As at 31/03/2017	For the year ended As at 31/03/2016
Keyman expenses	7.94	7.94
Directors remuneration	48.00	12.00
Sitting Fees	1.05	1.13
Real Estate Expenses	6.37	10.87
Clearing & Forwarding	4.88	-
Contribution to Graduty Fund	6.58	-
Staff welfare Expenses	2.91	-
Sundry Balances W/off	(1.30)	42.94
Others	3.32	-
Exchange Rate Fluctuation	-	0.15
Total	187.70	180.34
Total 26(a)+26(b)+26(c.)	2,077.81	1274.45
27 EXTRAORDINARY EXPENCESS	-	
Doubtful Debts on Account of National Spot Exchange scam W/off		555.26
28 EARNING PER SHARE(EPS)		
(i) Net Profit after tax as per statement of Profi & Loss Attributable to equity Shareholders	291.84	102.00
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	8581100 3.40	8581100 1.19
(iii) Basic and Diluted Earnings per share	Rs.10/-	Rs.10/-
(iv) Face Value per Equity share		
29 CONTINGENT LIABILITIES		
Contingent Liabilities not provided for in respect of		
1. Bank Guarantees	0.00	48.88
2. Maharashtra State Electicity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66	74.66
3. 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
30 FOREIGN EXCHANGE EARNING AND OUTGO		
a) Earning - Fabrics Export to Bangladesh	61.67	16.64
b) Outgo - Import of Spares for Imported Machinery	22.87	55.26

As per our report of even date attached

For S. G. Kabra & Co.

Chartered Accountants

FR NO. 104507W

For and on behalf of the Board,

S. G. Kabra

Partner

M. No. 38867

Place : Mumbai

Date : 30th May, 2017

Ramautar S. Jhawar
Chairman & Director

Vinod S. Jhawar
Managing Director

Mahesh S. Jhawar
Director & CFO

PROXY FORM
DHANLAXMI FABRICS IIMITED
CIN: L17120MH1992PLC068861

Registered office: Manpada Road, Bhopar village, Dombivali (East) Thane-421 204,

25th Annual General Meeting - 23rd September, 2017

Name of the Member : _____

Address of Member : _____

E-mail Id : _____

DP ID : **Client Id/Folio No.**

I / We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name Address.....

Email ID Signature..... or

failing him/her

(2) Name Address.....

Email ID Signature..... or

failing him/her

(3) Name Address.....

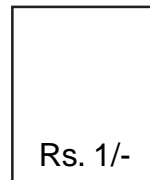
Email ID..... Signature.....

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, 23rd September, 2017 at Regd. Office Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204, Maharashtra, India at 01.00 p.m.

Sr. No.	Resolutions	For	Against	Abstain
1.	Adoption of Audited Annual Accounts of the company for the year ended 31 st March, 2017.			
2.	Re-appointment of Mr. Ramautar Jhawar who retire by rotation.			
3.	Ratification of Appointment of M/s S.G.Kabra as Auditor of the Company for the Financial year 2016-2017.			
4	Resolution for increasing borrowing power of Board Directors			
5	Resolution for Creation of Securities.			
6	Resolution for Investment			
7	Resolution for New AOA.			
8	Approval of related Party Transaction			

AS WITNESS my hand /our hands this _____ day of _____ 2017

Signed by the said _____



Signature (s) of the Shareholder(s)

Name of the Proxy Holder _____ Signature _____

Note: The proxy form must be deposited at the Registered office of the company not less than 48 hours before the time of the holding the meeting. The proxy need not be a member of the company.

ATTENDANCE SLIP

DHANLAXMI FABRICS LIMITED

Registered office: Manpada Road, Bhopar Village, Dombivali (East), Thane-421204.

25th Annual General Meeting - 23rd September, 2017

Name of the Member:

DPID :		Client Id/Folio No.	
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Number of Shares held	
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I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 25th Annual General Meeting of the Company on 23rd September 2017 at 1.00 p.m. at **Manpada Road, Bhopar Village, Dombivali (East), Thane-421204.**

.....

.....

