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**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
"DFL Fabrics Private Limited"**

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

**Opinion**

We have audited the accompanying financial statements of "DFL Fabrics Private Limited" which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and its cash flows for the year ended on that date.

**Basis for opinion**

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

**Emphasis of Matters**

We draw attention to-

1. Application of IND AS-109 "Financial Instruments" requires all the investment to be recognized at Fair value OCI which decreased value of investment to extend of Rs 33,40,732.

2. During the course of the audit we are informed that the Memorandum of Association (MOA) OR Articles of Association (AOA) doesn't include the clause to do trading of shares or of Futures & Option. Though it is not authorized by MOA or AOA Company has been trading on the same.

### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the financial statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **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 Act with respect to the preparation and presentation of the financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under. 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.

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

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

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

## **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 purposes of our audit of the aforesaid financial statements;
- (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, the statement of cash flows and dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards excepts AS- 15 Employee Benefits specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- (h) 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 does not have any pending litigations and therefore no impact or disclosure in relation to the same has been made in the financial statement.
- (ii) The Company does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Company has not entered into any derivative contracts, therefore no provision has been made in relation to the same;
- (iii) There has been no delay in transferring of the amounts in the Investor Education and Protection Fund by the Company.

2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the paragraph 3 and 4 of the Order.

**For LALIT K SOMANI & ASSOCIATES**

(Chartered Accountants)

Firm Regd No. 144641W

*Lalit Somani*



**Lalit Kumar Somani**

(Proprietor)

Membership No. : 177459

UDIN : 20177459AAAAAG2683

Date : 16-09-2020

Place : Mumbai

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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, 2020, 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 **LALIT K SOMANI & ASSOCIATES**

(Chartered Accountants)

Firm Regd No. 144641W

*Lalit Somani*

**Lalit Kumar Somani**

(Proprietor)

Membership No. : 177459

UDIN : 20177459AAAAAG2683

Date : 16-09-2020

Place : Mumbai



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the statement on the matters specified in the paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016:**

- (i) According to the information and explanations given to us the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company has a programme of physical verification of its fixed assets by which fixed assets are verified. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In the opinion of the Management, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

No immovable property is held by the company

- (ii) The Stock of finished goods, traded goods have been physically verified by the management at reasonable intervals during the year but as the godown was closed due to Covid 19 pandemic impact the management could not physically verify the stock at the end of the year and as per the information and explanation given to us by the management and according to the records produced to us, no material discrepancies noticed on such physical verification as compared to book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act and thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company did not accept any deposits during the year and therefore compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under may not be applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the act, for the company and thus, paragraph 3(vi) of the order is not applicable.

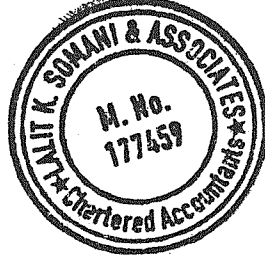
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been found to be regular in depositing undisputed statutory dues such as provident fund, income tax, sales tax, Goods and Service Tax, duty of customs, and other statutory dues as applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- b) According to the records of the Company, and information and explanations given to us there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax which has not been deposited on account of disputes, except Company is subject to pay dues under Professional tax but not amount deducted & deposited till the reporting date & company under are not register under PTRC & PTEC till the reporting date.
- (viii) As per the information and explanations given to us and based on our audit, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or by further public offer (including debt instruments) and term loan during the year.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration under Section 197 is not applicable to private limited company and therefore paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and the explanations given to us, the transactions with the related parties were in compliance with Sec 177 and 188 of the Companies Act and the details of the such transaction have been disclosed in the Ind AS financial statement as required by applicable Accounting Standard.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review under section 42 of the Companies Act, 2013 and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with the directors or persons connected with him and therefore paragraph 3(xv) of the Order is not applicable to the Company.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore paragraph 3(xvi) of the Order is not applicable to the Company.

For **LALIT K SOMANI & ASSOCIATES**  
(Chartered Accountants)  
Firm Regd No. 144641W

*Lalit Somani*



**Lalit Kumar Somani**  
(Proprietor)  
Membership No. : 177459  
UDIN : 20177459AAAAAG2683  
Date : 16-09-2020  
Place : Mumbai

**DFL FABRICS PVT.LTD.**  
Balance Sheet as at 31st March 2020

(Amount in Rs.)

