



# **Dhanlaxmi**

## **Fabrics Limited**

**(CIN: L17120MH1992PLC068861)**

**28<sup>th</sup>**

**Annual Report**

**2019 - 2020**

**BOARD OF DIRECTORS**

NAME	DESIGNATION	DIN
Shri Vinod S Jhawar	Managing Director & Chairman	00002903
Shri Ramautar S Jhawar	Chairman & Director (Resigned w.e.f. 13.11.2019)	00002907
Shri Mahesh S Jhawar	Director	00002908
Shri Mukul V Jhawar	Executive Director	07966851
Shri Durgesh Kabra	Independent Director	00017670
Shri Gopal Mohta	Independent Director (Resigned w.e.f. 13.11.2019)	01877324
Smt. Jayashree Iyer	Independent Director (Resigned w.e.f. 31.07.2019)	01520083
Ms. Ayushi Gilra	Independent Director	08511294
Shri Athul Rungta	Independent Director (w.e.f. 10.02.2020)	00305731
Mrs. Bhaviika Jain	Company Secretary & Compliance Officer (Resigned w.e.f. 11.01.2020)	-
Shri Vishnu H Thaker	Company Secretary & Compliance Officer (w.e.f. 10.02.2020)	-
Shri Purshottam Randad	Chief Financial Officer (w.e.f. 06.08.2019)	-

**PRINCIPLE BANKERS:**

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

**STATUTORY AUDITORS:****M/S. R H A D & CO**

2<sup>nd</sup> Floor, Apeejay House, 3 Dinshaw Vachcha Road, Churchgate, Mumbai – 400020.

**INTERNAL AUDITORS:**

**M/s. Sunil Bangar & Associates, Mumbai**

**COST AUDITORS:**

**Mr. Dilip Murlidhar Bathija, Mumbai**

**REGISTRAR & TRANSFER AGENT:****BIG SHARE SERVICES PVT LTD**

CIN: U99999MH1994PTC076534

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

Board No. : 91-22-62638200, 91-22-62638299 | Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**LISTING OF EQUITY SHARES:****BOMBAY STOCK EXCHANGE**

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

**CORPORATE / COMMUNICATION ADDRESS:**

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

Tel: 091-22-251811102/103 | Email: [info@dfi.net.in](mailto:info@dfi.net.in) | Website: <http://www.dfi.net.in/>

**REGISTERED OFFICE:**

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

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

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

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**NOTICE IS HEREBY GIVEN THAT THE 28<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S DHANLAXMI FABRICS LIMITED WILL BE HELD ON SATURDAY 26<sup>TH</sup> SEPTEMBER, 2020 AT 1:00 P.M. THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS.**

#### **ORDINARY BUSINESS**

1. To receive consider and adopt the Annual Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Mr. Mukul V Jhavar (DIN: 07966851)** who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

3. **Ratification of appointment of Mr. Dilip Murlidhar Bathija, Cost Accountants, as a Cost Auditors of the Company.**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and rules thereof (including any statutory modification(s) or re-enactment thereof for time being force) the remuneration of Rs. 22,500/- (Rupees Twenty Two Thousand FiveHundredonly) (excluding taxes, as applicable) plus reimbursement of out of pocket expenses at actual basis to be paid to Mr. Dilip Murlidhar Bathija., (Cost Accountants) Mumbai, Cost Auditors for the conduct of the cost audit of the Company for the Financial Year 2020-2021 as recommended by the Board of Directors, be and is hereby ratified.”

4. **To Appoint Mr. Athul Rungta (DIN: 00305731) as an Independent Director 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 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, **Mr. Athul Rungta (DIN: 00305731)**, who was appointed as an additional director of the Company in terms of Section 161 of Companies Act, 2013, and Articles of Association of the Company by the Board of Directors with effect from **10<sup>th</sup> February, 2020** and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 of the Act and who holds office up to the date of this Annual General Meeting be and hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years up to **9<sup>th</sup> February, 2025.**”

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

**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 As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
- 3 Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
- 4 The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- 5 The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- 6 Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
- 7 In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.dfl.net.in](http://www.dfl.net.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE

Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGMEGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

- 8 The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 23.09.2020 and ends on 25.09.2020 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19.09.2020 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

**For Shareholders holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)- * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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.- * 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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESSES FOR THOSE SHAREHOLDERS WHO’S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

#### **(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;



(designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013, SPECIAL BUSINESS:**

#### **ITEM NO.3**

#### **Ratification of appointment of Mr. Dilip Murlidhar Bathija, Cost Accountants, as a Cost Auditors of the Company.**

The Board of Directors of the Company, upon the recommendation of the Audit Committee, approved the reappointment and remuneration of Mr. Dilip Murlidhar Bathija.,Cost Accountants, Mumbai to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup>March, 2021 at a remuneration of 22,500/- (Rupees Twenty Two Thousand Five Hundred only) plus taxes and reimbursement of out of pocket expenses.

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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March,2020.

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. 3 of this Notice is accordingly recommended for your approval.

#### **ITEM NO.4**

#### **To Appoint Mr. Athul Rungta (DIN: 00305731) as an Independent Director of the Company.**

Mr. Athul Rungta, has done graduation in Commerce and Certified Investment Consultant carries more than 30 years of experience in the field of textile industries. In the opinion of the Board of Directors of the Company, Mr. Athul Rungta fulfills the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and is independent of the management.

The Company has received a Notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Athul Rungta for the office of the Director of the Company. The Board of Directors at its meeting held on February 10, 2020, on the recommendation of the Nomination and Remuneration Committee, appointed as an additional director designated as independent director of the Company. Pursuant to Section 161(1) of the Companies Act, 2013 she will hold office up to the date of this annual general meeting.

Considering his background and experience, the association of Mr. Athul Rungta would be beneficial to the Company and it is desirable to appoint him as an Independent Director for the term of Five (5) consecutive years with effect from February 10, 2020 till February 09, 2025.

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

Copy of the letter of appointment of Mr. Athul Rungta, setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company during the business hours (except on Saturdays and Sundays).

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

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

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Athul Rungta is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

The resolution as set out in item no. 4 of this Notice is accordingly recommended for your approval.

**REGISTERED OFFICE:**

Manpada Road, Bhopar Village,  
Dombivali (East), Thane- 421 204  
Maharashtra

Date: 19/08/2020

By Order of the Board

S/d-  
Mr. Vinod S Jhawar  
(Chairman and Managing Director)

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

Name of the Director	Mr. Mukul Jhawar	Mr. Athul Rungta
Date of Birth	23-01-1992	15-06-1963
Academic Qualifications	Graduate from Kingston University	Commerce Graduate and Certified Investment Consultant.
Experience and Expertise	Industrialist with 7 experience in Finance Business & field of business management and administration	He carries experience of more than 30 years in the field of Textile Industries. He also has working experience of managing companies as a Director.
Date of first appointment on the Board	06-08-2019	10-02-2020
Directorship in other companies	1) Western Chlorides And Chemicals Private Limited 2) Landcraft Agro LLP	1) Vikrum Knit Private Limited 2) Vasanti Textiles Pvt Limited 3) Rungtas Private Limited
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	NIL	Member in Audit and Stakeholder Relationship Committees of the Company.
No. of Shares held in the Company	60000	Nil
DIN	07966851	00305731
Relation with other Directors or Key Managerial Personnel	Son of Mr. Vinod S. Jhawar, Managing Director of the Company.	None
Number of Board Meeting attended during the financial year	4	1
Remuneration and other terms & conditions of appointment/re-appointment	He is entitled to sitting fees & Remuneration for attending Board meetings as approved by the Board of Directors.	He is entitled to sitting fees & Remuneration for attending Board meetings as approved by the Board of Directors
Remuneration paid/payable for the Financial Year 2019-20	12.60 Lacs	Nil

**BOARD OF DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Twenty eight Annual Report on the business operations and activities of the Company together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS:**

Summary of the Company's financial performance for F.Y. 2019-2020 as compared to the previous financial year is given below: **(Rupees in Rs.)**

Particulars	F.Y. 2019 – 2020		F.Y. 2018 – 2019	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	7757.90	8443.30	7414.94	8158.42
Revenue from other Income	137.62	150.52	189.18	208.37
Total Revenue	7895.52	8593.82	7604.12	8366.79
Profit before Dep. & Int.	724.17	748.65	742.69	811.21
Depreciation	346.30	357.17	404.15	415.06
Interest	157.67	164.37	217.19	232.29
Profit after Depreciation & Interest and before Tax	220.31	227.12	608.31	650.82
Provision for Taxation	89.25	91.17	212.15	228.52
Provision for Tax (deferred)	(53.96)	(54.25)	(221.47)	(221.35)
Provision for Taxation for earlier year	-	0.82	-	-
Profit/Loss after Tax	185.02	189.38	617.03	643.95

**HIGHLIGHTS:**

Your Company's main activity is concerned into dealers and manufacturing and Processing of Textile and allied products/ services and Power Generation. As it can be clearly seen from the highlights that the company the total revenue generated from the current year were decreased and profit for the year of the Company is Rs. 185.02 Lakhs as compared to 617.03 Lakhs in previous year.

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

**DIVIDEND:**

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

**AMOUNT TO BE TRANSFERRED TO RESERVES:**

No fund was transferred to General Reserves.

**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.

Pursuant to Section 152 of the Companies Act, 2013 Mr. Mukul Vinod 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.

During the year upon the recommendation of Nomination and Remuneration Committee, your Board inducted Mr. Athul Rungta (DIN – 00305731), as an Additional Directors of the Company in the category of Independent Director subject to approval of members at the ensuing Annual General Meeting with effect from 10/02/2020 to 09/02/2025 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 he will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing pursuant to Section 160 of Companies Act, 2013, proposing the appointment of Mr. Athul Rungta (DIN – 00305731), Directors of the Company.

Your Board has recommended the appointment of Mr. Athul Rungta (DIN – 00305731), as an Independent Directors of the Company for a period of five consecutive years up to the 33<sup>rd</sup> consecutive Annual General Meeting of the Company, not liable to retire by rotation.

Mr. Durgesh Kabra, Ms. Ayushi Gilra & Mr. Athul Rungta, Independent director have given declarations that they continues to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

During the year Mr. Ramautar Jhawar Chairman and Executive- Director and Mr. Gopal Mohta Non-Executive Independent Director, had resigned from the Board w.e.f. 13<sup>th</sup> November, 2019. During the year Ms. Jayashree Iyer also resigned from the Board w.e.f. 31<sup>st</sup> July, 2019

The Board places on record their sincere deep appreciation and contribution rendered by Ms. Jayashree Iyer, Mr. Ramautar Jhawar and Mr. Gopal Mohta during their tenure as a Director with the Company.

The Board has decided to appoint Mr. Vinod S Jhawar as a Chairman of Board who is also a Managing Director of the Company.

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

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

#### **DEPOSITS:**

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

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

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

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020 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, 2020 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 on-going concern basis.

- (e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- (f) That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The meeting of Independent Directors was scheduled on 23<sup>rd</sup> March, 2020 but due to lockdown meeting could not be held in person and company had availed the exemption grated by MCA vide its General circular No. 11/2020 dated 24<sup>th</sup> March, 2020 Viz. Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak.

However it was noted that 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 (Please make a Proper space in between words) 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.

**DISCLOSURE FROM INDEPENDENT DIRECTORS:**

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

**STATUTORY AUDITORS:**

M/S. Dinesh Bangar & Co., Chartered Accountants, Mumbai (FRN: 102588W) has been appointed as a Statutory Auditors of the Company on 27<sup>th</sup> Annual General meeting of the Company for a period of five (5) years, till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company at a remuneration of 1,00,000/- (One Lakhs Rupees only) or such amount has been decided by the Board and Audit Committee with the consultation of statutory auditors of the company. The MCA vide its notification dated 7 May 2018 has amended Companies (Audit and Auditors) Rules 2014 by Companies (Audit and Auditors) Amendment Rules 2018, which dispense the requirement of members approval for ratification of appointment of Auditors at every Annual General Meeting. Keeping the same in mind no such agenda item is included in notice for the 28<sup>th</sup> AGM.

**AUDITORS REPORT :**

Observations made in the Auditor's 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 COST AUDITOR:**

The Central government has prescribed the maintenance of Cost records under Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 for the year ended 31<sup>st</sup> March, 2020. The Audit Committee and the Board has recommended the re-appointment of Mr. Dilip Murlidhar Bathija, Cost Accountant, Mumbai at their respective meetings for conducting cost Audit for F.Y. 2020-2021 and also recommended for members approval at Item no. 3 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. 2019-2020 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 Audit Report for Financial year 2019-2020 have drawn the attention of the management on some matters in connection with the same management herewith give the explanation for the same as follows:

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

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

Pursuant to 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.

**REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Company is committed to maintain 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.

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

The particulars of contract 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 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 **AnnexureIV**.

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met 7 (Seven) times during the financial year, the details of which are given in Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company has in place a Corporate Social Responsibility Policy in line with Schedule VII of the Companies Act, 2013 as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The annual Report on CSR Activities is furnished in "Annexure VII" forming part of this Directors' Report. The CSR Policy has been hosted in the Company's website at the link under the head Company Policy.

**POSTAL BALLOT:**

No postal ballot was held during the year 2019-2020.

**COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

- 1 Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee
4. Corporate Social Responsibility 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 CONTROL:

The Committee 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 of Financial Statements.

#### PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:

In terms of provision 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 2019-2020, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020 and the comparison of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Directors/KMPs	Remuneration Received	% Increase in the year ended 2019-2020	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Ramautar S Jhavar* (Chairman and Director)	Nil	Nil	Nil
2	Mr. Vinod S Jhavar (Managing Director)	55,00,000	Nil	23.61
3	Mr. Mahesh S Jhavar (Director)	2,00,000	Nil	Nil
4	Mr. Mukul V Jhavar \$ (Director)	12,60,000	N.A.	23.61
5	Mr. Gopal Mohta* (Independent Director)	Nil	Nil	Nil
6	Mrs. Jayshree Iyer ! (Independent Director)	Nil	Nil	Nil
7	Mr. Durgesh Kabra (Independent Director)	Nil	Nil	Nil
8	Ms. Ayushi Gilra \$( Independent Director)	Nil	Nil	Nil
9	Mr. Athul Rungta # (Independent Director)	Nil	Nil	Nil
10	Ms. Bhaviika Jain @ (CS & Compliance Officer)	4,87,800	Nil	Nil
11	Mr. Vishnu H Thaker # (CS & Compliance Officer)	49,000	N.A.	23.61
12	Mr. Purushottam Randad \$ (Chief Financial Officer)	3,28,385	N.A.	23.61

**Note: ! Resigned w.e.f. 31.07.2019; \*Resigned w.e.f. 13.11.2019; @ Resigned w.e.f. 04.01.2020; \$ Appointed w.e.f. 06.08.2019; # Appointed w.e.f. 10.02.2020**

Note: Total 107 major employees are on role as on 31.03.2020.

Median remuneration of employees is Rs. 2,33,000

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

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

**FOREIGN EXCHANGE:**

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

**INTERSE PROMOTER TRANSFER:**

During the year under review few promoters sold their shares to the existing promoters, details of which can be extracted from the MGT-9 forming part of the Annual Report for the year. In connection with the same the promoters/acquirer has made an application to the SEBI for claiming general exemption given under Regulation 10(1)(a) of SEBI (SAST) Regulation, 2011 and necessary disclosures was made to the Exchange by the buyers and seller.

**SALE OF FSI:**

To liquid the fund the Company During the year under review had sold FSI at Second Floor of Bldg. No. I admeasuring 3298.14 sq. mtr sq. mtr located at Shree Rajlaxmi Commercial Complex, Village Kalher, Bhiwandi, Thane – 421302, Maharashtra to Mr. Rahul Mahesh Jhawar for Rs.1.03 crores.In connection with the same the Company had done valuation from the Registered Valuers for that property also published a newspaper advertisement on 22.11.2019 in Free Press General News Paper for inviting quotes / bids, took necessary approval of Audit Committee and Board.

**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 behaviour 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 2019-2020, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates.

**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 2020-2021. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

**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 2019-2020, no cases in the nature of sexual harassment were reported at any workplace of the Company.

**CEO AND CFO CERTIFICATION:**

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

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

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

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

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2019-2020, till the date of this report. Further there was no change in the nature of business of the Company.

**ACKNOWLEDGEMENT:**

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

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhavar  
(Managing Director)

Sd/-  
Mukul V Jhavar  
(Director)

Place: Mumbai  
Date: 19.08.2020

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

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Dhanlaxmi Fabrics Limited (hereinafter called "the Company"). Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lock down while taking review after completion of financial year. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, has complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

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

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during the Audit period);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

Having regards to the compliance system prevailing in the Company, information representation provided by management and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;

1. The Equal Remuneration Act, 1976;
2. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
3. Electricity Act, 2003 & The Electricity Rules, 2005
4. Energy Conservation Act, 2011
5. Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011
6. The Water (Prevention And Control Of Pollution) Act 1974
7. The AIR (Prevention And Control Of Pollution) Act, 1981
8. The Minimum Wages Act, 1948
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Industrial Employment (Standing Orders) Act 1946
11. Employees Provident Fund & Miscellaneous provisions Act 1952, EPF Scheme.
12. Employees State Insurance Act 1948 (ESIC)
13. Maharashtra Labour welfare fund Act 1953
14. The cloth markets & Shops board Mumbai (Mathadi Kamgar)
15. Factory Act, 1948
16. IEM code, Directorate of Industries - District Industry Centre
17. Maharashtra Pollution control Board - MPCB.
18. Maharashtra Boiler rules 1962 (Certificate of use of boiler)
19. Income Tax Act, 1961

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As amended).

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

1. According to SEBI Circular viz. SEBI/Cir/ISD/3/2011 dated June 17, 2011, which mandates the maintenance of entire holdings of the Promoters in Demat form only. However the promoters of the Company still have 500 shares in physical form.

I further Inform/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 Company had sold FSI at Second Floor of Bldg. No. I admeasuring 3298.14 sq. mtr sq. mtr located at Shree Rajlaxmi Commercial Complex, Village Kalher, Bhiwandi, Thane - 421302 to Mr. Rahul Mahesh Jhawar for Rs.1.03 crores.
2. During the year under review the Company had made an application for claiming general exemption to The Securities and Exchange Board of India under Regulation 10(1)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 towards inter-se transfer amongst promoters and promoter group.

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.
- (iv) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (v) 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.