Name of the member / proxy

Signature of the member / proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

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

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

25th Annual General Meeting, September 23, 2017 at 01:00 p.m

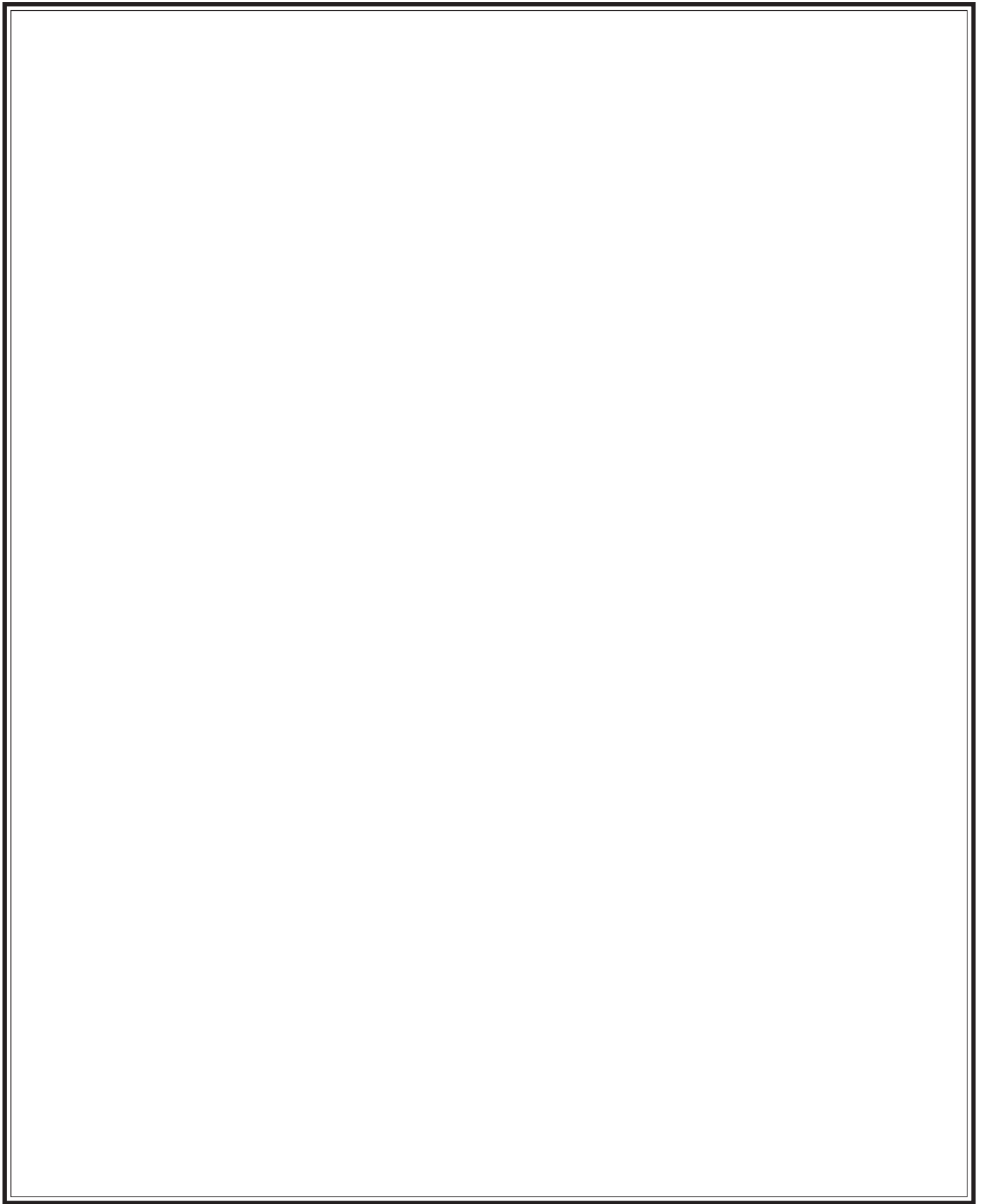
Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

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, 2017, 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 Shri Mahesh Jhavar (DIN:00002908), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.			
3	To Appoint of Statutory Auditor M/S. R. Soni & Co., Chartered Accountants (Registration No: 130349W) As The Statutory Auditors Of The Company In Place Of M/S. S.G. Kabra & Co, Chartered Accountants For 5 years.			
4	Ratification of appointment of Mr. Dilip Murlidhar Bathija., Cost Accountants, as a Cost Auditors of the Company			
5	Appointment of Shri Gopal Mohta (DIN: 01877324) as an Independent Director			
6	Approval of charges for service of documents on the Shareholders			
7	Reappointment of Shri Vinod Sohanlal Jhavar (DIN: 00002903) as a Managing Director of the Company			
8	To enter into Related Party Transaction(s) pursuant to Section 188 of the Companies Act, 2013 up to Rs. 75 Crores with each related parties			

Place: Mumbai
Date: 23/09/2017

(Signature of Shareholder)



BOOK-POST

If undelivered please return to :

DHANLAXMI FABRICS LIMITED

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

Dist. Thane, Maharashtra.