		Particulars	Note	As at 31/03/2020	As at 31/03/2019
<b>B.</b>		<b>ASSETS</b>			
1		<b>Non-current assets</b>			
	a.	Property, Plants & Equipment	<u>1</u>	57,83,489	67,68,125
	b.	Long-term loan and advances	<u>3</u>	47,549	56,41,338
	c.	<b>Financial Assets</b>			
	i)	Investments	<u>2</u>	64,37,216	18,83,038
	d.	Other Tax Assets(Net)			-
	e.	Deferred Tax assets	<u>4</u>	66,878	95,698
		<b>Total</b>		<b>1,23,35,132</b>	<b>1,43,88,199</b>
2		<b>Current Assets</b>			
	a.	Inventories	<u>5</u>	42,32,292	62,96,967
	b.	<b>Financial Assets</b>			
	i)	Trade Receivable	<u>6</u>	1,18,24,765	26,14,326
	ii)	Cash and cash equivalents	<u>7</u>	42,90,236	5,70,274
	c.	Current Tax Assets( Net)	<u>8</u>	3,90,610	1,00,945
	d.	Other Current Assets	<u>9</u>	2,86,624	2,75,096
		<b>Total</b>		<b>2,10,24,527</b>	<b>98,57,607</b>
		<b>Gross Total</b>		<b>3,33,59,659</b>	<b>2,42,45,806</b>
1		<b>EQUITY</b>			
		<b>Shareholders funds</b>			
	a.	Share Capital	<u>10</u>	1,00,000	1,00,000
	b.	Reserves and Surplus	<u>11</u>	85,88,526	1,20,35,593
		<b>Total</b>		<b>86,88,526</b>	<b>1,21,35,593</b>
2		<b>LIABILITIES</b>			
		<b>Non-Current Liabilities</b>			
	a.	Defered Tax Liability		-	-
	b.	Long-term Income Tax provisions		-	-
		<b>Total</b>		<b>-</b>	<b>-</b>
3		<b>Current Liabilities</b>			
	a.	<b>Financial Liabilities</b>			
	i	Unsecured Loan	<u>13</u>	2,24,76,371	1,11,38,550
	ii	Trade Payable	<u>14</u>	21,68,836	7,51,146
	b.	Other current liabilities	<u>15</u>	25,926	2,20,517
	c.	Current Tax Liabilities(NET)	<u>12</u>	-	-
		<b>Total</b>		<b>2,46,71,133</b>	<b>1,21,10,213</b>
		<b>Gross Total</b>		<b>3,33,59,659</b>	<b>2,42,45,806</b>
		Significant Accounting Policies		0	(0)
		Notes on Financial Statements	<u>1 to 25</u>		

**AS PER OUR REPORT OF EVEN DATE ATTACHED.**

**FOR ON BEHALF OF THE BOARD**

For Lalit K Somani & Associates

Chartered Accountants

FR NO. 144641W

*Lalit Kumar Somani*

Lalit Kumar Somani

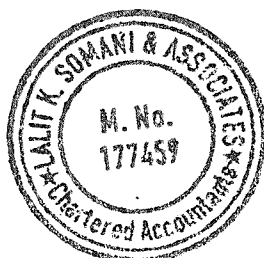
Proprietor

M No- 177459

Place : Mumbai

Date : 16-09-2020

UDIN- 20177459AAAAAG2683



*Mahesh S. Jhavar*

Mahesh S. Jhavar

Director

DIN-00002908

*Rahul Jhavar*

Rahul Jhavar

Director

DIN- 07590581

**DFL FABRICS PVT.LTD.**

**Statement of profit & Loss for the Year ended 31st March-2020**

(Amount in Rs.)