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.,**  
Company Secretary in Practice

Sd/-  
**Pankaj Trivedi**  
(Proprietor)

CP No. 15301

Place: Mumbai  
Dated: 19<sup>th</sup> August, 2020

**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.,  
Company Secretary in Practice**

**Sd/-  
Pankaj Trivedi  
(Proprietor)**

**CP No. 15301**

**Place: Mumbai  
Dated: 19<sup>th</sup> August, 2020**

**Annexure to the Director's Report**  
**ANNEXURE-II FORM NO. AOC-1**  
**Salient feature of Financial Statement of Subsidiary Companies**

As at 31<sup>st</sup> March, 2020

Rupees in Lacs

Name of Subsidiary Company	Western Chloride & Chemicals Pvt. Ltd	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
<b>Reporting Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>
Rate	1.00	1.00	1.00
Capital	3.00	1.00	1.00
Reserve	13.50	84.85	86.46
Total Assets	17.89	221.22	334.17
Investments Other than Investment in Sub-Subsidiary	Nil	Nil	Nil
Turnover	17.14	354.31	326.30
Profit before Taxation	3.50	3.26	-0.77
Provision for Taxation	0.85	1.07	0.29
Profit After Taxation	2.65	2.19	-0.49
Proposed Dividend	Nil	Nil	Nil
% of Shareholding	99.99	99.99	99.80

FOR & ON BEHALF OF THE BOARD

Sd/-  
 Vinod S. Jhawar  
 (Managing Director)

Sd/-  
 Mukul S. Jhawar  
 (Director)

Place: Mumbai  
 Date: 19/08/2020



## 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	Nature of Contract/ arrangements/ transactions	Duration of the contract arrangement transactions	Salient terms of contract/ arrangement/ transactions, Including the 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	On-going	Sold Fabrics of worth of Rs. 1,969/- during the year.	27.05.2019	-
	Job Processing Charges received	On-going	Processing Charges received for Dyeing and bleaching and printing of Fabrics during the year of Rs.4,01,635/.	27.05.2019	-
	Purchase of Fabric/Yarn	On-going	Purchase of yarn for Rs.28,56,146/- during the year.	27.05.2019	-
	Loan given	On-going	Loan given of Rs.1.5 Crs.	27.05.2019	-
Dhanesh Fabrics Pvt Ltd	Sales of Fabrics/Yarn	On-going	Sold Fabrics of worth of Rs.87.95.253/- during the year.	27.05.2019	-
	Processing Charges / Textile Job work charges received	On-going	Processing Charges received for dyeing and bleaching and printing of Fabrics during the year of Rs.96,09,795/-.	27.05.2019	-
	Purchase of Fabric/Yarn	On-going	Purchase of fabrics for Rs.5,20,683/- during the year.	27.05.2019	-
	Lease Rent received	On-going	Lease Rent of Rs.30,000/- received for property given on Lease.	27.05.2019	-
Western Chlorides & Chemicals Pvt Ltd	Lease Rent paid	On-going	Payment of Lease Rent of Rs.15,60,000/- for Land taken on Lease for installation of Process house at Manpada Road, Bhopar Village, Dombivali.	27.05.2019	-
Promtech Impex Pvt Ltd	Interest received	On-going	Rs.1,86,813/- Interest on unsecured loans given of Rs.42,32,800/-.	27.05.2019	-
Rahul Jhawar	Commission paid	2019-20	Commission paid of Rs.15,77,749/-	27.05.2019	-

FOR &amp; ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhawar  
(Managing Director)

Sd/-  
Mukul V Jhawar  
(Director)

Place: Mumbai  
Date: 19.08.2020

**ANNEXURE - IV****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2018****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 : rajeshm@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/ervices	% to total turnover of the company
1	Processing of Fabric & Yarn	1313	45.65%
2	Fabric Manufacturing & Trading	1311	50.01%
3	Wind Power Generation	3150	4.35%

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

SI 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	DFL Fabrics Pvt Ltd	U51109MH2008PTC186271	Subsidiary	99.80	2(87)
3	Western Chlorides & Chemicals Pvt Ltd	U24100MH1970PTC014919	Subsidiary	99.97	2(87)

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

(a) Category of Shareholders as on	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				%Change
	Demat	Physical	Total Shares	Total % of	Demat	Physical	Total Shares	Total % of	
<b>A. Promoters</b>									
<b>Indian</b>									
Individual / HUF	2310181	500	2310681	26.93	2243608	500	2244108	26.15	(0.78)
Central / State govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	2004525	0	2004525	23.36	1457446	0	1457446	16.98	(6.38)
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0	0	0	0	0	0
Group Companies	2113300	0	2113300	24.63	1280000	0	1280000	14.92	(9.71)
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>6428006</b>	<b>500</b>	<b>6428506</b>	<b>74.91</b>	<b>4981054</b>	<b>500</b>	<b>4981554</b>	<b>58.05</b>	<b>(16.86)</b>
<b>Foreign</b>									
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Individual	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters</b>	<b>6428006</b>	<b>500</b>	<b>6428506</b>	<b>74.91</b>	<b>4981054</b>	<b>500</b>	<b>4981554</b>	<b>58.05</b>	<b>(16.86)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
Central / State govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
FII'S	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
Bodies Corporate	1393142	173400	1566542	18.26	2561406	173400	2734806	31.87	13.61
Individual									
Capital upto to Rs. 1 lac	299830	120260	420090	4.90	292281	116460	408741	4.76	(0.13)
Capital greater than Rs. 1 lac	133420	0	133420	1.55	411321	0	411321	4.79	3.24
Any others (Specify)									
Hindu Undivided Family	30277	0	30277	0.35	27578	0	27578	0.32	(0.03)

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

(a) Category of Shareholders as on	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				%Change
	Demat	Physical	Total Shares	Total % of	Demat	Physical	Total Shares	Total % of	
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Clearing member	8	0	8	0.00	14843	0	14843	0.17	0.17
Non Resident Indians (NRI)	0	0	0	0.00	0	0	0	0.00	0.00
Non Resident Indians (Repat)	2207	0	2207	0.03	2207	0	2207	0.03	0.00
Non Resident Indians (Non Repat)	50	0	50	0.00	50	0	50	0.00	0.00
Directors relatives	0	0	0	0.00	0	0	0	0.00	0.00
Employee	0	0	0	0.00	0	0	0	0.00	0.00
Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
Unclaimed Suspense A/c	0	0	0	0.00	0	0	0	0.00	0.00
IEPF	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>1858934</b>	<b>293660</b>	<b>2152594</b>	<b>25.09</b>	<b>3309686</b>	<b>289860</b>	<b>3599546</b>	<b>41.95</b>	<b>16.86</b>
<b>Total Shareholding of Promoters</b>	<b>1858934</b>	<b>293660</b>	<b>2152594</b>	<b>25.09</b>	<b>3309686</b>	<b>289860</b>	<b>3599546</b>	<b>41.95</b>	<b>16.86</b>
<b>B. Custodians Shareholding</b>									
Shares held by Custodians	0	0	0	0.00	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>8286940</b>	<b>294160</b>	<b>8581100</b>	<b>100</b>	<b>8290740</b>	<b>290360</b>	<b>8581100</b>	<b>100</b>	<b>0.00</b>

## II. Shareholding of Promoters &amp; Promoter Group

Sr. No.	Shareholder's Name	Share holding at beginning of the year 31/03/2019			No. of Shares held at the end of the year 31/03/2020			
		No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	% Changes
1	Kamala R. Jhavar	287930	3.36	0.00	0	0.00	0.00	-3.36
2	Lalit Vinod Jhavar	1200	0.01	0.00	1200	0.01	0.00	0.00
3	Laxmi M. Jhavar	107573	1.25	0.00	107573	1.25	0.00	0.00
4	Mahesh Jhavar Huf	56700	0.66	0.00	0	0.00	0.00	-0.66
5	Mahesh S. Jhavar	27400	0.32	0.00	84100	0.98	0.00	0.66
6	Mukul Vinod Jhavar	60000	0.70	0.00	60000	0.70	0.00	0.00
7	Rahul Mahesh Jhavar	70200	0.82	0.00	70200	0.82	0.00	0.00
8	Ramautar Jhavar Huf	136470	1.59	0.00	0	0.00	0.00	-1.59
9	Ramautar S Jhavar	681708	7.94	0.00	0	0.00	0.00	-7.94
10	Ramautar S. Jhavar	96700	1.13	0.00	0	0.00	0.00	-1.13

**II. Shareholding of Promoters & Promoter Group**

Sr. No.	Shareholder's Name	Share holding at beginning of the year 31/03/2019			No. of Shares held at the end of the year 31/03/2020			
		No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	% Changes
11	Vandana V. Jhawar	169200	1.97	0.00	652430	7.6	0.00	5.63
12	Vinit R Jhawar	198800	2.32	0.00	0	0.00	0.00	-2.32
13	Vinod Jhawar Huf	30000	0.35	0.00	0	0.00	0.00	-0.35
14	Vinod Sohanlal Jhawar	386300	4.50	0.00	1529978	17.83	0.00	13.33
15	Ramautar Jhawar (Jhawar Jamana)	500	0.01	0.00	500	0.01	0.00	0.00
16	Sohanlal Jhawar Family	195300	2.28	0.00	0	0.00	0.00	-2.28
17	Dhanlaxmi Cotex Ltd	347079	4.04	0.00	1185079	13.81	0.00	9.77
18	Dhanlaxmi Export Fabric	438000	5.10	0.00	0	0.00	0.00	-5.10
19	Jhawar Commodities Pvt Ltd	1457446	16.98	0.00	1457446	16.98	0.00	0.00
20	M R Share Broking Pvt Ltd	200000	2.33	0.00	0	0.00	0.00	-2.33
21	Promtech Impex Pvt Ltd	1280000	14.92	0.00	1280000	14.92	0.00	0.00
22	V.R.M. Share Broking Pvt Ltd	200000	2.33	0.00	0	0.00	0.00	-2.33
	<b>Total</b>	<b>6428506</b>	<b>74.91</b>	<b>0.00</b>	<b>6428506</b>	<b>74.91</b>	<b>0.00</b>	<b>0.00</b>

**III. Change in Promoters' Shareholding as on the F.Y. Ended on 31-03-2020**

Sr. No.	Shareholder's Name	Share holding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the Beginning 31/03/2019	% of total Shares of the Co.				No. of Shares	% of total Shares of the Co.
1	Vinod Sohanlal Jhawar	386,300	4.50	20.09.2019	1,143,678	Buy	1,529,978	17.83
2	Jhawar Commodities Pvt Ltd	1,457,446	16.98	-	-	-	1,457,446	16.98
3	Promtech Impex Pvt Ltd	1,280,000	14.92	-	-	-	1,280,000	14.92
4	Ramautar S. Jhawar	681,708	7.94	20.09.2019	-681,708	Sell	0	0.00
5	Vandana V. Jhawar	169,200	1.97	20.09.2019	483,230	Buy	652,430	7.60
6	Dhanlaxmi Export Fabric	438,000	5.10	20.09.2019	-438,000	Sell	0	0.00
7	Dhanlaxmi Cotex Ltd	347,079	4.04	27.07.2019	838,000	Buy	1,185,079	13.81
8	Kamala R. Jhawar	287,930	3.36	20.09.2019	-287,930	Sell	0	0.00
9	M R Share Broking Pvt Ltd	200,000	2.33	20.09.2019	-200,000	Sell	0	0.00
10	VRM Share Broking Pvt Ltd	200,000	2.33	20.09.2019	-200,000	Sell	0	0.00
11	Vinit R Jhawar	198,800	2.32	20.09.2019	-198,800	Sell	0	0.00
12	Sohanlal Jhawar Family	195,300	2.28	20.09.2019	-195,300	Sell	0	0.00
13	Ramautar Jhawar HUF	136,470	1.59	20.09.2019	-136,470	Sell	0	0.00
14	Laxmi M. Jhawar	107,573	1.25	-	-	-	107,573	1.25
15	Ramautar S. Jhawar	96,700	1.13	20.09.2019	-96,700	Sell	0	0.00
16	Rahul M. Jhawar	70,200	0.82	-	-	Buy	70,200	0.82
17	Mukul Vinod Jhawar	60,000	0.70	-	-	-	60000	0.70

**III. Change in Promoters' Shareholding as on the F.Y. Ended on 31-03-2020**

Sr. No.	Shareholder's Name	Share holding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the Beginning 31/03/2019	% of total Shares of the Co.				No. of Shares	% of total Shares of the Co.
18	Mahesh Jhawar HUF	56,700	0.66	20.09.2019	-56,700	Sell	0	0.00
19	Vinod Jhawar Huf	30,000	0.35	20.09.2019	-30,000	Sell	0	0.00
20	Mahesh S. Jhawar	27,400	0.32	20.09.2019	56,700	Buy	84,100	0.98
21	Lalit Vinod Jhawar	1,200	0.01	-	-	-	1200	0.01
22	Ramautar S. Jhawar (Jhawar Jamana)	500	0.01	-	-	-	500	0.01

**IV. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRS & ADRS)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2019		Cumulative Shareholding during the year 31-03-2019		Type of Transaction
		No. of Shares	% of total Shares of the Co.	No. of Shares	Change in Shareholding during the year	
1	<b>Eskay Niryat Pvt Ltd</b>	12,80,000	14.92%	12,80,000	14.92%	N.A.
	Shares Bought during the year	-	-	12,80,000	14.92%	
	Shares Sold During the year	-	-	12,80,000	14.92%	
	Closing balance	12,80,000	14.92%	12,80,000	14.92%	
2	<b>CRB Share Custodian Services Ltd</b>	1,25,000	1.46%	1,25,000	1.46%	N.A.
	Shares Bought during the year	-	-	1,25,000	1.46%	
	Shares Sold During the year	-	-	1,25,000	1.46%	
	Closing balance	1,25,000	1.46%	1,25,000	1.46%	
3	<b>Jignesh Fabrics Pvt Ltd</b>	74,626	0.87%	74,626	0.87%	N.A.
	Shares Bought during the year	-	-	74,626	0.87%	
	Shares Sold During the year	-	-	74,626	0.87%	
	Closing balance	74,626	0.87%	74,626	0.87%	
4	<b>Babita Naresh Jain</b>	59,318	0.69%	59,318	0.69%	N.A.
	Shares Bought during the year	-	-	59,318	0.69%	
	Shares Sold During the year	-	-	59,318	0.69%	
	Closing balance	59,318	0.69%	59,318	0.69%	
5	<b>CRB Capital Markets Ltd</b>	45,500	0.53%	45,500	0.53%	N.A.
	Shares Bought during the year	-	-	45,500	0.53%	
	Shares Sold During the year	-	-	45,500	0.53%	
	Closing balance	45,500	0.53%	45,500	0.53%	
6	<b>Naval Kishor Malpani</b>	32,684	0.38%			Bought and Sold
	Shares Bought during the year					
	06.12.2019	621	0.01%	33,305	0.39%	
	13.12.2019	905	0.01%	34,210	0.40%	

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2019		Cumulative Shareholding during the year 31-03-2019		Type of Transaction
		No. of Shares	% of total Shares of the Co.	No. of Shares	Change in Shareholding during the year	
	27.12.2019	1,008	0.01%	35,208	0.41%	Bought and Sold
	10.01.2020	560	0.01%	35,758	0.42%	
	17.01.2020	1,340	0.01%	37,098	0.43%	
	24.01.2020	155	0.00%	37,253	0.43%	
	31.01.2020	351	0.01%	37,604	0.44%	
	07.02.2020	10	0.00%	37,614	0.44%	
	20.03.2020	2	0.00%	37,616	0.44%	
	Shares Sold During the year					
	20.12.2019	10	0.00%	34,200	0.40%	
	01.01.2020	10	0.00%	35,198	0.41%	
	Closing balance	37,616	0.44%	37,616	0.44%	
7	<b>Snehalatha Singhi</b>	18,559	0.22%	18,559	0.22%	N.A.
	Shares Bought during the year	-	-	18,559	0.22%	
	Shares Sold During the year	-	-	18,559	0.22%	
	Closing balance	18,559	0.22%	18,559	0.22%	
8	<b>Pritty Devi Sarawagi</b>	12,823	0.15%	12,823	0.15%	Bought
	Shares Bought during the year			12,823	0.15%	
	16.08.2019	100	0.00%	12,923	0.15%	
	15.11.2019	100	0.00%	13,023	0.15%	
	Shares Sold During the year	-	-	12,823	0.15%	
Closing balance	12,823	0.15%	12,823	0.15%		
9	<b>Edelweiss Broking Ltd</b>	12,823	0.15%	12,823	0.15%	Bought and Sold
	Shares Bought during the year					
	26.04.2019	1,500	0.02%	13,860	0.16%	
	20.09.2019	48	0.00%	12,408	0.14%	
	01.11.2019	12,360	0.14%	12,360	0.14%	
	15.11.2019	130	0.00%	12,490	0.15%	
	13.03.2020	1	0.00%	12,361	0.14%	
	27.03.2020	3	0.00%	12,363	0.14%	
	Shares Sold During the year					
	03.05.2019	1,500	0.02%	12,360	0.14%	
	04.10.2019	12,408	0.14%	0	0.00%	
	22.11.2019	130	0.00%	12,360	0.14%	
	20.03.2020	1	0.00%	12,360	0.14%	
Closing balance	12,823	0.15%	12,823	0.15%		
10	<b>Anil Mansukhlal Kothari</b>	10,036	0.12%	10,036	0.12%	N.A.
	Shares Bought during the year	-	-	10,036	0.12%	
	Shares Sold During the year	-	-	10,036	0.12%	
	Closing balance	10,036	0.12%	10,036	0.12%	

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2019		Cumulative Share holding during the year 31-03-2020	
		No. of Shares	% of Total Shares of the Co.	No. of Shares	% of Total Shares of the Co.
1	Mr. Vinod S Jhavar (Managing Director)	3,86,300	4.50	15,29,978	17.83
2	Mr. Mahesh S Jhavar (Director)	27,400	0.32	84,100	0.98
3	Mr. Mukul Vinod Jhavar \$ (Director)	60,000	0.693	60,000	0.693
4	Mr. Durgesh S Kabra (Independent Director)	0	0.00	0	0.00
5	Ms. Ayushi Gilra \$ (Independent Director)	0	0.00	0	0.00
6	Mr. Athul Rungta# (Independent Director)	0	0.00	0	0.00
7	Mr. Vishnu H Thaker# (CS & Compliance Officer)	0	0.00	0	0.00
8	Mr. Purshottam Randad\$ (Chief Financial Officer)	0	0.00	0	0.00
9	Mr. Ramautar S Jhavar * (Chairman and Director)	6,81,708	7.94	0	0.00
10	Mr. Gopal Mohta* (Independent Director)	0	0.00	0	0.00
11	Mrs. Jayshree Iyer ! (Independent Director)	647	0.00	647	0.00
12	Ms. Bhaviika Jain @ (CS & Compliance Officer)	0	0.00	0	0.00

Note: ! Resigned w.e.f. 31.07.2019; \*Resigned w.e.f. 13.11.2019; @ Resigned w.e.f. 04.01.2020; \$ Appointed w.e.f. 06.08.2019;  
# Appointed w.e.f. 10.02.2020



## VI. Indebtedness of the company including interest Outstanding/Accrued but not due for Payment

	Secured Loans Excluding Deposites	Unsecured Loans	Deposits	Total indebtendness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	567.82	-	-	567.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	<b>567.82</b>	<b>-</b>	<b>-</b>	<b>567.82</b>
<b>Change in Indebtness during the financial year</b>				
Additions	-	-	-	-
Reduction	413.62	-	-	<b>413.62</b>
Net Change	<b>(413.62)</b>	<b>-</b>	<b>-</b>	<b>(413.62)</b>
<b>Indebtness at the end of the financial year</b>				
i) Principal Amount	154.19	-	-	154.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	<b>154.19</b>	<b>-</b>	<b>-</b>	<b>154.19</b>

## VII. Remuneration of Directors and Key Managerial Personnel

## A. Remuneration to Managing Director, Whole time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. Vinod Jhawar (Managing Director)	
1	<u>Gross salary</u>	55,00,000/-	55,00,000/-
	a) Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) I.T. Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit-	-	-
	- others, specify...	-	-
5	Others, please specify – Sitting Fee	-	-
	<b>Total (A)</b>	55,00,000/-	55,00,000/-
	Ceiling as per the Act	N.A	N.A