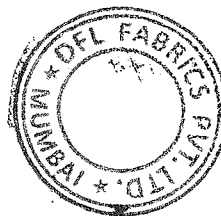
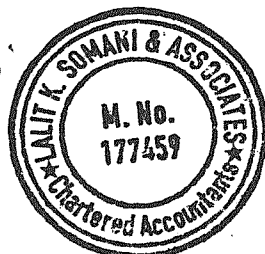
	Particulars	Note	As at 31/03/2020	As at 31/03/2019
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	(a)Revenue from operations	16	3,22,79,014	1,66,67,601
	(b)Other Income	17	3,51,209	7,75,918
	<b>Total Revenue</b>		<b>3,26,30,223</b>	<b>1,71,43,519</b>
2	<b>Expenses</b>			
	(a)Purchase of stock in Trade	18	2,66,82,211	1,66,57,392
	(b)Changes in Inventories of Stock in Trade	19	20,64,675	(62,19,488)
	(c)Manufacturing Cost	20	17,69,502	28,14,324
	(d)Employee benefits expenses	21	2,62,523	12,82,740
	(e) Finance Cost	22	1,52,507	4,74,410
	(f)Depreciation	23	10,86,830	10,43,703
	(g)Other Expenses	24	6,89,491	7,72,619
	<b>Total Expenses</b>		<b>3,27,07,740</b>	<b>1,68,25,701</b>
3	<b>Profit before Exceptional Items &amp; Taxes</b>			
	Exceptional Items		(77,517)	3,17,818
	<b>Profit before Taxes</b>		<b>(77,517)</b>	<b>3,17,818</b>
4	<b>Tax Expenses</b>			
	(a)Current tax expenses for Current year			5,00,000
	(b)Deferred Tax		28,820	(84,494)
	(c)Current tax expenses relating to prior year		-	-
	<b>Net tax expenses</b>		<b>28,820</b>	<b>4,15,506</b>
5	<b>Profit/(Loss) for the year</b>	A	<b>(1,06,337)</b>	<b>(97,688)</b>
	<b>Other comprehensive income</b>			
	- Items that will not be reclassified to profit or loss		-	-
	- Income tax relating to items that will not be reclassified to profit or loss		-	-
	- Items that will be reclassified to profit or loss		-	-
	- Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Total comprehensive income for the period</b> (Profit/loss + other comprehensive income)	B (A+B)	<b>(1,06,337)</b>	<b>(97,688)</b>
	<b>Earnings per Equity share (Face Value of Rs. 10/- each)</b>			
	a) Basic		(10.63)	(9.77)
	b) Diluted			
	Significant Accounting Policies			
	Notes on Financial Statements	1 to 25		

AS PER OUR REPORT OF EVEN DATE ATTACHED.

For Lalit K Somani & Associates  
Chartered Accountants  
FR NO. 144641W

Lalit Kumar Somani  
Proprietor  
M No- 177459  
Place : Mumbai  
Date : 16-09-2020

UDIN- 20177459AAAAAG2683



FOR ON BEHALF OF THE BOARD

*[Signature]*  
Mahesh S.Jhawar  
Director  
DIN-00002908

*[Signature]*  
Rahul Jhawar  
Director  
DIN- 07590581

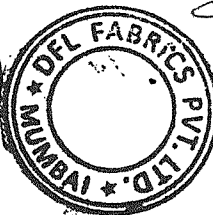
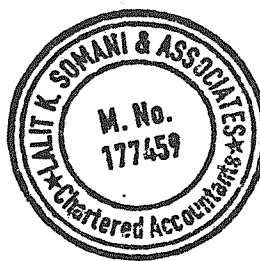
**DFL Fabric Pvt Ltd**  
**Cash Flow Statement for the year ended 31 March, 2020**

Particulars	For the year ended		For the year ended	
	31 <sup>st</sup> March 2020		31 <sup>st</sup> March 2019	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(77,517)		3,17,818
<i>Adjustments for:</i>				
Depreciation and amortisation	10,86,830		10,43,703	
(Profit) (-) Loss (+) on sale / write off of assets	-		-	
Dividend received	(61,409)		(11,075)	
Finance costs	1,52,507		4,74,410	
Interest income	(7,35,986)		-	
Long Term Capital Gain/Loss	2,72,342		(5,04,616)	
Short Term Capital Gain/Loss	1,73,844		(2,60,227)	
Fair value Loss on financial instrument at fair value through OCI				
Rental Income from Investment Property				
Operating profit / (loss) before working capital changes		8,10,611		10,60,013
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories (increase / decrease)	20,64,675		(62,19,488)	
Trade and other receivables	(92,10,439)		(25,64,846)	
Other current assets	(3,01,191)		(2,11,349)	
Trade and other Payables	14,17,690		7,01,196	
Other Current Liabilities	(1,94,591)		1,57,682	
Loans & Advances	55,93,789		44,00,000	
Cash generated from operations		(6,30,068)		(37,36,804)
Net income tax (paid) / refunds		1,80,544		(26,76,791)
		-		5,00,000
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,80,544</b>		<b>(31,76,791)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets & sale ( net off)	(1,02,194)		(72,52,181)	
Sale of fixed assets				
Interest received	7,35,986		-	
Long Term Capital Gain/Loss	(2,72,342)		-	
Short Term Capital Gain/Loss	(1,73,844)		-	
Purchase of investment	(78,94,910)		35,592	
Dividend Received	61,409		11,075	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(76,45,895)</b>		<b>(72,05,514)</b>
<b>C. Cash flow from financing activities</b>				
Issue of equity shares.	-		-	
Capital Subsidy received	-		-	
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings	1,13,37,821		95,88,550	
Finance cost	(1,52,507)		(4,74,410)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>1,11,85,314</b>		<b>91,14,140</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>37,19,963</b>		<b>(12,68,165)</b>
Cash and cash equivalents at the beginning of the year		5,70,273		18,38,438
<b>Cash and cash equivalents at the end of the year</b>		<b>42,90,236</b>		<b>5,70,274</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>		<b>37,19,964</b>		<b>(12,68,164)</b>
		(0)		(1)