**B. Remuneration to Other Directors :**

Sr. No.	Particulars of Remuneration	Mr. RSJ	Mr. MSJ	Mr. DK	Mr. GM	Mr. AR	Ms. AG	Ms. JI
1	Independent Directors	-	-	-	-	-	-	-
	Fee for attending Board committee meetings	22,500	22,500	22,500	15,000	7,500	15,000	15,000
	Commission	-	-	-	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending Board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>22,500</b>	<b>22,500</b>	<b>22,500</b>	<b>15,000</b>	<b>7,500</b>	<b>15,000</b>	<b>15,000</b>
	<b>Total Managerial Remuneration</b>	<b>22,500</b>	<b>22,500</b>	<b>22,500</b>	<b>15,000</b>	<b>7,500</b>	<b>15,000</b>	<b>15,000</b>

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

Sr. No.	Particulars of Remuneration	Mr. Purshottam Randad CFO w.e.f. 06-08-2019	Ms. Bhaviika Jain CS Resignation w.e.f. 11.01.2020	Mr. Vishnu Thaker CS w.e.f. 10.02.2020	Total Amount
1	<u>Gross salary</u>	3,28,385	4,87,800	49,000	8,65,185
	a) Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	—	-	—
	c) Profits in lieu of salary under section 17(3) I.T. Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit-	-	-	-	-
	- others,specify...	-	-	-	-
5	Others, please specify – Sitting Fee	-	-	-	-
	<b>Total (A)</b>	<b>3,28,385</b>	<b>4,87,800</b>	<b>49,000</b>	<b>8,65,185</b>

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

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

FOR &amp; ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhavar  
(Managing Director)

Sd/-  
Mukul V Jhavar  
(Director)

Place: Mumbai  
Date: 19.08.2020

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

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

**Conservation of Energy :**

1	Energy conservation measures taken.	Adequate Measures Taken
2	Investment and proposals, if any, being implemented 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	As below

Sr. No.	Particulars		Year Ended 31.03.2020	Year Ended 31.03.2019
<b>A</b>	<b>Powers and Fuel Consumption (Process Division Yarn + Fabrics)</b>			
1	<b>Electricity</b>			
	a) Purchased			
	<b>Unit</b>			
	MSED	(Rs. in Lacs)	40.74	25.42
	Windmill	(Rs. in Lacs)	-	17.97
	Total Unit	(Rs. in Lacs)	40.74	43.39
	Total Amount	(Rs.)	311.69	294.78
	Avg. Rate/Unit	(Rs.)	7.65	6.79
	b) Own generation (Through D.G. Set)			
	Unit	(Lacs)	0.12	0.15
	Diesel Oil Consumed Ltrs	(Lacs)	0.06	0.07
	Total Amount	(Rs. In Lacs)	4.09	4.81
	Avg Rate per Ltr	(Rs.)	69.37	68.23
2	<b>Coal</b>			
	Quantity	(M. Tonnes)	10,867.14	8031.78
	Total Amount	(Rs. In Lacs)	677.31	561.73
	Avg Rate/M. tone	(Rs.)	62.33	69.94
<b>B</b>	<b>Consumption per Kg of Production</b>			
1	Production	(Lacs Kgs)	26.05	23.13
	Electricity	(Rs.)	11.97	14.86
	Diesel Oil	(Rs.)	0.16	0.17
	Coal	(Rs.)	26	26.38
	<b>Total</b>		<b>38.12</b>	<b>31.55</b>
<b>C</b>	<b>Weaving Division Power Consumption</b>			
1	Electricity Purchased			
	Units	(Lacs)	32.77	33.07
	Total Amount	(Rs. In Lacs)	171.17	127.48
	Avg Rate/unit	(Rs.)	5.22	3.85
2	Production	(Lacs Mtrs)	51.45	55.59
3	Cost of Power per Mtrs	(Rs.)	3.33	2.29

<b>TECHNOLOGY ABSORPTION:</b>	The company does not need any technology up-gradation for its existing business.	
<b>FOREIGN EXCHANGE EARNINGS AND OUTGO:</b>	<b>2019-20</b>	<b>2018-19</b>
Foreign Exchange Outgo	14.18	29.34
Foreign Exchange Earnings	-	-

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhawar  
(Managing Director)

Sd/-  
Mukul V Jhawar  
(Director)

Place: Mumbai  
Date: 19.08.2020

## REPORT ON CORPORATE GOVERNANCE

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").**

### **INTRODUCTION:**

Corporate Governance represents the value framework, rules, practices by which a Company conducts its business activities. Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. Shareholders, employees, suppliers, customers and society in general.

The fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world.

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

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

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

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

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

### **BOARD OF DIRECTORS:**

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

As on 31<sup>st</sup> March, 2020, the Company's Board of Directors comprised of six directors of which Mr. Vinod S. Jhavar is the Managing Director and Chairman, Mr. Mukul V. Jhavar and Mr. Mahesh Jhavar are the Executive Directors and the rest Mr. Durgesh Kabra, Ms. Ayushi Gilra and Mr. Athul Rungta are Non- Executive and Independent Directors. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

The Board has inducted Mr. Athul Rungta as an Independent Director on Board w.e.f. 10-02-2020 and his appointment is recommended for regularized to the members at 28<sup>th</sup> Annual General Meeting.

Mr. Ramautar Jhavar has resigned from the post of Non-Executive Director and Chairman of the Company due to Person reason and other pre-occupations w.e.f. 13<sup>th</sup> November, 2019.

Mr. Gopal Mohta has also resigned from the post of an Independent director of the company due to unavoidable scheduling problem and personal reason w.e.f. 13<sup>th</sup> November, 2019.

Ms. Jayshree Iyer has also resigned from the post of an Independent director of the company due to her health issues and personal reason w.e.f. 31<sup>st</sup> July, 2019.

The Board expresses its deep sense of appreciation and gratitude towards both of Directors for their association and contribution made by them during their association with the Company.

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 Independent Directors of the Company is related to each other.

None of the Directors hold directorships in more than 20 companies. Further individual directorships of any director's 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 directorship and Committee Chairmanship/Memberships held by the Directors in other Public companies as on March, 2020 are given below:

Sr. No.	Name of Director	Designation	No. of Other Directorship	No. of equity shares held in Co.	Member/Chairperson of the committee	
					Member	Chairman
1	Mr Vinod S Jhavar	M.D & Chairman	0	15,29,978	-	-
2	Mr. Mukul V Jhavar	Executive Director	0	60,000	-	-
3	Mr. Mahesh S Jhavar	Executive Director	1	84,100	-	-
4	Mr. Durgesh Kabra	Independent Director	0	-	2	1
5	Ms. Ayushi Gilra	Independent Director	0	-	2	1
6	Mr. Athul Rungta	Independent Director	0	-	2	-

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 2019-2020 Seven 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 27/05/2019, 17/06/2019, 06/08/2019, 16/08/2019, 13/11/2019, 11/01/2020 and 10/02/2020.

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	Entitlement to attend	No. of Board Meetings attended	Whether last AGM attended
Mr. Ramautar S. Jhawar	7	5	5	No
Mr. Vinod S. Jhawar	7	7	7	Yes
Mr. Mahesh S. Jhawar	7	7	7	Yes
Mr. Gopal Mohta	7	5	5	No
Mr. Mukul V. Jhawar	7	5	5	Yes
Mr Durgesh Kabra	7	7	5	No
Ms Ayushi Gilra	7	5	5	No
Mr. Athul Rungta	7	1	1	No

#### **EVALUATION OF INDEPENDENT DIRECTORS AND BOARD PERFORMANCE**

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

#### **SEPARATE MEETING OF INDEPENDENT DIRECTOR**

The meeting of Independent Directors was scheduled on 23<sup>rd</sup> March, 2020 but due to lockdown meeting could not be held in person and company had availed the exemption granted by MCA vide its General circular No. 11/2020 dated 24<sup>th</sup> March, 2020 Viz. Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak.

However it was noted that 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.

#### **FAMILIARIZATION PROGRAM**

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates,



business model of the Company, etc. The detail of such familiarization program has been disclosed on the company's website.

#### DETAILS OF DIRECTOR APPOINTED AND RE-APPOINTED DURING THE YEAR:

The details of Director re-appointed in the ensuing Annual General Meeting has been given in the 'Notice' calling the 28th Annual General Meeting of the Company.

#### CODE OF CONDUCT

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

#### PRESENT DIRECTORSHIP IN OTHER COMPANIES AND COMMITTEE POSITION INCLUDING DHANLAXMI FABRICS LIMITED)-

S.No.	Name Of Director	No.of Directorship held in Public Cos. (incl DFL)	Directorship held in Public Listed Companies and Committee Position(s)		
			Name of the company	Listed or Unlisted	Name of Committee(s) and Designation
1.	Vinod S. Jhavar	1	Dhanlaxmi FabricsLtd (M.D. and Chairman)	Listed	-
2.	Mukul V. Jhavar	1	Dhanlaxmi Fabrics Ltd (Executive Director)	Listed	-
3	Mahesh S. Jhavar	2	Dhanlaxmi Fabrics Ltd (Executive Director) Dhanlaxmi Cotex Ltd (WTD)	Listed	-
4.	Durgesh Kabra	1	Dhanlaxmi Fabrics Ltd (Independent Director)	Listed	AC - Chairman SRC - Member NRC - Chairman CSR - Member
5.	Ayushi Gilra	1	Dhanlaxmi Fabrics Ltd (Independent Director)	Listed	AC - Member SRC - Chairman NRC - Member CSR - Chairman
6.	Athul Rungta	1	Dhanlaxmi Fabrics Ltd (Independent Director)	Listed	AC - Member SRC - Member NRC - Member CSR - Member

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

#### SKILL/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

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

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

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

#### COMMITTEES OF THE BOARD :

The Board Committees focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. Each Committee of the Board is guided by its terms of reference. The Committees also make specific recommendations to the Board on various matters required. All observations, recommendations and decisions of the Committees are placed before the Board for its information or approval. All the minutes of committee meetings are placed before the Board for its noting. For better Corporate governance mechanism & robust flow of information between Executive and Independent Directors of the Company It has decided by the Board that only Independent Directors of the Board Member shall become a member of Board Committee/s and Chairman of such Committee/s.

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 Board of the Board

## Constitution of Committees

<b>Audit Committee</b> Mr. Durgesh Kabra (Chairman) Ms. Ayushi Gilra (Member) Mr. Athul Rungta (Member)	<b>Nomination &amp; Remuneration Committee</b> Mr. Durgesh Kabra (Chairman) Ms. Ayushi Gilra (Member) Mr. Athul Rungta (Member)	<b>Stakeholder &amp; Investor Grievance Committee</b> Ms. Ayushi Gilra (Chairman) Mr. Durgesh Kabra (Member) Mr. Athul Rungta (Member)	<b>Corporate Social Responsibility Committee</b> Ms. Ayushi Gilra (Chairman) Mr. Durgesh Kabra (Member) Mr. Athul Rungta (Member)
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### 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 otherservices;
- 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 controlsystems;
- e) Reviewing the adequacy of Cost Audit function ;
- f) Discussing with Cost Auditors any significant findings and follow up on such issues; vii. discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- g) Reviewing the Company's financial and risk management policies;and
- h) Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any
- i) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

### COMPOSITION

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Mr. Durgesh Kabra	5	5	3
Mr. Gopal Mohta *	5	4	3
Ms. Jayashree Iyer !	5	1	1
Mr. Ramautar S. Jhavar *	5	4	4
Ms Ayushi Gilra \$	5	3	3
Mr. Vinod S. Jhavar @	5	1	1
Mr. Athul Rungta #	5	1	1

Note: ! Resigned w.e.f. 31.07.2019; \*Resigned w.e.f. 13.11.2019; @ Appointed w.e.f. 13.11.2019; \$ Appointed w.e.f. 06.08.2019; # Appointed w.e.f. 10.02.2020

Total (5) 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: 27/05/2019, 06/08/2019, 16/08/ 2019, 13/11/ 2019 , and 10/02/2020. The necessary quorum was present for all the meetings.

**NOMINATION AND REMUNERATION COMMITTEE AT GLANCE:**

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

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

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

**COMPOSITION :**

<b>Name of the Directors</b>	<b>No. of Meetings held</b>	<b>Entitlement to attend</b>	<b>No. of Meetings attended</b>
Mr. Durgesh Kabra	2	2	2
Mr. Gopal Mohta *	2	1	1
Ms. Jayashree Iyer !	2	0	0
Mr. Ramautar S. Jhavar *	2	1	1
Ms Ayushi Gilra \$	2	2	2
Mr. Athul Rungta #	2	1	1

Note: ! Resigned w.e.f. 31.07.2019; \*Resigned w.e.f. 13.11.2019; \$ Appointed w.e.f. 06.08.2019; # Appointed w.e.f. 10.02.2020

Two NRC meetings were held during the year. The date on which the said meetings were held 06.08.2019 and 10.02.2020; the necessary quorum was present for all the meetings.

**REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED 31ST MARCH, 2020 :**

Name of Directors	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
Mr. Vinod S. Jhawar	55,00,000	-	-	0	55,00,000/-
Mr. Ramautar S. Jhawar	-	-	22,500	0	22,500/-
Mr. Mahesh S. Jhawar	2,00,000	-	22,500	0	2,22,500/-
Mr. Mukul V. Jhawar	12,60,000	-	7,500	0	12,67,500/-
Mr. Durgesh Kabra	-	-	22,500	0	22,500/-
Mr. Gopal Mohta	-	-	15,000	0	15,000/-
Ms. Jayashree Iyer	-	-	15,000	0	15,000/-
Ms Ayushi Gilra	-	-	15,000	0	15,000/-
Mr. Athul Rungta	-	-	-	0	-

**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 2019-2020 on 27.05.2019, 06.08.2019, 13.11.2019 and 10.02.2020.

**COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms. Jayashree Iyer !	4	1	1
Mr. Gopal Mohta *	4	3	3
Mr. Mahesh Jhawar	4	3	3
Mr. Ramautar S. Jhawar *	4	3	3
Ms Ayushi Gilra \$	4	3	1
Mr. Vinod S. Jhawar @	4	1	1
Mr. Athul Rungta #	4	1	1

Note: ! Resigned w.e.f. 31.07.2019; \*Resigned w.e.f. 13.11.2019; @ Appointed w.e.f. 13.11.2019; \$ Appointed w.e.f. 06.08.2019; # Appointed w.e.f. 10.02.2020

**Details of investor complaints received and redressed during the year 2019-20 are as follows:**

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Pursuant to Section 135 of the Companies Act, 2013 the Companies (Corporate Social Responsibility) Rules, 2014 are applicable to the Company for the Financial Year 2019-2020.

A Corporate Social Responsibility Committee (CSR Committee) was constituted by the Board of Directors of your Company at its Meeting held on June 07, 2019 and a CSR Policy was also formulated.

A brief outline of the Company's CSR Policy including total amount to be spent for the Financial Year 2018-2019 along with details of CSR Committee are provided in Annexure-VII, forming part of the Directors' Report.

The Corporate Social Responsibility Committee (CSR Committee) is headed by Ms. Ayushi Gilra, Non-Executive Independent Director of the Company. Other Members of the Committee comprises of Shri Durgesh Kabra and Shri Athul Rungta, an Independent Non- Executive Directors of the Company.

Mr. Gopal Mohta has resigned from his position as Chairman of the Committee and director of the Company w.e.f. 13<sup>th</sup> November, 2019 on March 30, 2019 Ms. Ayushi Gilra was appointed the Chairman of the Committee in his place.

1 (One) Meeting of the Corporate Social Responsibility Committee was held on November, 13 during the Financial Year 2019-20 and the attendance of the Members was as follows:

**COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms Ayushi Gilra	1	1	1
Mr. Athul Rungta	1	1	1
Mr. Durgesh Kabra	1	1	1

**DISCLOSURES:**

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

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

**LISTING:**

The Company's Shares are listed during the year on Bombay Stock Exchange; the Company has paid the Listing Fees for F.Y. 2020-2021.

**DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES :**

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

**PREVENTION OF INSIDER TRADING:**

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

**CEO AND CFO CERTIFICATION:**

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

**OTHER DISCLOSURES:**

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

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

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

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

- a. Number of complaints filed during the financial year 2019-20- NIL
- b. Number of complaints disposed of during the financial year 2019-20- NIL
- c. Number of complaints pending as on end of the financial year 2019-20- NIL

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

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



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

As required by the IND AS-24, the details of related party transactions are given in Note to the notes on financial statements for the Financial Year 2019-20, forming part of Accounts.

#### MANAGEMENT DISCLOSURES :

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

#### DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENT UNDER THIS CLAUSE

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

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

#### PARTICULARS OF SATUTORY AUDITOR:

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

Total fees for financial Year 2019-20, for all services as mentioned below, was paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

PAYMENT TO AUDITORS	Basic	GST	Gross
Statutory Audit Fees	1,00,000	18,000	1,18,000
Tax Audit Fees	3,05,000	54,900	3,59,900
Other Fees			
<b>Total</b>	<b>4,05,000</b>	<b>72,900</b>	<b>4,77,900</b>

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

#### PARTICULARS OF COST AUDITOR:

Name of the Cost Auditor	Mr. Dilip M. Bathijia
Firm Registration No.	100106
Date of Appointment for the year 2019-20:.(Board Meeting)	29-06-2020
Cost Audit Fees for F.Y. 2020-21	22,500/-

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

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

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

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

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

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

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

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

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

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

#### **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
2018-19	27 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	28 <sup>th</sup> Sept, 2019 at 01:30 p.m.
2017-18	26 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	29 <sup>rd</sup> Sept, 2018 at 01:00 p.m.
2016-17	25 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	23 <sup>rd</sup> Sept, 2017 at 01:00 p.m.

- 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 28<sup>th</sup> Annual General Meeting:**

Day & Date	Time	Venue
Saturday, 26 <sup>th</sup> September, 2020	01.00 p.m.	(Via Video Conferencing Mode) Registered Office : Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra

**B. Financial Calendar (2020-21)**

Particulars	Period
Financial Year	April 1, 2019 to March 31, 2021
<b>For consideration of Unaudited/Audited Financial Results</b>	
Results for quarter ending June 30, 2020	On or before September 14, 2019 (1 Month of extension by SEBI due to Covid-19)
Results for quarter ending September 30, 2020	On or before November 14, 2020
Results for quarter ending December 31, 2020	On or before February 14, 2021
Results for quarter ending March 31, 2021	On or before May 30, 2021
Annual General Meeting for the year ending March 31, 2021	On or before September 30, 2021

**C. Book Closure Date**

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 21.09.2020 to 26.09.2020. (Both days inclusive)

**D. Share Transfer System**

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

**E. Dividend Payment Date:** Not Applicable.

- F.** a. Listing of Equity Shares: Bombay Stock Exchange  
b. Listing fee is paid to the Bombay stock exchange Limited.

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

**H. Dematerialization of Shares**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on 31<sup>st</sup> March, 2020 are as follows:

Mode	No. of Shares	% Shares
Physical Form	2,90,360	03.38
With NSDL	2,85,250	03.33
With CDSL	80,05,490	93.29
<b>Total</b>	<b>85,81,100</b>	<b>100%</b>

#### I. Market Price Sensitive Information:

The monthly 'high' and 'low' closing prices of the shares traded during the period from **April 2019 to March 2020** on BSE are given below:

Month	High	Low	Close	No of Shares Traded	Month	High	Low	Close	No of Shares Traded
Apr-19	31.00	25.95	29.75	5353	Oct-19	26.00	22.45	23.50	667
May-19	35.50	26.75	27.55	4157	Nov-19	24.50	19.80	22.45	3605
Jun-19	29.90	19.05	21.00	8682	Dec-19	23.55	19.30	20.20	4154
Jul-19	26.00	20.15	21.15	3056	Jan-20	27.90	21.15	26.00	8670
Aug-19	23.30	18.05	22.65	3692	Feb-20	27.65	21.50	22.50	239
Sep-19	26.00	19.45	23.60	844125	Mar-20	24.70	14.90	14.90	149

#### J. Shareholding pattern of the company as on 31st March, 2020

Category	No. of Shares held	% of Shareholding
<b>A Promoter's Holding</b>		
<b>1 Promoters</b>		
- Indian Promoters	64,28,506	74.91%
- Foreign Promoters	0	0
<b>2 Persons acting in concert</b>	0	0.00%
<b>Sub – Total</b>	<b>64,28,506</b>	<b>74.91%</b>
<b>B Non-Promoter's Holding</b>	0	0
<b>3 Institutional Investors</b>	0	0
a) Mutual Funds and UTI	0	0
b) Banks, Financial Institutions, Insurance Companies	0	0
c) (Central/State Govt. Institutions/Non Government Institutions)	0	0
<b>C FII's</b>		
<b>Sub – Total</b>	<b>0</b>	<b>0.00%</b>
<b>4 Other CI. member</b>	14,843	0.17%
a) Private Corporate Bodies	15,49,727	18.06%
b) Indian Public	5,85,767	6.82%
c) NRI's	2,257	0.03%
d) OCB's	0	0.00%
<b>Sub-Total</b>	<b>35,99,546</b>	<b>25.09%</b>
<b>Grand Total</b>	<b>85,81,100</b>	<b>100.00%</b>

**K. Distribution of shareholding as on 31st March, 2020**

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
up to 500	796	80.0805	1,52,260	1.77
501-1000	91	9.1549	76,437	0.8908
1001-2000	48	4.829	74,661	0.8701
2001-3000	15	1.5091	38,277	0.4461
3001-4000	7	0.7042	24,215	0.2822
4001-5000	6	0.6036	27,704	0.3228
5001-10,000	11	1.1066	73,806	0.8601
10,000 and above	20	2.0121	81,13,740	94.5536
	<b>994</b>	<b>100%</b>	<b>8,58,11,000</b>	<b>100%</b>

**SHARE CAPITAL AUDIT**

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

**SHARE TRANSFER / TRANSMISSION SYSTEM & PROCESS**

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

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

**MEANS OF COMMUNICATION**

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

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

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

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

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

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

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

**M/s. Dhanlaxmi Fabrics Limited**

CIN: L17120MH1992PLC068861  
**Regd Off:** Manpada Road, Bhopar Village, Dombivli (East),  
Thane- 421 204, Maharashtra, India

**Corp Off:** 401, 402 Kailash Corporate Lounge,  
Park Site, Vikroli (West), Mumbai – 400 079.  
Tel. No. : 095-0251-28705893 / 90 / 91

**Email Id:** info@dfi.net.in, cscompliance@dfi.net.in,  
**Website:** www.dfi.net.in

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhavar  
(Managing Director)

Sd/-  
Mukul V Jhavar  
(Director)

Place: Mumbai  
Date: 19.08.2020

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2020.

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.

### **OVERALL REVIEW:**

The overall profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to unfavorable market conditions prevailing for a major part of the year in all the business segments and to some extent towards the latter part of the March profitability also got impacted on account of the lockdown pursuant to Govt.'s directives to prevent spread of pandemic COVID-19.

In Textiles, it was affected due to weak domestic market conditions and in Paper realizations dropped due to tough international market conditions. Working and operational parameters at all the plants of the Company were satisfactory during the year.

Overall negative impact is expected across the industry due to current COVID 19 pandemic. A shift towards online business is expected to happen due to the fear & the restrictions to maintain the social distancing. Also, there could be short time recessionary pressure due to job losses and money crunch in the market and it will take a good 6 to 8 months before we could see demand coming back in the Textile industry.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The COVID 19 break down in the second half of March affected the numbers adversely and all markets have literally been stopped across the globe. It has led to lockdown and shrinkage in all economies world-wide very sharply. The above has put a lot of pressure on Textile industry in India which was already facing a lot of challenges due to delays in receiving the GST refunds as well as delay in receiving the export benefits. On positive note there is surge in E-commerce and online sales.

Indian textile industry is facing huge liquidity crunch and uncertainty pertaining to future orders.

Global economy has witnessed a serious health epidemic challenge, and the whole world is trying to find its solution. Such a war like situation is adversely affecting almost all the industries of any country.

Once gravity of these crises will soften, the industry is expected to grow in some or the other form and will catch up with domestic as well as global economy growth.

**OPPORTUNITIES AND THREATS:**

Currently the biggest threat is COVID 19 and its impact. It is expected that overall textile business will be severely affected which would result in various job losses across the value chain.

First half of FY 21 is expected to be very tough and the second half is expected to give some relief to the business and the society in general if all the countries especially India is able to control the COVID- 19 Pandemic.

Going ahead, there could be a positive side for textile business as USA and EU customers who will be looking for alternative for China, may move to other countries such as Vietnam, Bangladesh, India, etc. Hence it is expected that demand will increase in textile fabrics for exports, but we need to ensure that we prepare ourselves to take the advantage of the expected business which might drift away from China.

**SEGMENT WISE OR PRODUCT-WISE PERFORMANCE:**

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

The other Segment is Real Estate; this business vertical is of non-conventional energy generation from wind. Company is using production of this segment as a captive consumption from previous year.

**RISK AND CONCERNS:**

In March 2020, the World Health Organization (WHO) Covid-19 a global Pandemic. Consequent to this, Government of India has declared nationwide lock-down on March, 24 2020, which has impacted normal business operations of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available to the date of approval of these financial results, to determine the impact on Company's revenue from operations for foreseeable future and carrying value of certain asset such as property, plant and equipment, investments, inventories, trade receivables and MAT credit. The impact of Covid-19 pandemic on the overall economic environment being uncertain and may affect the underlying assumptions and estimates used to prepare Company's Financial results, which may differ from that considered as at the date of approval of Financial results. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves the future. The Company has resumed its business activities by re-opening of its factory situated at Dombivali in line with the guidelines issued by Government authorities. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations.

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.

**CURRENT & FUTURE OUT LOOK**

For F.Y. 2020-21, the immediate focus shall be on the recovery of the outstanding and ensuring the earliest dispatches of the finished goods inventory to have a tighter control on the working capital and reigning in fixed costs to conserve cash.

Overall, F.Y. 2020-21, is expected to be a tough year for the textile industry and major focus shall be on cost cutting measures, improving productivity, reduction in wastage and efforts on taking quality to next level and deriving efficiency to make products further cost competitive. Further, the division plans to make some structural changes in organization to make it lean and agile and focus will be on giving improved services to customers to retain market share.



Once we are through from the lock-down and the market reopens, the division expects to bounce back, with its new world-wide product range ensuring competitive products. It is a testing period for all of us, but with our good brand image and network in the market, the dependency on reliable reputed players in the market, we expect to be back on track soon.

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

Being 28 years old unit placed within the thickly populated area at the out skirts of Dombivali is very much thirsty for expansion and looking for sizable land parcel. To make further investment in the plot & machinery, the company is exploring the possibility of bank & equity funding.

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

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

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

<b>Particulars</b>	<b>2019-20</b>	<b>2018-18</b>
Turnover	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Processing Charges Fabric /Yarn, Labour	3399.62	3674.61
Fabrics / Yarn /Garment Sale	-	3708.26
Power Sale	48.63	32.06
<b>Total</b>	<b>3448.25</b>	<b>7414.93</b>
<b>Profitability</b>		
Net Profit after Taxation	<b>185.02</b>	617.04

#### **PERFORMANCE OF THE BOARD AND COMMITTEES:**

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

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

**HUMAN RESOURCES MANAGEMENT:**

The Company continues to accord the highest priority to health and safety of its employees and communities it operates in. The Company has been fully committed to comply with all applicable laws and regulations and maintains the highest standard of Occupational Health and Safety and ensures safer plants. We believe in good health of our employees.

Further, to prevent the spread of pandemic Covid-19, the Company has taken all precautionary measures required, such as social distancing, use of masks and sanitizers etc., at all its plant and construction sites as well as at office locations. Your Company is in full compliance of all Government directives issued in this behalf.

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

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

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

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

**STATE OF AFFAIRS OF THE COMPANY:**

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

In power segment the company has installed Wind turbine of 1.25 MW in Dhule Maharashtra.

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

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

**KEY FINANCIAL RATIOS:**

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

The Company has identified following ratios as key financial ratios:

Particular	FY 2019-20	FY 2018-19	% Change
Debtors Turnover Ratio	4.76	25.83	-21.07
Inventory Turnover Ratio	6.45	15.65	-9.20
Interest Coverage Ratio* <sup>1</sup>	139.82%	270.25%	-1.30
Current Ratio* <sup>2</sup>	1.73	1.22	0.51
Debt Equity Ratio* <sup>3</sup>	0.42	0.63	-0.21
Operating Profit Margin (%)* <sup>4</sup>	9.77	12.98	-3.21
Net Profit Margin (%)* <sup>4</sup>	2.34%	8.32%	0.06
Return on Net Worth RONW (%)* <sup>5</sup>	4.27%	12.41%	0.08

**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/-  
Mukul V Jhawar  
(Director)

Place: Mumbai  
Date: 19.08.2020

## ANNEXURE-VII CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY**

The Company's CSR philosophy is 'Do good things it will come to you'. The Company's vision is to be a responsible industry leader and demonstrate ethical behavioral practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

At DFL, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

The Company's CSR Policy has been hosted on the Company's Website under the link <http://dfi.net.in/company-profile.html>

**2. Composition of the CSR Committee**

A Corporate Social Responsibility Committee (CSR Committee) was constituted by the Board of Directors of your Company at its Meeting held on June 07, 2019 and a CSR Policy was also formulated.

The Corporate Social Responsibility Committee (CSR Committee) is headed by Ms. Ayushi Girda, Non-Executive Independent Director of the Company. Other Members of the Committee comprises of Shri Durgesh Kabra and Shri Athul Rungta, an Independent Non- Executive Directors of the Company.

Mr. Gopal Mohta has resigned from his position as Chairman of the Committee and director of the Company w.e.f. 13<sup>th</sup> November, 2019 on March 30, 2019 Ms. Ayushi Girda was appointed the Chairman of the Committee in his place.

**3. Average net profit of the Company for the last three Financial Years(as per section 198 of the Companies Act, 2013) for the past three Financial Years**

Net Profit before tax (PBT)	Rs. In Lacs
F.Y. 2016-17	447.38
F.Y. 2017-18	234.16
F.Y. 2018-19	608.64
Total	1290.18
Average	430.06
Prescribed CSR Expenditure for Financial Year 2018-2019 (2% of Net Profits of preceding three Financial Years )	8.60

**4. Details of CSR spent during the Financial Year:**

Total amount to be spent for the Financial Year 2018-2019	8.60
Total amount of CSR activities approved for financial year 2018-19	8.60
Amount spent	8.60
Unspent amount if any	0

**5. Manner in which the amount spent during the Financial year is detailed below:**

CSR Project for the activity identified	Sector in which Project is covered	Projects or Programmes 1. Local are or other 2. Specify the state and district where projects or programmes were undertaken	Amount outlay Budget Project or programme wise	Amount spent on the projects or programmes Sub head (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
Livelihood Generation Girl Child Empowerment Waste Management	Girl Child Empowerment	Mumbai city And Thane	8,60,000	8,60,000	8,60,000	Donation to Garbage Concern Welfare Society

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report. – N.A.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhawar  
(Managing Director)

Sd/-  
Mukul V Jhawar  
(Director)

Place: Mumbai  
Date: 19.08.2020

**CEO/CFO Certification****Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015**

1. I, Vinod S. Jhavar, Managing Director of the Company & Purushottam Randad, 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:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) 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.
2. 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.
3. 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.
4. We have indicated to the Auditors and the Audit Committee
  - (a) Significant changes in internal control over financial reporting during the year;
  - (b) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
  - (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For and on behalf of the Board

Sd/-  
Vinod S. Jhavar  
(Managing Director)

Sd/-  
Purushottam Randa,  
(Chief Financial Officer)

Place: Mumbai  
Date: 29.06.2020

**CERTIFICATE FOR ADHERENCE TO THE CODE OF CONDUCT (PURSUANT TO REGULATION 17(8) OF SEBI(LODR) REGULATIONS, 2015]**

Declaration by the Director

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2020.

For and on behalf of the Board

Sd/-  
Vinod S. Jhavar  
(Managing Director)

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE Requirements under the SEBI (LODR) 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, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020, 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 RHAD & Co.,  
Chartered Accountants

Sd/-  
Dinesh Bangar  
Partner  
M No. 036247  
Place: Mumbai  
Date: 29.06.2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To,**  
**The Members**  
**Dhanlaxmi Fabrics Limited**  
 Bhopar Village, Manpada Road,  
 Dombivli (East), Thane-42120

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Dhanlaxmi Fabrics Limited** having CIN L17120MH1992PLC068861 and having registered office at Bhopar Village, Manpada Road, Dombivli (East), Thane-42120 and (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officer, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

**4. Details of CSR spent during the Financial Year:**

Sr. No.	DIN	Name of Director(s)	Date of Appointment in Company
1	00002903	Vinod Sohanlal Jhawar	01/11/2009
2	00002908	Mahesh Sohanlal Jhawar	01/10/1992
3	00017670	Durgesh Kumar Kabra	28/05/2005
4	07966851	Mukul Vinod Jhawar	06/08/2019
5	00305731	Athul Rungta	10/02/2020
6	08511294	Ayushi Gilra	06/08/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.,  
 Company Secretary in Practice

Sd/-  
 Pankaj Trivedi  
 (Proprietor)  
 CP No. 15301

Place: Mumbai  
 Dated: 19<sup>th</sup> August, 2020



**INDEPENDENT AUDITOR'S REPORT**

To The Members Of Dhanlaxmi Fabrics Limited

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

We have audited the accompanying standalone financial statements of **Dhanlaxmi Fabrics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

**Basis for Opinion**

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

**Key Audit Matters**

Key Audit Matters are these matters that, in our professional judgment, were of most significance in our Audit of Standalone financial statement of the current period. These matters were addressed in the context of our Audit of Standalone financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no significant key audit matters observed by us except the matters reported in the notes to accounts.

**Emphasis of Matters**

We draw attention to

1. Capital Work in Progress includes investment in properties amounting to Rs. 1048.39 lacs consist of advances paid for acquisition of immovable property which are paid for more than 12 months. In the absence of specific timeline, registered transfer deeds and external valuations, there carrying values has been considered as fair values. In absence of reliable external information, no impairment provision have been made there upon.
2. Sundry Debtors include Rs. 653.40 lacs due for more than six months. No provision has been made in the books for the same as the management has considered the same as good and recoverable.
3. Refer to note 3 of the financial statements, Company has made investment of Rs. 67.08 lacs in subsidiary companies which have been considered as long term investment, out of which total net assets of two subsidiaries are below investment values, no impairment loss has been provided for on such investments.

4. Refer to Note no 4 of the financial statements, the loan & advances given are closely monitored by the Board of Directors and therefore no appraisal, renewal, policies, procedure and documents have been executed.

#### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate implementation and maintenance of 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. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditors Responsibility for the audit of 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.

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

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained upto the date of our Auditors' Report. However, future events or conditions may cause the group to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosure and whether the standalone financial statements represent the underline transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities include in the standalone financial statements.

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

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

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

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

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

As required by 'the Companies (Auditor's Report) Order 2016 (the order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 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 operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our Opinion and to the best of our information and according to the explanations given to us:

- 1) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements
- 2) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 3) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the company.

**For R H A D & Co.**  
Chartered Accountants  
Firm Registration No: 102588W

**Dinesh C. Bangar**  
**(Partner)**  
M. No. : 036247  
Place: Mumbai  
Date: 29-06-2020  
UDIN:20036247AAAAA46782

**Annexure A to the Independent Auditor's Report (Referred to in paragraph (1) of our report of even date)**

- I**
- a) The Company has maintained the fixed assets records including quantitative details and situation of fixed assets and is in the process of updating the same.
  - b) As explained to us, the fixed assets have been physically verified by the management at reasonable interval in a phased manner during the year and no material discrepancy has been noticed on such verification and has been properly dealt with in the Books of Accounts.
  - c) As per the information and explanations given to us, the Title Deeds of Immovable Properties are held in the name of company.
- II** The Stock of finished goods, stores, spare parts and raw material have been physically verified by the management at reasonable intervals during the year but as the factory 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**
- a) The Company has granted loans, to Companies covered in the register maintained under section 189 of the Companies Act, 2013.
  - b) In the case of loans granted to any parties in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(ii)(b) of the order is not applicable to the Company in respect of payment of the principal amount.
  - c) There are no overdue amounts for a period of more than 90 days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- IV** In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Companies Act, 2013, with respect to the loan and investment made.
- V** The Company has not accepted any deposits from public.
- VI** The central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company, however the company has maintained the cost records and the same were audited also by the Cost Accountant.
- VII**
- a) As per the information and explanation given by the management, and according to the records of the company with regard to undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, GST and Other Statutory dues applicable to it, the company is generally regular in depositing with appropriate authorities. There are no undisputed amount payable in respect of such statutory dues, which have remained outstanding as at 31st March 2020 for a period more than six months.
  - b) According to the information and explanation given to us, there is no dispute pending in respect of dues of PF, Sales Tax, Income Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, GST except following :

Name of the Statute	Nature of dues	Amount (in Rs.)	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 271(1)©	86,12,309	2009-10	CIT (Appeal)
Income Tax Act, 1961		35,34,216	2010-11	
Income Tax Act, 1961		6,57,281	2011-12	
Income Tax Act, 1961	Income tax assessment u/s 143(3) r.w.s 254	7,00,908	2010-11	CIT (Appeal)
Income Tax Act, 1961		5,95,772	2011-12	
Income Tax Act, 1961		5,06,406	2012-13	

- VIII** The Company has not defaulted in repayment/dues etc. to financial institutions, banks or debenture holders during the year
- IX** The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans during the year.
- X** To the best of our knowledge and beliefs and according to the information and explanation given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under review.
- XI** To the best of our knowledge and beliefs and according to the information and explanations given to us, 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, 2013.
- XII** The Company is not a Nidhi Company as per the provisions of section 406 of the Companies Act, 2013.
- XIII** As per the information and explanation given to us all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the note no.36 on financial statements as required by the applicable accounting standards.
- XIV** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- XV** As per the information and explanation given to us the company has not entered into any non-cash transactions with directors or person connected with him.
- XVI** As per the information and explanations given to us, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **R H A D & Co.**  
Chartered Accountants  
Firm Registration No: 102588w

**Dinesh C. Bangar**  
**(Partner)**  
M. No. : 036247

Place: Mumbai  
Date: 29/06/2020

## **Annexure - B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Dhanlaxmi Fabrics Limited ("the Company") as of 31 March 2020 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 ('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.