In terms of our report attached.  
For Lalit K Somani & Associates  
Chartered Accountants  
FR No. 144641W

*Lalit Somani*  
Lalit Kumar Somani  
Proprietor  
Membership No.177459

Place : Mumbai  
Date -16-09-2020  
UDIN- 20177459AAAAAG2683



For and on behalf of the board

*Mahesh S. Jhavar*  
Mahesh S. Jhavar  
Director  
DIN- 0002908

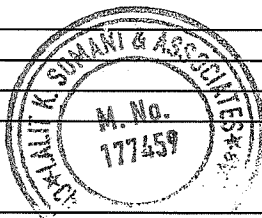
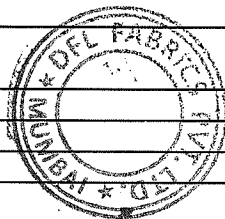
*Rahul Jhavar*  
Rahul Jhavar  
Director

DIN- 07590581

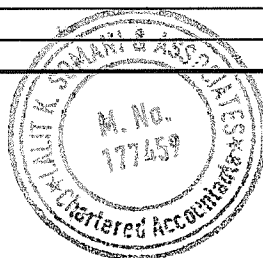
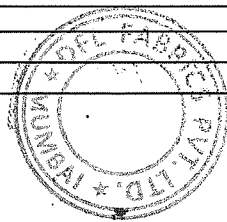
**DFL FABRICS PVT.LTD.**

Notes on Financial Statement for the year ended 31st March -2020

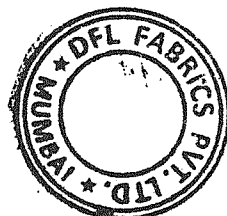
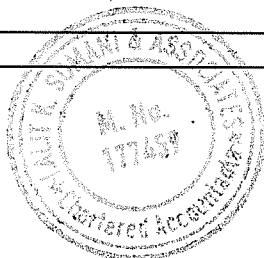
		(Amount in Rs.)	(Amount in Rs.)
1	PROPERTY, PLANT & EQUIPMENT	AS AT 31/03/2020	AS AT 31/03/2019
	<b>Motor Car</b>		
	Gross Block	83,92,559	83,92,559
	<b>Less : Depreciation</b>	26,88,194	16,73,710
	<b>Net Block</b>	<b>57,04,365</b>	<b>67,18,849</b>
	<b>Computer</b>		
	Gross Block	1,62,107	70,921
	Less: Depreciation	95,901	32,803
	<b>Net Block</b>	<b>66,206</b>	<b>38,118</b>
	<b>Office Equipment</b>		
	Gross Block	11,008	-
	Less: Depreciation	3,669	-
	<b>Net Block</b>	<b>7,339</b>	<b>-</b>
	<b>Printer</b>		
	Gross Block	16,737	16,737
	<b>Less: Depreciation</b>	11,158	5,579
	<b>Net Block</b>	<b>5,579</b>	<b>11,158</b>
	<b>Total</b>	<b>57,83,489</b>	<b>67,68,125</b>
2	<b>INVESTMENTS</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Investment in Shares	64,37,216	18,83,038
	<b>Total</b>	<b>64,37,216</b>	<b>18,83,038</b>
3	<b>LONG TERM LOAN &amp; ADVANCES</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	AM Automotive	7,421	-
	Lord Venkatesha Yarn Pvt Ltd	-	54,03,890
	Sheetalkumar S Mannere	-	1,40,430
	IT Refund	40,128	97,018
	<b>Total</b>	<b>47,549</b>	<b>56,41,338</b>
4	<b>DEFERRED TAX ASSETS (NET)</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	At the beginning of the year	95,698	11,204
	Deferred Tax Liability/ (Asset) for the year	(28,820)	84,494
	<b>Total</b>	<b>66,878</b>	<b>95,698</b>
5	<b>INVENTORIES</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Stock of cloth	31,68,745	30,31,139
	Stock of Yarn	10,63,547	32,65,828
	<b>Total</b>	<b>42,32,292</b>	<b>62,96,967</b>
6	<b>TRADE RECEIVABLES</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	More Than 6 Months	9,40,400	
	Others	1,08,84,365	26,14,326
	<b>Total</b>	<b>1,18,24,765</b>	<b>26,14,326</b>
7	<b>CASH AND BANK BALANCES</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Cash Balance	46,766	10,621
	Balance with Bank	42,43,469	5,59,652
	<b>Total</b>	<b>42,90,235</b>	<b>5,70,273</b>
8	<b>CURRENT TAX ASSETS(NET)</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>