#### **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 statement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 **R H A D & Co.**  
Chartered Accountants  
Firm Registration No: 102588W

**Dinesh C. Bangar**  
**(Partner)**  
M. No. : 036247

Place: Mumbai  
Date:29/06/2020



BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH 2020				( Rupees in Lacs)	
	PARTICULARS	Note No.	As at 31st March 2020	As at 31 <sup>st</sup> March 2019	
<b>B</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
a.	Property, Plants & Equipment	2	2,329.31	2,676.08	
b.	Capital work-in-progress		1,048.39	1,048.39	
c.	<b>Financial Assets</b>		-	-	
i)	Investments	3	67.08	67.08	
ii)	Loans given	4	209.40	680.52	
ii)	Other Financial Assets		-	-	
d.	Other tax assets (Net)	5	0.65	0.65	
e.	Other non - current assets	6	300.12	302.23	
f.	Deferred tax Asset		-	-	
	<b>Total Non - Current Assets (A)</b>		<b>3,954.95</b>	<b>4,774.94</b>	
<b>2</b>	<b>Current assets</b>				
a.	Inventories	7	1,201.96	1,160.83	
b.	<b>Financial Assets</b>		-	-	
i)	Trade receivables	8	1,619.25	1,912.25	
ii)	Cash and cash equivalents	9	3.59	23.30	
c.	Current Tax Assets(Net)	10	309.47	219.07	
d.	Other Current Assets	11	241.89	51.65	
	<b>Total Current Assets (B)</b>		<b>3,376.16</b>	<b>3,367.11</b>	
	<b>TOTAL ASSETS (A+B)</b>		<b>7,331.10</b>	<b>8,142.05</b>	
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>EQUITY</b>				
a.	Equity Share capital	12	858.11	858.11	
b.	Other Equity	13	4,301.36	4,116.34	
	<b>Total Equity (A)</b>		<b>5,159.47</b>	<b>4,974.45</b>	
<b>2</b>	<b>LIABILITIES</b>				
a.	<b>Non-current liabilities</b>				
	<b>Financial Liabilities</b>				
i)	Long-term borrowings	14	36.47	162.51	
ii)	Unsecured Loans	14	-	-	
ii)	Other Financial Liabilities		-	-	
b.	Deferred tax liabilities (net)	15	154.37	208.34	
c.	Other long-term liabilities	16	27.06	25.00	
d.	Long-term provisions		-	-	
e.	Other tax Liabilities (net)		-	-	
	<b>Total Non Current Liabilities (B)</b>		<b>217.90</b>	<b>395.85</b>	
	<b>Current liabilities</b>				
a.	<b>Financial Liabilities</b>				
i)	Short-term borrowings	17	1,189.56	2,018.25	
ii)	Trade payables	18	684.11	656.29	
ii)	Other Financial Liabilities		-	-	
b.	Other current liabilities	19	27.13	38.91	
c.	Short-term provisions	20	52.93	58.30	
d.	Current Tax Liabilities(Net)		-	-	
	<b>Total Current Liabilities (C)</b>		<b>1,953.73</b>	<b>2,771.75</b>	
	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>7,331.10</b>	<b>8,142.05</b>	

In Terms Of Our Report Attached  
For R H A D & Co.  
Chartered Accountants  
FR No- 102588W

Dinesh C. Bangar  
(Partner)  
Membership No.036247

Place Mumbai  
Date: 29th June 2020

For and on behalf of the Board,

**Mukul V. Jhavar**  
Director

**Vinod S.Jhavar**  
Managing Director

**Vishnu H. Thaker**  
Company Secretary

**Purushottam Randad**  
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

(Rupees in Rs.)

PARTICULARS		Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations	21	7,757.90	7,414.94
2	Other income	22	137.62	200.31
	<b>Total Revenue</b>		<b>7,895.52</b>	<b>7,615.25</b>
3	<b>Expenses</b>			
	(a) Cost of materials consumed	23	3,008.57	3,607.62
	(b) Cost of Store & Spares Consumed	24	105.18	149.49
	(c) Purchases of stock-in-trade	25	629.74	199.10
	(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(41.13)	(206.46)
	(e) Employee benefits expenses	27	992.22	984.78
	(f) Finance costs	28	157.57	225.10
	(g) Depreciation	29	346.30	404.15
	(f) Other expenses	30	1,939.19	1,876.47
	<b>Total Expenses</b>		<b>7,137.64</b>	<b>7,240.24</b>
4	<b>Profit before exceptional Items &amp; taxes</b>		<b>757.88</b>	<b>375.01</b>
	Exceptional Items	31	(537.58)	233.63
	<b>Profit (Loss) before taxes</b>		<b>220.31</b>	<b>608.64</b>
5	<b>Tax expense:</b>			
	(a) Current tax		89.25	212.75
	(b) Deferred Tax		(53.97)	(221.47)
	<b>Net tax expense</b>		<b>35.28</b>	<b>(8.72)</b>
6	<b>Profit/(Loss) for the period</b>	A	<b>185.02</b>	<b>617.37</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>185.02</b>	<b>617.37</b>
7	<b>Earnings per Equity share</b> (Face Value of Rs. 10/- each)			
	a) Basic		2.16	7.19
	b) Diluted		2.16	7.19
	Significant Accounting Policies Notes on Financial Statements	1 to 39		

In Terms Of Our Report Attached

For R H A D & Co.  
FR No- 102588WDinesh C. Bangar  
Partner  
Membership No.036247Place : Mumbai  
Date: 29th June 2020

For and on behalf of the Board,

Mukul V. Jhawar  
DirectorVishnu H. Thaker  
Company SecretaryVinod S.Jhawar  
Managing DirectorPurushottam Randad  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020****(Rupeesin Lcs)**

Particulars	For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2019	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		757.88		375.01
<i>Adjustments for:</i>				
Depreciation and amortisation	346.30		404.15	
Bad Debts Written off	(605.82)		(9.85)	
(Profit) (-) Loss (+) on sale / write off of assets	(19.85)		(11.18)	
Finance cost	157.57		225.10	
Interest income	(47.43)		(86.53)	
Dividend Received	(0.01)		(0.01)	
Rental Income from Investment Property	(67.44)		(62.82)	
Operating profit / (loss) before working capital changes		521.20		833.86
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories (increase / decrease)	(41.13)		(206.46)	
Trade and othe receivables	293.00		(420.81)	
Other current assets	(280.64)		(185.53)	
Other Current Liabilities	(17.14)		22.01	
Trade and other Payables	27.82		116.99	
Change in Other Non -Current Assets	0.00		(0.65)	
Change in Other Non-Current Liabilities	-		(0.49)	
Change in Capital Work in Progress	-		32.53	
Cash generated from operations		(18.09)		(642.41)
Net income tax (paid) / refunds		503.11		191.46
		89.25		212.75
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>413.86</b>		<b>(21.29)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(7.66)		(78.51)	
Sale of fixed assets	27.98		25.99	
Rental income from investment properties	67.44		62.82	
Long Term Advances	473.22		176.36	
Other Long term Liabilities	2.05		1.57	
Interest on TUF Subsidy & TED Refund	68.24		243.48	
Dividend Received	0.01		0.01	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>631.29</b>		<b>431.72</b>
<b>C. Cash flow from financing activities</b>				
Issue of equity shares	-		-	
Repayment of long-term borrowings	(126.04)		(452.16)	
Net increase / (decrease) in working capital borrowings	(828.69)		200.40	
Interest received	47.43		86.53	
Interest Paid	(157.57)		(225.10)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(1,064.87)</b>		<b>(390.33)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(19.71)</b>		<b>20.10</b>
Cash and cash equivalents at the beginning of the year		23.30		3.20
<b>Cash and cash equivalents at the end of the year</b>		<b>3.59</b>		<b>23.30</b>

In Terms Of Our Report Attached

For R H A D & Co.  
FR No- 102588W

Dinesh C. Bangar

Partner

Membership No.036247

Place : Mumbai  
Date: 29th June 2020

For and on behalf of the Board,

Mukul V. Jhawar

Director

Vishnu H. Thaker

Company Secretary

Vinod S.Jhawar

Managing Director

Purushottam Randad

Chief Financial Officer

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

The Company ("M/S. DHANLAXMI FABRICS LIMITED") is an existing public limited company incorporated on 07<sup>th</sup> March 1980 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Manpada Road, Bhopar Village, Dombivli(East), Thane - 421204. The Company's main activity is cornered in to dealers and manufacturing and Processing of Textile and allied products/services and Power Generation. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (¹).

**2 Significant Accounting Policies**

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

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

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

The financial statements were authorized for issue by the Company's Board of Directors on 29th June 2020.

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

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

(i) Investments are measured at fair value.

**(B) Revenue Recognition**

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

**(I) Sales**

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

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

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

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

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

**(ii) Dividends**

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

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

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

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

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

(ii) Depreciation

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

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

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

**(D) Inventories Valuation**

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

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

(iii) Scrap is valued at net realisable value.

**(E) Cash And Cash Equivalents**

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

**(F) Trade receivables**

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

**(G) Trade and other payables**

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

**(H) Borrowing Cost**

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

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

**(I) Investments**

All Unquoted equity investments are measured at carrying value.

**(J) Employee Benefit**

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

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

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

**(L) Earnings Per Share**

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

**(M) Taxation**

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

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

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

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

**(O) Impairment of Assets**

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

**(P) Provisions and Contingent Liabilities**

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

**(Q) Operating Cycle**

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

**(R) Financial Instruments****(I) Financial Assets****(i) Initial recognition and measurement**

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

**(ii) Subsequent measurement****(a) Financial assets carried at amortised cost (AC):**

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

**(b) Financial assets at fair value through other comprehensive income (FVTOCI):** A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(c) Financial assets at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are measured at FVTPL.

**(iii) Impairment of financial assets**

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

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

(a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

(b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

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

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

**(ii) Subsequent measurement**

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



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

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

**Explanation 1 - Exemptions and exceptions availed**

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

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

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

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

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

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

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

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

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

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

Description of Asset	(Rupees in Lacs)									
	Gross carrying Amount			Accumulated Depreciation/Impairment				Net carrying Amount		
	As at 01/04/2019	Addition during the year	Sold during the year	As at 31/03/2020	As at 31/03/2019	Provided during the year	Adjusted during the year	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land	470.63	-		470.63	-	-	-	-	470.63	470.63
Building	778.09	-		778.09	333.53	24.52	-	358.05	420.05	444.57
Plant & Machinery	5,061.95	3.64		5,065.58	3,596.78	304.58	-	3,901.37	1,164.22	1,465.16
Electrical Installation	158.78	0.13		158.90	122.34	5.92	-	128.26	30.64	36.43
Pipe Fitting	34.62	-		34.62	32.43	0.15	-	32.58	2.04	2.20
Furniture & Fixture	108.75	0.28		109.02	102.30	0.47	-	102.77	6.26	6.45
Laboratory Equipment	27.49	-		27.49	24.50	0.36	-	24.86	2.63	2.99
Office Equipment	11.08	0.73		11.81	8.99	0.41	-	9.40	2.42	2.09
Air Conditioner	19.29	-		19.29	13.05	1.06	-	14.11	5.17	6.24
Computer	50.52	0.79		51.31	46.14	1.94	-	48.08	3.23	4.38
Motor Vehicle	10.00	2.10	10.00	2.10	1.22	0.87	1.87	0.22	1.88	8.78
Misc. fixed Assets	54.18	-		54.18	39.96	2.59	-	42.56	11.62	14.22
House Property	222.23	-		222.23	35.95	3.37	-	39.32	182.92	186.28
<b>Sub Total</b>	<b>7,007.61</b>	<b>7.66</b>	<b>10.00</b>	<b>7,005.27</b>	<b>4,357.19</b>	<b>346.25</b>	<b>1.87</b>	<b>4,701.57</b>	<b>2,303.70</b>	<b>2,650.41</b>
<b>Wind Power Division</b>										
Land	10.00	-	-	10.00	-	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	505.33	0.05	-	505.39	15.61	15.67
<b>Sub Total</b>	<b>5,31,00</b>	<b>-</b>	<b>-</b>	<b>531,00</b>	<b>505,33</b>	<b>0,05</b>	<b>-</b>	<b>505,39</b>	<b>25,61</b>	<b>25,67</b>
<b>Total</b>	<b>75,38,61</b>	<b>7,66</b>	<b>10,00</b>	<b>7,536,27</b>	<b>4,862,53</b>	<b>346,30</b>	<b>1,87</b>	<b>5,206,96</b>	<b>2,329,31</b>	<b>2,676,08</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment				Net carrying Amount	
	As at 01/04/2018	Addition during the year	Sold during the year	As at 31/03/2019	As at 31/03/2018	Provided during the year	Adjusted during the year	As at 31/03/2019	As at 31/03/2018
Land	470.63	-	-	470.63	-	-	-	470.63	470.63
Building	763.09	15.00	-	778.09	309.36	24.16	-	444.57	453.73
Plant & Machinery	5,324.70	50.24	312.99	5,061.95	3,536.55	362.33	302.09	1,465.16	1,788.15
Electrical Installation	150.06	8.91	0.20	158.78	117.05	5.29	-	36.43	33.01
Office Equipment	34.62	-	-	34.62	32.27	0.15	-	2.20	2.35
Furniture & Fixture	108.56	0.19	-	108.75	101.86	0.44	-	6.45	6.70
Laboratory Equipment	27.49	-	-	27.49	24.00	0.51	-	2.99	3.50
Office Equipment	9.78	1.30	-	11.08	8.51	0.48	-	2.09	1.27
Air Conditioner	19.29	-	-	19.29	11.96	1.09	-	6.24	7.33
Computer	47.66	2.86	-	50.52	44.61	1.53	-	4.38	3.05
Motor Vehicle	68.27	-	58.27	10.00	53.63	2.14	54.55	8.78	14.64
Misc. Assets	54.18	-	-	54.18	37.37	2.59	-	14.22	16.81
House Property	222.23	-	-	222.23	32.58	3.37	-	186.28	189.65
<b>Sub Total</b>	<b>7,300.56</b>	<b>78.51</b>	<b>371.46</b>	<b>7,007.61</b>	<b>4,309.74</b>	<b>404.09</b>	<b>356.64</b>	<b>2,650.41</b>	<b>2,990.81</b>
<b>Wind Power Division</b>									
Land	10.00	-	-	10.00	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	505.28	0.05	-	15.67	15.72
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>531.00</b>	<b>505.28</b>	<b>0.05</b>	<b>-</b>	<b>25.67</b>	<b>25.72</b>
<b>Total</b>	<b>7,831.56</b>	<b>78.51</b>	<b>371.46</b>	<b>7,538.61</b>	<b>4,815.02</b>	<b>404.15</b>	<b>356.64</b>	<b>2,676.08</b>	<b>3,016.53</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(Rupees in Lacs)

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

<b>PARTICULARS</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
<b>3. NON-CURRENT INVESTMENTS</b>		
In equity shares of subsidiary companies		
<b>1. Western Chlorides &amp; Chemicals Pvt Ltd</b>	65.08	65.08
2999 Equity Shares @ Rs.2170/- Per Share, F V Rs.100/- Per shares	-	-
<b>2. Dhanesh Fabrics Pvt Ltd</b>	1.00	1.00
9999 Equity Shares @ Rs.10/- each F V Rs.10/- Per shares	-	-
<b>3. DFL Fabrics Pvt Ltd</b>	1.00	1.00
9980 Equity Shares @ Rs.10/- each F V Rs.10/- Per shares		
<b>Total</b>	<b>67.08</b>	<b>67.08</b>
<b>4. LOANS</b>		
Ajay Multi Projects Ltd	15.39	616.06
Jignesh Farics Pvt Ltd	-	64.46
Promtech Impex Pvt Ltd	44.01	-
DFL Fabrics Pvt Ltd	150.00	-
<b>Total</b>	<b>209.40</b>	<b>680.52</b>
<b>4.1</b> During the year Company has given interest free loan to its Wholly Owned Subsidiary DFL Fabrics Pvt Ltd for its principal business activities.		
<b>5 OTHER TAX ASSET(NET)</b>		
Advance tax Paid	-	-
Income Tax Refund Receivable	191.74	191.74
TDS Receivables	-	-
Less: Provision for Income Tax	191.10	191.10
<b>Total</b>	<b>0.65</b>	<b>0.65</b>
<b>6 OTHER NON CURRENT ASSETS</b>		
Security Deposits	96.66	99.73
Fixed Deposits with Bank	23.25	22.28
<b>Income Tax Paid Under Protest</b>	-	-
For A.Y. 2010-11 (Under Appeal)	117.22	117.22
For A.Y. 2011-12 (Under Appeal)	52.10	52.10
For A.Y. 2012-13 (Under Appeal)	5.32	5.32
For A.Y. 2013-14 (Under Appeal)	5.57	5.57
<b>Total</b>	<b>300.12</b>	<b>302.50</b>
<b>7 INVENTORIES</b>		
Finished Goods	201.09	771.28
Raw Material	532.92	278.94
Stock in Process - WIP	271.40	85.65
Stores & Spares	196.55	24.97
<b>Total</b>	<b>1,201.96</b>	<b>1,160.83</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(Rupees in Lacs.)

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

<b>PARTICULARS</b>	<b>As at 31/03/2019</b>		<b>As at 31/03/2018</b>	
<b>8. TRADE RECEIVABLES</b>				
<b>Particulars</b>				
<u>Unsecured</u>				
A) Outstanding For a Period exceeding Six Months from the date they are due for payment				
(i) Considered Good	653.40		710.90	
(ii) Considered Doubtful	-		-	
Less: Provisions for Bad Debts	-	653.40	-	710.90
B) Other Trade Receivable	-			
(i) Considered Good	965.85		1201.36	
(ii) Considered Doubtful	-	965.85	-	1,201.36
<b>Total</b>		<b>1,619.25</b>		<b>1,912.25</b>

Note : No provision for doubtful debtors is made as management of the Company is hopeful of full recoverability of the same.

<b>PARTICULARS</b>	<b>As at 31/03/2020</b>		<b>As at 31/03/2019</b>	
<b>9. CASH AND CASH EQUIVALENTS</b>				
Cash on hand		0.55		9.57
Balance with banks		3.04		13.73
<b>Total</b>		<b>3.59</b>		<b>23.30</b>
<b>10. CURRENT TAX ASSET(NET)</b>				
GST Refund Receivable		245.45		213.98
Advance tax Paid	240.00		145.00	
TDS Receivables	126.02		72.84	
Less: Provision for Income Tax	(302.00)	64.02	(212.75)	5.09
<b>Total</b>		<b>309.47</b>		<b>219.07</b>
<b>11. OTHER CURRENT ASSETS</b>				
Other Loans & Advances		0.26		2.01
Loan to staff		0.82		0.75
Advance to Suppliers		230.83		27.29
Prepaid Expenses		9.98		21.60
<b>Total</b>		<b>241.89</b>		<b>51.65</b>

i) Advance to supplier includes Rs. 217.31 lacs being advance for purchase of coal.