	Advance Income Tax	11,00,000	9,00,000
	TDS Receivable	2,31,610	1,41,945
	Less: Provision For Income Tax	(9,41,000)	(9,41,000)
	<b>Total</b>	<b>3,90,610</b>	<b>1,00,945</b>
9	<b>OTHER CURRENT ASSET</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	GST Receivable	2,39,594	2,15,826
	Perpaid Expenses	47,030	59,270
	<b>Total</b>	<b>2,86,624</b>	<b>2,75,096</b>
10	<b>SHARE CAPITAL</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	<b>Authorised</b>		
	10000 Equity Shares of Rs. 10/- each (Previous year 10000 Equity Shares Rs. 100/-each)	1,00,000	1,00,000
	Issued,Subscribed & Paid up		
	10000 Equity Shares of Rs. 10/- each fully paid up in cash (Previous year 10000 Equity Shares of Rs. 10/-each)	1,00,000	1,00,000
	<b>9.1 Details of Shareholders holding more than 5% Shares</b>	<b>No.of Shares %</b>	<b>No.of Shares %</b>
	Dhanlaxmi Fabrics Ltd. (Holding Company)		
11	<b>RESERVES &amp; SURPLUS</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	<b>Profit &amp; Loss A/c</b>		
	As per last Balance Sheet	1,20,35,593	1,32,50,975
	Add Profit for the year	(1,06,337)	(97,688)
	Other Comprehensive Income	(33,40,730)	(11,17,694)
	<b>Total</b>	<b>85,88,526</b>	<b>1,20,35,593</b>
12	<b>CURRENT TAX LIABILITIES(NET)</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Provision for income tax	-	-
	Less: Advance Income Tax	-	-
	Less: TDS Receivable	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
13	<b>UNSECURED LOAN</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Mahesh S. Jhawar	74,47,411	9,97,411
	Dhanlaxmi Fabrics Limited	1,50,00,000	-
	Ajay Multi Project Ltd	28,960	1,01,41,139
	<b>Total</b>	<b>2,24,76,371</b>	<b>1,11,38,550</b>
14	<b>TRADE PAYABLE</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Sundry creditors	21,68,836	7,51,146
	<b>Total</b>	<b>21,68,836</b>	<b>7,51,146</b>
15	<b>OTHER CURRENT LIABILITIES</b>	<b>AS AT 31/03/2020</b>	<b>AS AT 31/03/2019</b>
	Salary Payable	17,048	1,87,407
	TDS on Contractors	8,878	7,428
	TDS on Interest	-	15,682
	TDS on Salary	-	10,000
	<b>Total</b>	<b>25,926</b>	<b>2,20,517</b>



16	<b>REVENUE FROM OPERATIONS</b>	<b>For the Year Ended AS ON 31/03/2020</b>	<b>For the Year Ended AS ON 31/03/2019</b>
	Net Cloth sales	3,31,03,531	1,63,67,601
	Loss from Futures & Options	(10,53,903)	-
	Job Work Charges received	5,127	-
	Late Payment Charges	2,21,262	-
	Rolling & Handling Charges	1,983	-
	Packing charges	1,014	-
	<b>Total</b>	<b>3,22,79,014</b>	<b>1,63,67,601</b>
17	<b>OTHER INCOME</b>	<b>AS ON 31/03/2020</b>	<b>AS ON 31/03/2019</b>
	Interest Received	7,35,986	-
	Divident Received	61,409	11,075
	Long Term Capital Gain	-	7,16,278
	Short Term Capital Gain	(1,73,844)	2,60,227
	Long Term Capital Loss	(2,72,342)	(2,11,662)
	<b>Total</b>	<b>3,51,209</b>	<b>7,75,918</b>
18	<b>PURCHASE OF STOCK IN TRADE</b>	<b>For the Year Ended AS ON 31/03/2020</b>	<b>For the Year Ended AS ON 31/03/2019</b>
	Purchases of Cloth	2,66,82,211	1,66,56,834
	Packing Charges	-	559
	<b>Total</b>	<b>2,66,82,211</b>	<b>1,66,57,392</b>
19	<b>CHANGES IN INVENTORIES OF STOCK IN TRADE</b>	<b>AS ON 31/03/2020</b>	<b>AS ON 31/03/2019</b>
	Opening Stock of Fabrics	30,31,139	77,479
	Closing Stock of Fabrics	31,68,745	30,31,139
	Opening Stock of Yarn	32,65,828	-
	Closing Stock of Yarn	10,63,547	32,65,828
	<b>Total</b>	<b>20,64,675</b>	<b>(62,19,488)</b>
20	<b>MANUFACTURING EXPENSES</b>	<b>AS ON 31/03/2020</b>	<b>AS ON 31/03/2019</b>
	Processing Charges	14,93,952	26,94,365
	Transport Charges	1,97,556	1,06,939
	Gray Checking Charges	-	6,146
	Weaving Charges	77,994	-
	Screen Charges	-	6,875
	<b>Total</b>	<b>17,69,502</b>	<b>28,14,324</b>
21	<b>EMPLOYEE BENEFITS EXPENSES</b>	<b>AS ON 31/03/2020</b>	<b>AS ON 31/03/2019</b>
	Salary & Wages	2,58,735	12,74,866
	Staff Welfare	3,788	7,874
	<b>Total</b>	<b>2,62,523</b>	<b>12,82,740</b>
22	<b>DEPRECIATION</b>	<b>AS ON 31/03/2020</b>	<b>AS ON 31/03/2019</b>
	Depreciation for the year	10,86,830	10,43,703
	<b>Total</b>	<b>10,86,830</b>	<b>10,43,703</b>
23	<b>FINANCE COST</b>	<b>AS ON 31/03/2020</b>	<b>AS ON 31/03/2019</b>
	Interest Paid	1,52,507	4,74,410
	<b>Total</b>	<b>1,52,507</b>	<b>4,74,410</b>

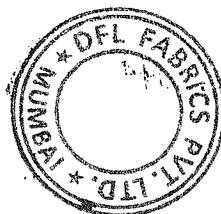
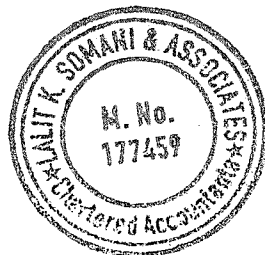


OTHER EXPENSES	AS ON 31/03/2020	AS ON 31/03/2019
Insurance	1,44,847	1,36,986
Electricity Charges		40,540
Repairs & Maintenance	36,185	-
Software development	24,744	54,000
Trunk & Telephone Expenses	28,068	16,971
Travelling Expenses	-	56,256
Conveyance	41,796	72,799
Bank Charges	531	-
Audit Fees	10,000	10,000
Vehicle Running Expense	22,512	2,43,057
Security Transaction Tax(F&O)	11,717	
Security Transaction Tax(Equity)	17,406	
Late Fees- GST	32,000	-
Printing Stationary	15,305	2,248
Rent, Rates & Taxes	-	1,31,277
Balance W/off	-	(2,161)
Commission & brokerage	887	2,459
Courier Charges	1,061	-
General Exp.	34,435	
Filling Fees	5,140	12,164
Demat Charges	6,078	11,272
Legal & Professional Charges	2,20,798	5,900
Medical Expenses	-	2,596
Miscellaneous Expenses	35,981	(23,745)
<b>Total</b>	<b>6,89,491</b>	<b>7,72,619</b>