<b>12. EQUITY SHARE CAPITAL</b>	<b>As at 31 /03/2020</b>	<b>As at 31 /03/2019</b>
<b>Authorised Share Capital</b>		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/- Par Value)	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Paid up</b>		
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/-Par Value)	<b>858.11</b>	<b>858.11</b>

(Rupees in Lacs)

**Note No 12.1:** The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2020

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	85.81	858.11	85.81	858.11
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>85.81</b>	<b>858.11</b>	<b>85.81</b>	<b>858.11</b>

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

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

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

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

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

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

Name of Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	% held as at	No of Shares	% held as at
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 Shohanlal Jhawar	-	0.00	778,408	8.79
Vandana Vinod Jhawar	652,430	7.60	0.00	0.00
Vinod Sohanlal Jhawar	1,529,978	17.83	0.00	0.00
Dhanlaxmi Cotex Ltd	1,185,079	13.81	0.00	0.00

13 OTHER EQUITY	As at 31/03/2020	As at 31/03/2019
<b>Capital Reserve</b>		
At the beginning and at the end of the year	-	-
<b>General Reserve</b>	108.46	108.46
Opening Balance(As per last Balance Sheet)	-	-
Add: Transferred from Surplus	108.46	108.46
<b>Surplus</b>		
Opening Balance (As per last Balance sheet)	3,111.88	2494.52
Add: Net Profit after tax Transferred from Statement of Profit & Loss	185.02	617.37
Less: Transfer to General Reserve	3,296.90	3,111.88
	-	-
	<b>3,296.90</b>	<b>3,111.88</b>
<b>Security Premium</b>		
Opening Balance	896.00	896.00
Add: During the Year	-	-
Closing Balance	-	-
<b>Surplus Closing Balance</b>	<b>896.00</b>	<b>896.00</b>

(Rupees in Lacs)		
Particulars	As at 31/03/2020	As at 31/03/2019
<b>13 OTHER EQUITY</b>		
<b>Other Comprehensive Income</b>		
Opening Balance	-	-
Add: During the year	-	-
<b>Closing Balance</b>	-	-
<b>Total</b>	<b>4,301.36</b>	<b>4,116.34</b>
<b>14. LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Term Loan from AXIS Bank	36.47	121.31
Term Loan from The Shamrao Vithal Co-Op. Bank	-	41.20
<b>Total</b>	<b>36.47</b>	<b>162.51</b>
14.1 - Bank term loans are secured by way of first charge over the entire fixed assets of the company both present and future created out of the term loan, Personal guarantee of three director and corporate guarantee of M/s. Western chlorides and chemicals Pvt Ltd subsidiary of the company.		
Particulars	As at 31 /03/2020	As at 31 /03/2019
<b>15. DEFERED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	208.34	429.81
Deffered Tax Liability/ (Assets) for the year	(53.97)	( 221.47)
<b>At Closing of the year</b>	<b>154.37</b>	<b>208.34</b>
15.1 The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation as per Provisions of Companies Act, 2013		
Particulars	As at 31 /03/2020	As at 31 /03/2019
<b>16 OTHER LONG TERM LIABILITIES</b>		
Deposits received from Licensee	27.06	25.00
16.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 to 406 at Kailas Corporate Lounge Vikroli and 2nd floor of Building I at Rajlaxmi Commercial Complex Kalher given on rent to them.		
Particulars	As at 31 /03/2020	As at 31 /03/2019
1. Synergy Property Development Services Pvt Ltd	18.37	18.37
2. G4 Securities Solution (India) Pvt. Ltd.	4.18	3.32
3. Mr. Mohammad Muzaammi Suyani	4.50	3.31
<b>Total</b>	<b>27.06</b>	<b>25.00</b>
16.2 The carrying value of Security Deposits is deemed to be the Fair Value.		

(Rupees in Lacs)

Particulars	As at 31/03/2020	As at 31/03/2019
<b>17 SHORT TERM BORROWING</b>		
<b>Secured Borrowing</b>		
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	122.39	124.61
Cash Credit from Axis Bank Ltd.	349.45	788.33
Working Capital Demand Loan with SVC Bank Ltd	300.00	700.00
Working Capital Demand Loan with Axis Bank Ltd	300.00	-
Current Maturities of Long Term Loan from AXIS Bank	84.84	84.84
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	32.88	320.47
<b>TOTAL</b>	<b>1189.56</b>	<b>2,018.25</b>

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

Particulars	As at 31/03/2020	As at 31/03/2019
<b>18 TRADE PAYABLES</b>		
Sundry Creditors for Goods	587.94	583.70
Sundry Creditors for Expenses	96.18	72.59
Sundry Creditors for Fixed assets	-	-
<b>TOTAL</b>	<b>684.11</b>	<b>656.29</b>

18.1 - Dues to Micro and Small enterprises (Refer note no. 33)

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

Particulars	As at 31/03/2020	As at 31/03/2019
Principle amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	38.27	46.05
<b>19. OTHER CURRENT LIABILITIES</b>		
Charity Fund	324	6.05
Salary payable	14.84	23.54
Advance from Customer	5.28	2.20
Statutory Liabilities	3.76	7.11
<b>Total</b>	<b>27.13</b>	<b>38.91</b>
<b>20 SHORT TERM PROVISIONS</b>		
Provision for Outstanding Expenses	52.93	58.30
<b>Total</b>	<b>52.93</b>	<b>58.30</b>



(Rupees in Lacs.)		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>21 REVENUE FROM OPERATIONS</b>		
Fabric Sales	4,309.71	3,699.58
Textile Job work Income	3,399.57	3674.61
Yarn Sales	-	8.68
Power Sales	48.63	32.06
<b>Total\</b>	<b>7,757.90</b>	<b>7,414.94</b>
<b>22. OTHER INCOME</b>		
Interest Income	47.43	86.53
Bad Debt Recovery	-	4.11
Profit & Loss on sale of Assets	19.85	8.40
Misc. Income	2.02	0.21
Dividend received	0.01	0.01
Rent Received	67.44	62.82
Scrap Sales	-	2.78
VAT Refund/ written back	0.87	35.46
<b>Total</b>	<b>137.62</b>	<b>200.31</b>
<b>23. COST OF RAW MATERIALS CONSUMED</b>		
Yarn	1,436.80	1992.37
Dyes	241.21	279.31
Chemicals	586.52	668.97
Packing Material	34.58	43.09
Coal	652.36	579.15
Consumables	49.39	48.71
Diesel	-	0.77
Custom Duty	6.64	6.33
Blanket	-	0.72
Discount	1.06	(11.80)
<b>Total</b>	<b>3008.57</b>	<b>3607.62</b>
<b>24. STORES AND SPARES CONSUMPTION</b>		
Indigenous	105.18	149.49
<b>Total</b>	<b>105.18</b>	<b>149.49</b>
<b>25. PURCHASES OF STOCK IN TRADE</b>		
Fabric	629.74	194.35
Trading Purchase	-	4.75
<b>Total</b>	<b>629.74</b>	<b>199.10</b>
<b>26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>Inventory ( At close)</b>		
Fabric	201.09	771.28
Work in Progress	271.40	85.65
Windmill Energy Generation Stock	-	-
Raw Material	532.92	278.94
Stores and Spares	196.55	24.97
Building	-	-
Land	-	-
<b>Total</b>	<b>1,201.96</b>	<b>1,160.83</b>

(Rupees in Lacs)		
Particulars	As on 31/03/20	As on 31/03/2019
<b>Inventory ( At close)</b>		
Fabric	771.28	703.61
Work in Progress	85.65	91.81
Windmill Energy Generation Stock	-	13.10
Raw Material	278.94	105.23
Stores and Spares	24.97	40.62
<b>Total</b>	<b>1,160.83</b>	<b>954.37</b>
<b>Net Change</b>	<b>(41.13)</b>	<b>(206.46)</b>
<b>27. EMPLOYEE BENEFIT EXPENSES</b>		
Labour Job Charges	600.52	616.21
Salary Bonus and Others	290.64	273.05
Director's Remuneration	67.60	60.00
Contribution to P.F & ESIC	19.19	17.21
Contribution to Gratuity Fund	5.90	12.48
Contribution to Maharashtra Labour Welfare Fund	0.09	0.06
Staff welfare Expenses	8.28	5.77
<b>Total</b>	<b>992.22</b>	<b>984.78</b>
<p>(27.1) The Company has provided for Gratuity Fund as per Rs. 5.90 Lakhs as per contribution to LIC Annuity scheme (New Group Gratuity Cash Accumulation Plan ) However, as per the Gratuity valuation obtained by the company , the current years obligation to Gratuity to be charged to P &amp;L is Rs. 6.23 Lakhs.</p> <p>(27.2) The Company has not made provision for difference in Defined benefit obligation calculated by Acturial Valuation and Fair value of plan assets to the extent of Rs. 9.45 Lakhs. Further, the company has not recognised amount to the extent of Rs. 00.64 Lakh as Debits to Other Comprehensive Income during the year.</p>		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>28 FINANCE COST</b>		
Interest on Working capital	111.30	124.02
Interest on Term Loan	38.92	81.80
Interest on Others	0.87	9.61
Bank charges/ Processing Fees	6.47	9.66
<b>Total</b>	<b>157.57</b>	<b>225.10</b>
<b>29 DEPRECIATION</b>		
Depreciation on Fixed Assets	346.30	404.15
<p>29.1 Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis</p>		

(Rupees in Lacs)

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

<b>Particulars</b>	<b>As on 31/03/2020</b>	<b>As on 31/03/2019</b>
Electricity Charges	485.26	425.16
Water Expenses	254.59	266.62
Repairs to building	29.59	6.45
Repairs to Machinery	13.67	31.50
Repairs and Maintenance Others	28.26	10.19
Weaving Charges	34.42	45.49
Freight & forwarding expenses (Domestic)	34.03	26.46
Laboratory expenses	0.94	0.85
Insurance	10.54	7.83
Clearing and Forwarding Charges (International)	2.69	1.43
Sizing/Warping Charges	90.41	120.86
Local Body Tax	-	7.49
Excise Duty on Input Reversed	-	13.30
Textile Job work Expenses	768.93,	722.64
<b>Total</b>	<b>1753.32</b>	<b>1686.29</b>

<b>Particulars</b>	<b>As on 31/03/2020</b>	<b>As on 31/03/2019</b>
<b>30 (b) Selling &amp; distribution expenses</b>		
Sales promotion	9.21	10.25
Cash Discount	-	-
Commission & brockeraage	38.03	33.48
<b>Total</b>	<b>47.25</b>	<b>43.73</b>

<b>30 (c) Administrative expense</b>		
Property Expenses	20.00	14.58
Printing & stationery	7.39	7.21
Postege & courier charges	2.98	2.43
Legal & professional fees	39.87	54.32
Advertisement charges	0.96	88,960
Conveyance expenses	12.79	14.30
General expenses	2.84	2.21
Listing fees - Stock Exchange	3.60	3.10
Lease rent for factory land	15.60	7.80
Vehicle expenses	4.63	9.82
Mobile and Telephone Charges	2.09	2.46
Sitting Fees	1,28	1.35
Sundry Balances W/off	(0.66)	14.92
Travelling Expenses	7.66	6.47
Other expenses	4.50	4.58
Software Development Expenses	4.51	-
CSR expenditure	8.60	-
<b>Total</b>	<b>138.63</b>	<b>146.45</b>
<b>Total 28(a)+28(b)+28(c.)</b>	<b>1,939.19</b>	<b>1,876.47</b>

(Rupees in Lacs)		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>30 PAYMENT TO AUDITORS</b>		
<b>Auditor</b>		
Statutory audit Fees	1.00	0.75
Internal audit fees	2.75	5.50
Cost Audit Fees	0.30	0.30
<b>Total</b>	<b>4.05</b>	<b>6.55</b>
<b>31 EXCEPTIONAL ITEMS</b>		
Interest Received on TUF Subsidy	15.11	243.48
Bad debts written off	(605.82)	(9.85)
TED Refund	53.13	-
<b>Total</b>	<b>(537.58)</b>	<b>233.63</b>
<b>32. MSME disclosure</b>		
The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:		
Particulars	As on 31/03/2020	As on 31/03/2019
1 Principal amount not due and remaining unpaid as on 31.3.2020	17.19	24.42
2 Principal amount due and remaining unpaid as on 31.03.2020	21.08	21.63
3 Interest due on (1) above and the unpaid interest	-	-
4 Interest due and payable for the period of delay other than (3) above	-	-
<b>33 EARNING PER SHARE (EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	185.02	617.37
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	2.16	7.19
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>
<b>34 CONTINGENT LIABILITIES</b>		
<b>Contingent Liabilities not provided for in respect of</b>		
1. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appealent Court	528.96	528.96
<b>35 FOREIGN EXCHANGE EARNING AND OUTGO</b>		
a) Earning - Fabrics Export	-	-
b) Outgo - Import of Spares for Imported Machinery	14.18	29.34

**36 RELATED PARTY DISCLOSURE**

(Rupees in Lacs)

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

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

S.No.	Related Parties	Nature of Relationship
(i)	Dhanlaxmi Cotex Ltd	Common Directors
(ii)	Sohanlal Export Fabrics Pvt Ltd	Common Directors
(iii)	Sohanlal Jhawar Family Trust	Common Directors
(iv)	Dhanlaxmi Export Fabrics LLP	Common Directors
(v)	Promtech Impex Pvt Ltd	Common Directors
(vi)	M R Share Broking Pvt Ltd	Common Directors
(vii)	VRM Share Broking Pvt Ltd	Common Directors
(viii)	Dhanlaxmi Vidyut Pvt Ltd	Common Directors
(xi)	Jhawar Trade & Investment Pvt Ltd	Common Directors
(x)	ASA Agrotech Pvt Ltd.	Common Directors
(xi)	Western Chlorides & Chemicals Pvt Ltd.	Subsidiary Company
(xii)	Dhanesh Fabrics Pvt Ltd	Subsidiary Company
(xiii)	DFL Fabrics Pvt Ltd.	Subsidiary Company
(xiv)	Vinod S Jhawar	Managing Director
(xv)	Mahesh S Jhawar	Common Directors
(xvi)	Mukul Jhawar	Director
(xvii)	Ayushi Gilra	Independent Women Director
(xviii)	Durgesh Kabra	Independent Director
(xix)	Atul Rungta	Independent Director
(xx)	Rahul Jhawar	Relative of Director

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

Sr. No.	Related Parties	Nature of Transactions during the year	2019-2020	2018-2019
(i)	Promtech Impex Pvt Ltd	Interest Received	1.87	0.87
		Loan given(net)	42.33	-
(i)	Western Chlorides & Chemicals Pvt Ltd.	Rent Paid	15.60	7.80
(ii)	Dhanesh Fabrics Pvt Ltd	Textile Job work Charges Received	96.10	148.29
		Rent Received	0.30	0.30
		Fabric Sale	87.95	163.22
		Fabric Purchase	5.21	0.11
(iii)	DFL Fabrics Pvt Ltd.	Yarn Purchase	28.56	-
		Job Process Charges Received	4.02	26.62
		Fabric Sale	0.02	27.04
		Loan Given (Net)	150.00	-
(iv)	Vinod S Jhawar	Directors Remuneration	55.00	60.00
(v)	Mahesh S Jhawar	Directors Remuneration	-	6.00
		Director Sitting Fees	0.23	0.30
(vi)	Mukul V. Jhawar	Directors Remuneration	12.60	-
		Director Sitting Fees	0.08	-
(vii)	Durgesh Kabra	Director Sitting Fees	0.23	-
(viii)	Ayushi Gilra	Director Sitting Fees	0.15	-
(ix)	Gopal Mohta	Director Sitting Fees	0.15	-
(x)	Rahul Jhawar	Commission paid	15.78	-

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

Sr. No	Related parties	2019-2020		2018-2019	
		Dr. Balance	Cr. Balance	Dr. Balance	Cr. Balance
(i)	Western Chlorides & Chemicals Pvt Ltd.	-	-	65.08	-
(ii)	Dhanesh Fabrics Pvt Ltd	39.76	-	9.25	-
(iii)	DFL Fabrics Pvt Ltd.	156.98	-	11.82	-
(iv)	Promtech Impex Pvt Ltd	44.01	-	-	-

(Rupees in Lacs)

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

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

**As at 31st March 2020**

Particulars	Carrying Amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
<b>Financial assets</b>	-					
Investments	-		67.08	67.08	-	-
Trade Receivables	-		1,619.25	1,619.25	-	-
Cash and cash equivalents	-		3.59	3.59	-	-
	-		<b>1,689.92</b>	<b>1,689.92</b>	-	-
<b>Financial liabilities</b>						
Trade Payables			684.11	684.11		
Short Term Borrowings	-		1,189.56	1,189.56	-	-
Long Term Borrowings	-		36.47	36.47	-	-
	-		<b>1,910.14</b>	<b>1,910.14</b>		

**As at 31st March 2019**

Particulars	Carrying amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1	Total
<b>Financial assets</b>	-					
Investments	-		67.08	67.08	-	-
Trade Receivables	-		1,912.25	1,912.25	-	-
Cash and cash equivalents	-		23.30	23.30	-	-
	-		<b>2,002.63</b>	<b>2,002.63</b>	-	-
<b>Financial liabilities</b>						
Trade Payables			656.29	656.29	-	-
Short Term Borrowings	-		2,018.25	2,018.25	-	-
Long Term Borrowings	-		162.51	162.51	-	-
	-		<b>2,837.05</b>	<b>2,837.05</b>	-	-

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

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

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

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

**C.ii. Credit risk**

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

(Rupees in Lacs)

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

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

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

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

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

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

**Ageing of Accounts receivables :**

(Rupees in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
0 - 6 months	965.85	1,201.36
Beyond 6 months	653.40	710.90
<b>Total</b>	<b>1,619.25</b>	<b>1,912.25</b>

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

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

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

**C.iii. Liquidity risk**

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

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

**C.iv. Market risk**

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

**C.iv.a Currency risk**

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

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

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

**38 Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013 a CSR committee has been formed by the company. The gross amount required to be spent by the company during the year is Rs 8,60,100 (Rs. Eight Lacs Sixty Thousand and One Hundred Only) and the same has been spent during the year on CSR activities.

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

**For R H A D & Co**  
Chartered Accountants  
FR No - 102588W

**FOR DHANLAXMI FABRICS LIMITED**

**Vinod S.Jhawar**  
Managing Director

**Purushottam Randad**  
Chief Financial Officer & Director

**Dinesh Bangar**  
Partner  
Membership No.036247

**Mukul V. Jhawar**  
Director

**Vishnu H. Thaker**  
Company Secretary



**DHANLAXMI FABRICS LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Rupees in Lacs.)

Particulars	Numbers		Amount		
<b>A. Equity Share Capital</b>					
<b>Balance at at 1st April, 2018</b>		<b>85.81</b>		<b>858.11</b>	
Changes in equity share capital during the year					
<b>Balance at at 31st March, 2019</b>		<b>85.81</b>		<b>858.11</b>	
Changes in equity share capital during the year					
<b>Balance at at 31st March, 2020</b>		<b>85.81</b>		<b>858.11</b>	
<b>B. Other Equity</b>					
Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
<b>Balance at 1st April, 2018</b>	<b>896.00</b>	<b>108.46</b>	<b>2,494.52</b>		<b>3,498.98</b>
Profit for the year	-	-	617.37	-	617.37
Trf to General Reserve	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
<b>Balance at 31st March, 2019</b>	<b>896.00</b>	<b>108.46</b>	<b>3,111.88</b>		<b>4,226.34</b>
Profit for the year	-	-	185.02	-	185.02
Final Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
<b>Balance at 31st March, 2020</b>	<b>896.00</b>	<b>108.46</b>	<b>3,296.90</b>	-	<b>4,301.36</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### INDEPENDENT AUDITORS REPORT

To

The Members of Dhanlaxmi Fabrics Limited

Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

We have audited the accompanying consolidated financial statements of Dhanlaxmi Fabrics Limited (hereinafter referred to as the Holding Company) and its subsidiaries (Holding Company and its subsidiaries together referred to as the Group, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

#### **Emphasis of Matters**

We draw attention to

1. Capital Work in Progress includes investment in properties amounting to Rs. 1048.39 lacs consist of advances paid for acquisition of immovable property which are paid for more than 12 months. In the absence of specific timeline, registered transfer deeds and external valuations, there carrying values has been considered as fair values. In absence of reliable external information, no impairment provision have been made there upon.
2. Sundry Debtors include Rs. 710.50 lacs due for more than six months. No provision has been made in the books for the same as the management has considered the same as good and recoverable.
3. Refer to Note no 4 of the financial statements, the loan & advances given are closely monitored by the Board of Directors and therefore no appraisal, renewal, policies, procedure and documents have been executed.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditors Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Other Matters**

- We did not audit the financial statements of DFL Fabrics Pvt. Ltd., subsidiary, whose financial statements / financial information reflect total assets of Rs. 210.25 lacs as at 31st March, 2020, total revenues of Rs.326.30lacs and net cash flows 111.85 lacs amounting to Rs. for the year ended on that date, as considered in the consolidated financial statements.

### **Report on Other Legal and Regulatory Requirements As required by Section 143(3) of the Act, we report, to the extent applicable, that:**

- o We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- o In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

- o The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- o In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- o On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

- o With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  2. The Consolidated Financial statements did not have any long term contracts including derivative contracts.
  3. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For **R H A D & Co.**  
Chartered Accountants  
Firm Registration No: 102588W

**Dinesh C. Bangar**  
**(Partner)**  
M. No. : 036247  
Place: Mumbai  
Date: 29-06-2020  
UDIN:20036247AAAAA46782

# CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH 2020				( Rupees in Lacs.)	
	PARTICULARS	Note No.	As at 31st March 2020	As at 31 <sup>st</sup> March 2019	
<b>A</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
a.	Property, Plants & Equipment	2	2,389.40	2,746.01	
b.	Capital work-in-progress		1,048.39	1,048.39	
c.	<b>Financial Assets</b>				
i)	Investments	3	64.37	18.83	
ii)	Loans given	4	221.76	634.55	
iii)	Other Financial Assets		-	-	
d.	Other tax assets (Net)	5	1.43	2.00	
e.	Other non - current assets	6	300.49	302.60	
f.	Deferred tax Asset		-	-	
	<b>Total Non - Current Assets (A)</b>		<b>4,025.84</b>	<b>4,752.38</b>	
<b>2</b>	<b>Current assets</b>				
a.	Inventories	7	1,347.94	1,355.91	
b.	<b>Financial Assets</b>				
i)	Trade receivables	8	1,845.18	2,093.70	
ii)	Cash and cash equivalents	9	58.40	33.82	
c.	Current Tax Assets(Net)	10	317.81	236.92	
d.	Other Current Assets	11	242.43	52.24	
	<b>Total Current Assets (B)</b>		<b>3,811.77</b>	<b>3,772.59</b>	
	<b>TOTAL ASSETS (A+B)</b>		<b>7,837.60</b>	<b>8,524.97</b>	
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>EQUITY</b>				
a.	Equity Share capital	12	858.11	858.11	
b.	Other Equity	13	4,424.10	4,268.13	
	<b>Total Equity (A)</b>		<b>5,282.21</b>	<b>5,126.24</b>	
<b>2</b>	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
a.	<b>Financial Liabilities</b>				
i)	Long-term borrowings	14	36.47	162.51	
ii)	Unsecured Loans	14	300.70	165.92	
iii)	Other Financial Liabilities		-	-	
b.	Deferred tax liabilities (net)	15	153.13	207.38	
c.	Other long-term liabilities	16	27.06	25.00	
d.	Long-term provisions		-	-	
e.	Other tax Liabilities (net)		-	-	
	<b>Total Non Current Liabilities (B)</b>		<b>517.35</b>	<b>560.81</b>	
	<b>Current liabilities</b>				
a.	<b>Financial Liabilities</b>				
i)	Short-term borrowings	17	1,189.56	2,018.25	
ii)	Trade payables	18	766.12	717.38	
iii)	Other Financial Liabilities		-	-	
b.	Other current liabilities	19	28.82	43.90	
c.	Short-term provisions	20	53.54	58.40	
d.	Current Tax Liabilities(Net)		-	-	
	<b>Total Current Liabilities (C)</b>		<b>2,038.04</b>	<b>2,837.92</b>	
	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>7,837.60</b>	<b>8,524.97</b>	
	Significant Accounting Policies				
	Notes on Financial Statements	1 to 39			

In terms of our report attached

**For R H A D & Co.** **Dinesh C. Bangar**  
Chartered Accountants (Partner)  
FR No- 102588W Membership No.036247

Place : Mumbai  
Date : 29-06-2020

For and on behalf of the Board,

**Mukul V. Jhawar**  
Director

**Vishnu H. Thaker**  
Company Secretary

**Vinod S. Jhawar**  
Managing Director

**Purushottam Randad**  
Chief Financial Officer

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020 (Rupees in Lacs)

Particulars		Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from operations	21	8,443.30	8,158.34
<b>2</b>	Other income	22	150.52	218.74
	<b>Total Revenue</b>		<b>8,593.83</b>	<b>8,377.08</b>
<b>3</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	23	3,008.57	3,607.62
	(b) Cost of Store & Spares Consumed	24	105.18	149.49
	(c) Purchases of stock-in-trade	25	1,077.88	673.01
	(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	7.98	(223.91)
	(e) Employee benefits expenses	27	1,023.14	1,023.88
	(f) Finance costs	28	164.37	240.32
	(g) Depreciation	29	357.17	415.05
	(f) Other expenses	30	2,075.28	2,074.09
	<b>Total Expenses</b>		<b>7,819.56</b>	<b>7,959.57</b>
<b>4</b>	<b>Profit before exceptional Items &amp; taxes</b>		<b>774.27</b>	<b>417.50</b>
	Exceptional Items - TUF Interest	31	(547.16)	233.63
	<b>Profit/(Loss) Before Taxes</b>		<b>227.12</b>	<b>651.13</b>
	<b>Tax expense:</b>			
<b>5</b>	(a) Current tax		91.17	228.22
	(b) Deferred Tax		(54.25)	(222.20)
	(c) Excess / Short Tax Provision of Earlier Years		0.82	-
	<b>Net tax expense</b>		<b>37.74</b>	<b>6.02</b>
	<b>Profit/(Loss) for the period</b>	A	<b>189.38</b>	<b>645.11</b>
	<b>Other comprehensive income</b>			
<b>6</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	-	-
	<b>Total comprehensive income for the period</b> (Profit/ loss + other comprehensive income)	(A+B)	<b>189.38</b>	<b>645.11</b>
<b>7</b>	<b>Earnings per Equity share</b> (Face Value of Rs. 10/- each)			
	a) Basic	33	2.21	7.52
	b) Diluted	33	2.21	7.52
	Significant Accounting Policies Notes on Financial Statements	2 to 39		

In Terms Of Our Report Attached

For and on behalf of the Board,

**For R H A D & Co.**

**Dinesh C. Bangar**

Chartered

(Partner)

Accountants

Membership

FR No- 102588W

No.036247

Place : Mumbai

Date : 29-06-2020

**Mukul V. Jhawar**

Director

**Vinod S.Jhawar**

Managing Director

**Vishnu H. Thaker**

Company Secretary

**Purushottam Randad**

Chief Financial Officer

# CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2020		(Rupees in Lacs)	
Particulars	For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2019
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax		774.27	417.50
<i>Adjustments for:</i>			
Depreciation and amortisation	357.17		415.05
Bad Debts Written Off	(615.40)		(9.85)
(Profit) (-) Loss (+) on sale/write off of assets including Shares	(15.39)		(17.83)
Earlier Year Excess or Short Tax Provision written off	(0.82)		-
Finance costs	164.37		240.32
Interest income	(56.86)		(90.16)
Dividend Received	(0.62)		(0.12)
Rental Income from Investment Property	(83.04)		(70.62)
Operating profit / (loss) before working capital changes		523.68	884.31
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories (increase / decrease)	7.98		(223.91)
Trade and other receivables	248.51		(418.70)
Other current assets	(271.08)		(191.48)
Other Current Liabilities	(19.92)		24.26
Trade and other Payables	48.73		76.85
Change in Other Non -Current Assets	0.57		(1.13)
Change in Other Non-Current Liabilities	-		-
Change in Capital Work in Progress	-		32.53
Cash generated from operations		14.79	(701.58)
Net income tax (paid) / refunds		538.47	182.72
<b>Net cash flow from / (used in) operating activities (A)</b>		91.17	228.22
<b>B. Cash flow from investing activities</b>		447.30	(45.50)
Purchase of fixed assets	(8.68)		(151.03)
Sale of fixed assets	27.98		26.42
Rental income from investment properties	83.04		70.62
Long Term Liabilities	134.78		(24.77)
Long Term Advances	414.90		291.21
Other Long term Liabilities	2.05		1.57
Interest on TUF Subsidy & TED Refund	68.24		243.48
Purchase / Sale of Investment (Net)	(83.41)		0.36
Dividend Received	0.62		0.12
<b>Net cash flow from / (used in) investing activities (B)</b>		639.52	457.98
<b>C. Cash flow from financing activities</b>			
Issue of equity shares	-		-
Repayment of long-term borrowings	(126.04)		(452.16)
Net increase / (decrease) in working capital borrowings	(828.69)		200.40
Interest received	56.86		90.16
Finance cost	(164.37)		(240.32)
<b>Net cash flow from / (used in) financing activities (C)</b>		(1,062.24)	(401.93)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		24.59	10.55
Cash and cash equivalents at the beginning of the year		33.82	23.27
<b>Cash and cash equivalents at the end of the year</b>		58.40	33.82
In Terms Of Our Report Attached	For and on behalf of the Board,		
<b>For R H A D &amp; Co.</b> Chartered Accountants FR No- 102588W	<b>Dinesh C. Bangar</b> (Partner) Membership No.036247	Place : Mumbai Date : 29-06-2020	<b>Mukul V. Jhavar</b> Director <b>Vishnu H. Thaker</b> Company Secretary
			<b>Vinod S.Jhavar</b> Managing Director <b>Purushottam Randad</b> Chief Financial Officer



# CONSOLIDATED FINANCIAL STATEMENTS

## NOTE NO. 1

### 1 Corporate Information

The Consolidated Financial Statements comprise financial statements of "Dhanlaxmi Fabrics Limited" ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31st March 2020. The Principal activities of the group is cornered in to dealers and manufacturing and Processing of Textile and allied products/services and Power Generation.

### 2 Significant Accounting Policies

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

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

- i The Financial Statements of the Holding Company and its Subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expense and Cashflows, after dully eliminating intra-group balances and intra-group transactions
- ii The difference in accounting policies of the Holding Company and its subsidiaries/ associates are not material
- iii The Consolidated Financial Statements have been prepared using Uniform accounting policies for like transactions and other events in similar circumstances
- iv The Carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary
- v The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- vi The Consolidated financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 53 on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows which is separately presented in the annual report.
- vii These Consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.
- viii The Group follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis the TUF subsidiary interest receivable from government for the year 2014-15, 2015-16 which will be accounted on Cash basis as and when received. The Consolidated financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:
  - (i) Investments are measured at fair value.

#### (B) Revenue Recognition

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

#### (I) Sales

- (i) Domestic sales are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.
- (ii) The Company recognises income from power generated on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

# CONSOLIDATED FINANCIAL STATEMENTS

## **(II) Other Income**

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

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

### **(ii) Dividends**

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

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

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

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

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

(ii) Depreciation

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

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

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

## **(D) Inventories Valuation**

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

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

(iii) Scrap is valued at net realisable value.

(iv) Power Inventory is valued at cost

## **(E) Cash And Cash Equivalent**

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

## **(F) Trade receivables**

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## **(H) Borrowing Cost**

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

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

## **(I) Investments**

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

## **(J) Employee Benefit**

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

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

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

## **(L) Earnings Per Share**

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

# CONSOLIDATED FINANCIAL STATEMENTS

## **(M) Taxation**

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

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

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

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

## **(O) Impairment of Assets**

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

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

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

## **(Q) Operating Cycle**

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

# CONSOLIDATED FINANCIAL STATEMENTS

## **(R) Financial Instruments**

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

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

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

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

##### **(a) Financial assets carried at amortised cost (AC):**

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

**(b) Financial assets at fair value through other comprehensive income (FVTOCI):** A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(c) Financial assets at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are measured at FVTPL.

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

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

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

(a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

(b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

### **(II) Financial Liabilities**

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

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

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

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

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment			Net carrying Amount		
	As at 01/04/2019	Addition during the year	Sold during the year	As at 31/03/2020	As at 31/03/2019	Provided during the year	Adjusted during the year	As at 31/03/2020	As at 31/03/2019
Land	472.88	-	-	472.88	-	-	-	472.88	472.88
Building	778.09	-	-	778.09	333.53	24.52	-	420.05	444.57
Plant & Machinery	5,061.95	3.64	-	5,065.58	3,596.78	304.58	-	1,164.22	1,465.16
Electrical Installation	158.78	0.13	-	158.90	122.34	5.92	-	30.64	36.43
Office Equipment	34.62	-	-	34.62	32.43	0.15	-	2.04	2.20
Furniture & Fixture	108.75	0.28	-	109.02	102.30	0.47	-	6.26	6.45
Laboratory Equipment	27.49	-	-	27.49	24.50	0.36	-	2.63	2.99
Office Equipment	11.08	0.84	-	11.92	8.99	0.50	-	2.43	2.09
Air Conditioner	19.29	-	-	19.29	13.05	1.06	-	5.17	6.24
Computer	51.40	1.70	10.00	53.10	46.53	2.57	-	4.00	4.87
Motor Vehicle	93.93	2.10	-	86.03	17.96	11.01	1.87	58.92	75.97
Misc. Assets	54.18	-	-	54.18	39.96	2.59	-	11.62	14.22
House Property	222.23	-	-	222.23	35.95	3.37	-	182.92	186.28
<b>Sub Total</b>	<b>7,094.66</b>	<b>8.68</b>	<b>10.00</b>	<b>7,093.35</b>	<b>4,374.31</b>	<b>357.12</b>	<b>1.87</b>	<b>2,363.78</b>	<b>2,720.35</b>
<b>Wind Power Division</b>									
Land	10.00	-	-	10.00	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	505.33	0.05	-	15.61	15.67
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>531.00</b>	<b>505.33</b>	<b>0.05</b>	<b>-</b>	<b>25.61</b>	<b>25.67</b>
<b>Total</b>	<b>7,625.66</b>	<b>8.68</b>	<b>10.00</b>	<b>7,624.35</b>	<b>4,879.65</b>	<b>357.17</b>	<b>1.87</b>	<b>2,389.40</b>	<b>2,746.01</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment				Net carrying Amount	
	As at 01/04/2018	Addition during the year	Sold during the year	As at 31/03/2019	As at 31/03/2018	Provided during the year	Adjusted during the year	As at 31/03/2019	As at 31/03/2018
Land	472.88	-	-	472.88	-	-	-	472.88	472.88
Building	763.09	15.00	-	778.09	309.36	24.16	-	444.57	453.73
Plant & Machinery	5,324.70	50.24	312.99	5,061.95	3,596.55	362.33	302.09	1,465.16	1,788.15
Electrical Installation	150.06	8.91	0.20	158.78	117.05	5.29	-	36.43	33.01
Office Equipment	34.62	-	-	34.62	32.27	0.15	-	2.20	2.35
Furniture & Fixture	108.56	0.19	-	108.75	101.86	0.44	-	6.45	6.70
Laboratory Equipment	27.49	-	-	27.49	24.00	0.51	-	2.99	3.50
Office Equipment	9.78	1.30	-	11.08	8.51	0.48	-	2.09	1.27
Air Conditioner	19.29	-	-	19.29	11.96	1.09	-	6.24	7.33
Computer	47.94	3.47	-	51.40	44.70	1.82	-	4.87	3.23
Motor Vehicle	86.16	71.92	64.15	93.93	64.21	12.76	59.01	75.97	21.95
Misc. Assets	54.18	-	-	54.18	37.37	2.59	-	14.22	16.81
House Property	222.23	-	-	222.23	32.58	3.37	-	186.28	189.65
<b>Sub Total</b>	<b>7,320.97</b>	<b>151.03</b>	<b>377.34</b>	<b>7,094.66</b>	<b>4,320.41</b>	<b>415.00</b>	<b>361.10</b>	<b>2,720.35</b>	<b>3,000.56</b>
<b>Wind Power Division</b>									
Land	10.00	-	-	10.00	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	521.00	505.28	0.05	-	15.67	15.72
<b>Sub Total</b>	<b>531.00</b>	<b>-</b>	<b>-</b>	<b>531.00</b>	<b>505.28</b>	<b>0.05</b>	<b>-</b>	<b>25.67</b>	<b>25.72</b>
<b>Total</b>	<b>7,851.97</b>	<b>151.03</b>	<b>377.34</b>	<b>7,625.66</b>	<b>4,825.69</b>	<b>415.05</b>	<b>361.10</b>	<b>2,746.01</b>	<b>3,026.28</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

(Rupees in Lacs)

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

Particulars	As at 31/03/2020	As at 31/03/2019
<b>3 NON-CURRENT INVESTMENTS</b>		
Investment in Shares	64.37	18.83
<b>Total</b>	<b>64.37</b>	<b>18.83</b>
<b>4 LOANS GIVEN</b>		
Ajay Multi Projects Ltd	15.39	514.64
Jignesh Farics Pvt Ltd	-	64.46
Lord Venkatesha Yarn Pvt Ltd	-	54.04
Sheetal Kumar S Manrere	-	1.40
Promtech Impex Pvt Ltd	56.36	-
DFL Fabrics Pvt Ltd	150.00	-
<b>Total</b>	<b>221.76</b>	<b>634.55</b>
4.1 During the year Company has given interest free loan to its Wholly Owned Subsidiary DFL Fabrics Pvt Ltd for its principal business activities.		
	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
<b>5 OTHER TAX ASSETS (NET)</b>		
Advance tax Paid	-	-
Income Tax Refund Receivable	192.60	193.16
TDS Receivables	-	-
Less: Provision for Income Tax	(191.17)	(191.17)
<b>Total</b>	<b>1.43</b>	<b>2.00</b>
<b>6 OTHER NON CURRENT ASSETS</b>		
Security Deposits	97.03	100.10
Fixed Deposits with Bank	23.25	22.28
<b>Income Tax Paid Under Protest</b>		
For A.Y. 2010-11 (Under Appeal)	117.22	117.22
For A.Y. 2011-12 (Under Appeal)	52.10	52.10
For A.Y. 2012-13 (Under Appeal)	5.32	5.32
For A.Y. 2013-14 (Under Appeal)	5.57	5.57
<b>Total</b>	<b>300.49</b>	<b>302.60</b>
<b>7 INVENTORIES</b>		
Finished Goods	347.07	933.70
Raw Material	532.92	311.60
Stock in Process - WIP	271.40	85.65
Stores & Spares	196.54	24.97
<b>Total</b>	<b>1347.94</b>	<b>1355.91</b>



# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

(Rupees in Rs.)

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

8 TRADE RECEIVABLES	As at 31/03/2020		As at 31/03/2019	
Particulars				
<u>Unsecured</u>				
A) Outstanding For a Period exceeding Six Months from the date they are due for payment				
(i) Considered Good	710.50		710.90	
(ii) Considered Doubtful	-		-	
Less: Provisions for Bad Debts	-	710.50	-	710.90
B) Other Trade Receivable				
(i) Considered Good	1,134.69		1,382.80	
(ii) Considered Doubtful	-	1,134.69	-	1382.80
<b>Total</b>	-	<b>1845.19</b>	-	<b>2093.70</b>
i) No Provision for Doubtful Debtors is made as Management of the company is hopeful of full recoverability of the same.				
Particulars	As at 31/03/2020		As at 31/03/2019	
<b>9 CASH AND CASH EQUIVALENTS</b>				
Cash on hand		2.08		11.18
Balance with banks		56.33		22.63
<b>Total</b>		<b>58.40</b>		<b>33.82</b>
<b>10 CURRENT TAX ASSET(NET)</b>				
Advance tax Paid		252.35		179.50
GST Refund Receivable		248.37		218.01
TDS Receivables		130.42		76.46
Less: Provision for Income Tax		(313.33)		( 237.05)
<b>Total</b>		<b>317.81</b>		<b>236.92</b>
<b>11 OTHER CURRENT ASSETS</b>				
Other Loans & Advances		0.26		2.01
Loan to staff		0.82		0.75
Advance to Suppliers		230.91		27.29
Prepaid Expenses		10.45		22.19
<b>Total</b>		<b>242.43</b>		<b>52.24</b>
(i) Advance to supplier includes Rs. 217.31 Lacs being advance for purchase of Material)				
<b>12 EQUITY SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>		<b>1,500.00</b>		<b>1,500.00</b>
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)				
<b>Issued, Subscribed and Paid up</b>		<b>858.11</b>		<b>858.11</b>
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/-Par Value)				

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

**Note No 12.1:** The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2020:

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	85,11	858.11	85,81	858.10
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>85,11</b>	<b>858.10</b>	<b>85,11</b>	<b>858.10</b>

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

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

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

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

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

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

Name of Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	% held as at	No of Shares	% held as at
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 Shohanlal Jhawar	-	0.00	778,408	8.79
Vandana Vinod Jhawar	652,430	7.60	0.00	0.00
Vinod Sohanlal Jhawar	1,529,978	17.83	0.00	0.00
Dhanlaxmi Cotex Ltd	1,185,079	13.81	0.00	0.00

13 OTHER EQUITY Particulars	As at 31/03/2020		As at 31/03/2019	
	<b>a. Capital Reserve</b> At the beginning and at the end of the year		-	
<b>b. General Reserve</b> Less: Transfer to General Reserve Opening Balance(As per last Balance Sheet) Add: Transferred from Surplus		119.08		119.08
		-		-
		119.08		119.08
<b>c. Surplus</b> Opening Balance (As per last Balance sheet) Add: Net Profit after tax Transferred from "" (statement of Profit & Loss		3274.59		2,629.47
		189.38		645.11
		3463.97		3,274.59
		-		-
		<b>3463.97</b>		<b>3,274.59</b>
<b>d. Security Premium</b> Opening Balance Add: During the Year <b>Surplus Closing Balance</b>		896.00		896.00
		-		-
		<b>896.00</b>		<b>896.00</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Rs.)

## 13 OTHER EQUITY

Particulars	As at 31/03/2020	As at 31/03/2019
<b>Other Comprehensive Income</b>		
Opening Balance	(21.54)	(10.36)
Add: During the year	(33.41)	(11.18)
<b>Closing Balance</b>	<b>(54.95)</b>	<b>(21.54)</b>
<b>Total</b>	<b>4424.01</b>	<b>4268.13</b>

## 14 LONG TERM BORROWINGS

### Secured Loans

Term Loan from AXIS Bank	36.47	121.31	
Term Loan from The Shamrao Vithal Co-Op. Bank	-	41.20	162.51

### Unsecured Loans

Mahesh S Jhawar	-	74.47	9.97
Jagdish Baheti	-	3.00	
Promtech Impex Pvt Ltd	-	72.93	155.95
Dhanlaxmi Fabrics Limited	-	150.00	
Ajay Multi Project Ltd	-	0.29	

### TOTAL

337.17

328.43

14.1 Bank term loans are secured by way of first charge over the entire fixed assets of the company both present and future created out of the term loan. Personal guarantee of three director and corporate guarantee of M/s. Western chlorides and chemicals Pvt Ltd subsidiary of the company.

Particulars	As at 31 /03/2020	As at 31 /03/2019
<b>15. DEFERED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	207.38	429.58
Deferred Tax Liability/ Assets for the year	(54.25)	(222.20)
<b>At Closing of the year</b>	<b>153.13</b>	<b>207.38</b>

15.1 The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation as per Provisions of Companies Act, 2013

Particulars	As at 31 /03/2020	As at 31 /03/2019
<b>16 OTHER LONG TERM LIABILITIES</b>		
Deposits received from Licensee	27.06	25.00

16.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 to 406 at Kailas Corporate Lounge Vikroli and 2nd floor of Building I at Rajlaxmi Commercial Complex Kalher given on rent to them.

Particulars	As at 31 /03/2020	As at 31 /03/2019
1. Synergy Property Development Services Pvt Ltd	18.37	18.37
2. G4 Securities Solution (India) Pvt. Ltd.	4.19	3.32
3. Mr. Mohammad Muzaammi Suyani	4.50	3.31
<b>Total</b>	<b>27.06</b>	<b>25.00</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
16.2 The carrying value of Security Deposits is deemed to be the Fair Value.		
<b>17 SHORT TERM BORROWING</b>		
<b>Secured Borrowing</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	122.39	124.61
Cash credit from AXIS Bank Ltd	349.45	788.33
Working Capital Demand Loan with SVC Bank Ltd	300.00	700.00
Working Capital Demand Loan with AXIS Bank Ltd	300.00	
Current Maturities of Long Term Loan from AXIS Bank	84.84	84.84
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	32.88	320.47
<b>TOTAL</b>	<b>1189.56</b>	<b>2018.25</b>
17.1 - Cash Credits are secured by way of Hypothication of stocks and Book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.		
<b>Particulars</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2010</b>
<b>18 TRADE PAYABLES</b>		
Sundry Creditors for Goods	669.65	644.64
Sundry Creditors for Expenses	96.47	72.75
<b>TOTAL</b>	<b>766.12</b>	<b>717.38</b>
18.1 - Dues to Micro and Small enterprises (Refer note no. 32) The Company has certain dues to suppliers registered under Micro, small and medium enterprises Development Act 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:		
<b>Particulars</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
Principle amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	66.90	46.05
<b>19 OTHER CURRENT LIABILITIES</b>		
Charity Fund	3.24	6.05
Salary payable	15.96	27.02
Advance From Customers	5.28	2.20
Statutory Liabilities	4.34	8.62
<b>Total</b>	<b>28.82</b>	<b>43.90</b>
<b>20 SHORT TERM PROVISIONS</b>		
Provision for Outstanding Expenses	53.54	58.40
<b>Total</b>	<b>53.54</b>	<b>58.40</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As at 31/03/2020	As at 31/03/2019
<b>21 REVENUE FROM OPERATIONS</b>		
Fabric Sales	4,995.06	4,442.98
Textile Job work Income	3,399.62	3,674.61
Yarn Sales	-	8.68
Power Sales	48.63	32.06
<b>Total</b>	<b>8,443.30</b>	<b>8,158.34</b>
<b>22 OTHER INCOME</b>		
Interest Income	56.86	90.16
Late Payment Charges	2.21	-
Bad Debt Recovery	-	4.11
Profit & Loss on sale of Assets	19.85	7.40
Net LTCCG on sale of Shares	(2.72)	5.05
Net STCCG on Sale of Shares	(1.74)	2.60
Loss from Future and options (F &O) transactions	(10.54)	-
Misc. Income	2.07	0.45
Dividend received	0.62	0.12
Rent Income	83.04	70.62
Scrap Sales	-	2.78
VAT Refund / VAT Written Back	0.87	35.46
<b>Total</b>	<b>150.52</b>	<b>218.74</b>
<b>23 COST OF RAW MATERIALS CONSUMED</b>		
Yarn	1,436.80	1,992.37
Dyes	241.21	279.31
Chemicals	586.52	668.97
Packing Material	34.58	43.09
Coal	652.36	579.15
Consumables	49.39	48.71
Diesel	-	0.77
Custom Duty	6.64	6.33
Blanket	-	0.72
Discount	1.06	(11.80)
<b>Total</b>	<b>3,008.57</b>	<b>3,607.62</b>
<b>24 STORES AND SPARES CONSUMPTION</b>		
Indigenous	105.18	149.49
<b>Total</b>	<b>105.18</b>	<b>149.49</b>
<b>25 PURCHASES OF STOCK IN TRADE</b>		
Fabric	811.06	668.27
Trading Purchase	266.82	4.25
<b>Total</b>	<b>1,077.88</b>	<b>673.01</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>26 Changes in inventories of finished goods, work in progress And stock in trade</b>		
<b>Inventory ( At close)</b>		
Fabric	336.43	933.70
Yarn	10.64	
Work in Progress	271.40	85.65
Windmill Energy Generation Stock	-	-
Raw Material	532.92	311.60
Stores and Spares	196.55	24.97
<b>Total</b>	<b>1,347.94</b>	<b>1,355.91</b>
<b>Inventory ( At commencement)</b>		
Fabric	933.70	881.24
Yarn		
Work in Progress	85.65	91.81
Windmill Energy Generation Stock	-	13.10
Raw Material	311.60	105.23
Stores and Spares	24.97	40.62
<b>Total</b>	<b>1,355.91</b>	<b>1,132.00</b>
<b>Net Change</b>	<b>7.98</b>	<b>-223.91</b>
<b>27 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Job Charges	600.52	616.21
Salary Bonus and Others	321.52	312.06
Director's Remuneration	67.60	60.00
Contribution to P.F & ESIC	19.19	17.21
Contribution to Gratuity Fund	5.90	12.48
Contribution to Maharashtra Labour Welfare Fund	0.09	0.06
Staff welfare Expenses	8.32	5.88
<b>Total</b>	<b>1,023.14</b>	<b>1,023.88</b>
<p>(27.1) The Company has provided for Gratuity Fund as per Rs. 5.90 Lakhs as per contribution to LIC Annuity scheme (New Group Gratuity Cash Accumulation Plan) However, as per the Gratuity valuation obtained by the company , the current years obligation to Gratuity to be charged to P &amp;L is Rs. 6.23 Lakhs.</p> <p>(27.2) The Company has not made provision for difference in Defined benefit obligation calculated by Actuarial Valuation and Fair value of plan assets to the extent of Rs. 9.45 Lakhs. Further, the company has not recognised amount to the extent of Rs. 0.64 Lakh as Debits to Other Comprehensive Income during the year.</p>		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>28 FINANCE COST</b>		
Interest on Working capital	111.30	124.02
Interest on Term Loan	45.66	81.80
Interest on Others	0.87	24.70
Bank charges/ Processing Fees	6.54	9.79
<b>Total</b>	<b>164.37</b>	<b>240.32</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>29 DEPRECIATION</b>		
Depreciation on Fixed Assets	357.17	415.05
29.1 Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>30 OTHER EXPENSES</b>		
<b>30 (a) Manufacturing expenses</b>		
Electricity Charges	485.26	425.57
Water Expenses	254.59	266.62
Repairs to building	29.59	6.45
Repairs to Machinery	13.67	31.50
Repairs and Maintenance Others	28.62	10.19
Weaving Charges	36.92	47.13
Freight & forwarding expenses (Domestic)	36.08	29.17
Laboratory expenses	0.94	0.85
Insurance	11.98	9.20
Clearing and Forwarding Charges (International)	2.69	1.43
Sizing/Warping Charges	90.41	120.86
Local Body Tax		7.49
Excise Duty on Input Reversed	-	13.30
Textile Job work Expenses	880.88	897.34
<b>Total</b>	<b>1,871.62</b>	<b>1,867.10</b>
i) During the Year, amid to ongoing escalation with Government of Maharashtra on Power Tariff, The management has decided to use it Power for captive use. Accordingly the Electricity Expenses stands reduced to that extent.		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>30 (b) Selling &amp; distribution expenses</b>		
Sales promotion	9.21	10.25
Cash Discount	0.11	-
Commission & brokerage	39.36	34.38
<b>Total</b>	<b>48.68</b>	<b>44.63</b>
<b>30 (c) Administrative expenses</b>		
Property Expenses	27.14	20.93
Printing & stationery	7.54	7.23
Postage & courier charges	3.96	2.43
Legal & professional fees	43.48	55.64
Advertisement charges	0.96	0.89
Conveyance expenses	14.85	15.98
General expenses	3.39	2.57
Listing fees - Stock Exchange	3.60	3.10
Lease rent for factory land	15.60	7.80
Vehicle expenses	4.85	12.25
Mobile and Telephone Expenses	2.37	2.63
Sitting Fees	1.28	1.35
Sundry Balances W/off	(0.96)	14.91
Travelling Expenses	7.69	7.62
Other expenses	5.87	7.03
Software Development Expenses	4.76	-
CSR expenses	8.60	-
<b>Total</b>	<b>154.97</b>	<b>162.36</b>
<b>Total 28(a)+28(b)+28(c.)</b>	<b>2,075.28</b>	<b>2,074.09</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2020	As on 31/03/2019
<b>Payment to auditors</b>		
<b>Auditor</b>		
Statutory audit Fees	1.79	1.01
Internal audit fees	2.75	5.50
Cost Audit Fees	0.30	0.30
<b>Total</b>	<b>4.84</b>	<b>6.81</b>
<b>31 EXCEPTIONAL ITEMS</b>		
Interest Received on TUF Subsidy	15.11	243.48
Bad Debts written off	(615.40)	(9.85)
TED Refund	53.13	
<b>Total</b>	<b>(547.16)</b>	<b>233.63</b>
<b>32 MSME disclosure</b>		
The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:		
Particulars	As on 31/03/2020	As on 31/03/2019
1 Principal amount not due and remaining unpaid as on 31.3.2020	45.29	24.42
2 Principal amount due and remaining unpaid as on 31.03.2020	21.61	21.63
3 Interest due on (1) above and the unpaid interest	-	-
4 Interest due and payable for the period of delay other than (3) above	-	-
<b>33 EARNING PER SHARE(EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	189.38	645.11
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	2.21	7.52
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>
<b>34 CONTINGENT LIABILITIES</b>		
<b>Contingent Liabilities not provided for in respect of</b>		
1. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appellate Court	528.96	528.96
<b>35 FOREIGN EXCHANGE EARNING AND OUTGO</b>		
a) Earning - Fabrics Export	-	-
b) Outgo - Import of Spares for Imported Machinery	14.18	29.34



# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## 36 RELATED PARTY DISCLOSURE

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

S.No.	Related Parties	Nature of Relationship
(i)	Dhanlaxmi Cotex Ltd	Common Directors
(ii)	Sohanlal Export Fabrics Pvt Ltd	Common Directors
(iii)	Sohanlal Jhawar Family Trust	Common Directors
(iv)	Dhanlaxmi Export Fabrics LLP	Common Directors
(v)	Promtech Impex Pvt Ltd	Common Directors
(vi)	M R Share Broking Pvt Ltd	Common Directors
(vii)	VRM Share Broking Pvt Ltd	Common Directors
(viii)	Dhanlaxmi Vidyut Pvt Ltd	Common Directors
(ix)	Jhawar Trade & Investment Pvt Ltd	Common Directors
(x)	ASA Agrotech Pvt Ltd.	Common Directors
(xi)	Vinod S Jhawar	Director
(xii)	Mahesh S Jhawar	Director
(xiii)	Mukul V Jhawar	Director
(xiv)	Lalit V Jhawar	Director
(xv)	Rahul V Jhawar	Relative of Director

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

Sr. No.	Related Parties	Nature of Transactions during the year	2019-2020	2018-2019
(i)	Promtech Impex Pvt Ltd	Interest Received	8.35	12.84
		Loan given(net)	6.96	-
(ii)	M R Share Broking Pvt Ltd	Share Purchase	4.62	11.25
		Share Sale	-	13.09
(iii)	VRM Share Broking Pvt Ltd	Share Purchase	77.13	40.20
		Share Sale	76.00	38.70
(iv)	Dhanlaxmi Vidyut Pvt Ltd	Interest on loan (net)	3.84	-
(v)	Vinod S Jhawar	Directors Remuneration	55.00	60.00
(v)	Mahesh S Jhawar	Directors Remuneration	-	6.00
		Director Sitting Fees	0.23	0.30
(vi)	Mukul V. Jhawar	Directors Remuneration	12.60	-
		Director Sitting Fees	0.08	-
(vii)	Durgesh Kabra	Director Sitting Fees	0.23	-
(viii)	Ayushi Gilra	Director Sitting Fees	0.15	-
(ix)	Gopal Mohta	Director Sitting Fees	0.15	-
(x)	Rahul Jhawar	Commission paid	15.78	-
(xi)	Lalit V Jhawar	Directors Remuneration	3.75	-

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

S.No.	Related parties	2019-20		2018-19	
		Dr. Balance	Cr. Balance	Dr. Balance	Cr. Balance
(i)	Promtech Impex Pvt Ltd	56.36			

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

# CONSOLIDATED FINANCIAL STATEMENTS

## 37 Financial instruments – Fair values and risk management

(Rupees in Lacs)

### A. Accounting classification and fair values

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

#### As at 31st March 2020

Particulars	Carrying Amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
<b>Financial assets</b>						
Investments	54.95		64.37	119.32	-	-
Trade Receivables	-		1,845.18	1,845.18	-	-
Cash and cash equivalents	-		58.40	58.40	-	-
	54.95		<b>1,967.96</b>	<b>2,022.91</b>	-	-
<b>Financial liabilities</b>						
Trade Payables	-		766.12	766.12	-	-
Unsecured Loans Short	-		-	-	-	-
Term Borrowings	-		1,189.56	1,189.56	-	-
Long Term Borrowings	-		36.47	36.47	-	-
	-		<b>1,992.14</b>	<b>1,992.14</b>	-	-

#### As at 31st March 2019

Particulars	Carrying amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1	Total
<b>Financial assets</b>						
Investments	2,154		18.83	40.37	-	-
Trade Receivables			2,093.70	2,093.70	-	-
Cash and cash equivalents			33.82	33.82	-	-
	2,154		<b>2,146.34</b>	<b>2,167.88</b>	-	-
<b>Financial liabilities</b>						
Trade Payables	-		717.38	717.38	-	-
Short Term Borrowings	-		2,018.25	2,018.25	-	-
Long Term Borrowings			162.51	162.51		
			<b>2,898.14</b>	<b>2,898.14</b>		

### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

### C. Financial Risk Management

#### C.i. Risk management framework

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

#### C.ii. Credit risk

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

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

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

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

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

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

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

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

### **Ageing of Accounts receivables :**

(Rupees in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
0 - 6 months	1,134.69	1382.80
Beyond 6 months	710.50	710.90
<b>Total</b>	<b>1,845.18</b>	<b>2,093.70</b>

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

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

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

### **C.iii. Liquidity risk**

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

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

### **C.iv. Market risk**

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

#### **C.iv.a Currency risk**

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## DHANLAXMI FABRICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Rupees in Lacs)

### A. Equity Share Capital

Particulars	Numbers	Amount
<b>Balance at at 1st April, 2018</b>	<b>85.81</b>	<b>858.11</b>
Changes in equity share capital during the year	-	-
<b>Balance at at 31st March, 2019</b>	<b>85.81</b>	<b>858.11</b>
Changes in equity share capital during the year	-	-
<b>Balance at at 31st March, 2020</b>	<b>85.81</b>	<b>858.11</b>

### B. Other Equity

Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
<b>Balance at 1st April, 2018</b>	<b>896.00</b>	<b>119.08</b>	<b>2,629.47</b>		<b>3,644.55</b>
Profit for the year	-	-	645.11	-	645.11
Trf to General Reserve	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	(21.54)	(21.54)
<b>Balance at 31st March, 2019</b>		<b>119.08</b>	<b>3,274.59</b>	<b>(21.54)</b>	<b>4268.13</b>
Profit for the year	<b>896.00</b>	-	189.38	-	189.38
Final Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	(33.41)	(33.41)
<b>Balance at 31st March, 2020</b>	<b>896.00</b>	<b>119.08</b>	<b>3,463.97</b>	<b>( 54.95)</b>	<b>4424.10</b>