## 25. Related party disclosure

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

S No	Related Party	Nature of Relationship
1	Dhanlaxmi Fabrices Ltd	Holding Company
2	MR Shares Broking Pvt Ltd	Common Director
3	Mahesh Jhawa:	Directors
4	VRM Shares Broking Pvt Ltd	Common Director
5	Dhanlaxmi Vidyut Pvt Ltd	Common Director





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

			2019-20
1	Dhanlaxmi Fabrices Ltd	Yarn Sales	28,56,000
		Job Process Charges Recei	4,20,148
		Fabric Purchases	1,875
		Loan Given (Net)	1,50,00,000
2	MR Shares Broking Pvt Ltd	Brokerage Paid	250
3	Mahesh Jhawar	Loans Received	74,47,411
4	VRM Shares Broking Pvt Ltd	Brokerage Paid	1,630
5	Dhanlaxmi Vidyut Pvt Ltd	Loans Received	1,48,36,133
		Loan Given	1,48,36,133
		Interest Received	4,26,563

\* All related party transactions are excluding GST and other taxes as applicable

**AS PER OUR REPORT OF EVEN DATE ATTACHED.**

For and on behalf of Board

For Lalit K Somani & Associates  
Chartered Accountants  
FR No. 144641W

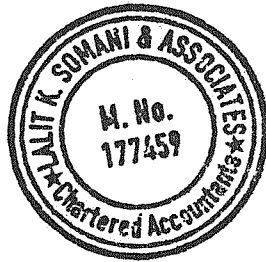
*Lalit Somani*

Lalit Kumar Somani  
Proprietor  
M. No.. 177459

Place : Mumbai

Date : 16-09-2020

UDIN-20177459AAAAAG2683



*Mahesh S. Jhawar*

Mahesh S. Jhawar  
Director  
DIN- 00002908

*Rahul Jhawar*

Rahul Jhawar  
Director  
DIN- 07590581



**Note No. 1**

**Fixed Assets**

Particulars	Gross Block				Depreciaton				Net Block		
	As at 01/04/2019	Addition during the year		Sold during the year	As at 31/03/2020	Upto 31/03/2019	Provided For the year	Impairme nt Loss	Upto 31/03/2020	As at 31/03/2020	As at 31/03/2019
		Through Purchase	Through Business Combination								
<u>Tangible Assets</u>											
Motor Car	83,92,559	-	-	-	83,92,559	16,73,710	10,14,484		26,88,194	57,04,365	67,18,849
Computer	70,921	91,186	-	-	1,62,107	32,803	63,098		95,901	66,206	38,118
Printer	16,737	-	-	-	16,737	5,579	5,579		11,158	5,579	11,158
Office Equipment	-	11,008	-	-	11,008	-	3,669		3,669	7,339	-
<b>Total</b>	<b>84,80,217</b>	<b>1,02,194</b>	<b>-</b>	<b>-</b>	<b>85,71,403</b>	<b>17,12,092</b>	<b>10,86,830</b>	<b>-</b>	<b>27,95,253</b>	<b>57,76,150</b>	<b>67,68,125</b>
<b>Previous Year</b>	<b>12,28,036</b>	<b>72,52,181</b>	<b>-</b>	<b>-</b>	<b>84,80,217</b>	<b>6,68,389</b>	<b>10,43,703</b>	<b>-</b>	<b>17,12,092</b>	<b>67,68,125</b>	<b>5,59,647</b>



# DFL FABRICS PVT LTD

ASST. YEAR : 2020-2021

ACCT. YEAR : 1.04.2019 to 31.03.2020

FIXED ASSETS

**PARTICULARS OF DEPRECIATION ALLOWABLE AS PER THE INCOME TAX ACT 1961 FOR THE YEAR ENDED 31ST MARCH 20**

Particulars	Rate	WDV		Addition		Deduction During The Year	TOTAL As At 31.03.2020	Depreciation For The Year	WDV	
		As At 01.04.2019		Before September, 2019	After September, 2019				As At 01.04.2020	
Motor Car	15%	76,26,412	-	-	-	-	76,26,412	11,43,962	64,82,450	
Computer	40%	61,662	51,186	40,000			1,52,848	53,139	99,709	
Office Equipment	15%	-	11,008	-			11,008	1,651	9,357	
<b>TOTAL</b>		<b>76,88,074</b>	<b>62,194</b>	<b>40,000</b>			<b>77,90,268</b>	<b>11,98,752</b>	<b>65,91,516</b>	

