



Dhanlaxmi

Fabrics Limited

(CIN: L17120MH1992PLC068861)

26th

Annual Report

2017 - 18

BOARD OF DIRECTORS

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

PRINCIPLE BANKERS:

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

STATUTORY AUDITORS:

M/s. R. Soni & Co.

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

COST AUDITORS:

Mr. Dilip Murlidhar Bathija

Mumbai

REGISTAR & TRANSFER AGENT:

Bigshare Services Pvt. Ltd.

CIN : U99999MH1994PTC076534

1stFloor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai 400059

Board No. : 91-22-6263 8200, 91-22-6263 8299 ● Email : investor@bigshareonline.com

LISTING OF EQUITY SHARES:

Bombay Stock Exchange

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

Tel: 91-22-22721233/4, 91-22-66545695

CORPORATE / COMMUNICATION ADDRESS:

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

Tel No. : 091-022-66228033 / 68 ● Fax No. 091-022-22089558

REGISTERED OFFICE :

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

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

Email : info@dlf.net.in ● Website : www.info@dlf.net.in

ADMINISTRATIVE OFFICE :

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

Tel: 091-22- 25181102 /103

Email : info@dlf.net.in ● Website : www.info@dlf.net.in

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NOTICE IS HEREBY GIVEN THAT THE 26th ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. DHANLAXMI FABRICS LIMITED WILL BE HELD ON SATURDAY ON 29TH SEPTEMBER, 2018, AT 01.30 P.M. AT REGISTERED OFFICE: MANPADA ROAD, BHOPAR VILLAGE, DOMBIVLI (EAST), THANE – 421 204. MAHARASHTRA

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ramautar Jhavar (DIN:00002907), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. To Appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act 2017 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and resolution passed by the Members of the Company at the 25th Annual General Meeting (AGM) of the Company held on 23rd September, 2017, the appointment M/s. R. Soni & Co, , Chartered Accountants, (Firm Registration No130349W) as Statutory Auditors of the Company for a period of five years commencing from the conclusion of 26th AGM till the conclusion of 30th AGM of the Company to be held in the year 2022 be and hereby continues for the said term, without seeking any further ratification from the shareholders of the Company for their appointment as statutory auditors till the conclusion of their tenure.

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

SPECIAL BUSINESS:

4. Ratification of appointment of Mr. Dilip Murlidhar Bathija., Cost Accountants, as a Cost Auditors of the Company and 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 25,000/- (Rupees Twenty Five thousand only) (excluding taxes, as applicable) plus reimbursement of out of pocket expenses at actual basis to be paid to Mr. Dilip Murlidhar Bathija., (Cost Accountants) Mumbai, Cost Auditors for the conduct of the cost audit of the Company for the Financial Year 2018-19 as recommended by the Board of the Directors, be and is hereby ratified.”

5. To increase Borrowing Powers of the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013 upto Rs. 500 Crores and to consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.

“RESOLVED THAT in suppression of earlier resolution passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of 500 Crores (Rupees Five Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

“RESOLVED FURTHER THAT the Board of Directors may do all such acts, deeds and things as may be necessary or delegate the powers in respect thereof as permissible under applicable provisions of the Companies Act, 2013.”

6. Creation of Security under Section 180 (1) (a) of the Companies Act, 2013 in connection with the borrowings of the Company and to consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act (earlier in force), consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favor of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to the debenture/ bonds issued or proposed to be issued, loan and / or other credit facilities availed or proposed to be availed together with interest thereon and such other costs, charges, expenses and other moneys payable by the Company as per the terms and conditions of the issue of bonds/debentures issued/ proposed to be issued or the loan agreement and/or other documents pertaining to credit facilities entered into or proposed to be entered into by the Company, within the overall borrowing limits fixed pursuant to Section 180(1)(c) of the Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creation of mortgage / charge as aforesaid.”

7. To make Investments, give Loans, Guarantees and provide Securities beyond the prescribed limits and to consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013, if any, and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and other necessary approvals, if any, and to the extent required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any of its duly authorized committees or one or more Directors) at its discretion to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of Company’s paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed an aggregate amount of Rs. 500 Crores.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans or guarantees or securities and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection.”

REGISTERED OFFICE:
Manpada Road, Bhopar Village,
Dombivli (East), Thane – 421 204
Maharashtra
Date: 10/08/2018

By Order of the Board

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

IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

Notes:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.
2. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and a proxy need not be a member of the company. A person can act as proxy on behalf of members' upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person may not act as a proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.
3. Corporate Members are requested to send in advance duly certified copy of Board Resolution / power of attorney authorizing their representative to attend the annual general meeting.
4. Members/ proxies are requested to bring their copies of annual reports and the attendance slip duly completed and signed at the meeting, quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
5. Pursuant to section 91 of the Companies Act, 2013 The Register of Members and the Transfer Book of the Company will remain closed from 22/09/2018 to 29/09/2018 (both days inclusive).
6. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (M/s. Bigshare Services Private Limited) of the Company.
7. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: **M/s. Bigshare Services Pvt. Ltd**, at 1stFloor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059
8. Pursuant to the provisions of Sections 101 and 136 of the Act read with 'The Companies (Accounts) Rules, 2014' electronic copy of the Annual Report for financial year 2017-18 along with Notice of 26thAnnual General Meeting of the company (including the Attendance Slip & Proxy Form) is being sent to all the members whose email id is registered with the Registrar/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e mail address, physical copies of the Annual Report for the financial year 2017-18 along with the notice of the 26thAnnual general Meeting of the Company inter-alia indicating the process and manner of e-voting along with

Attendance Slip and Proxy Forms is being sent by other permissible modes.

9. Notice convening the 26thAnnual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose email addresses are registered with their respective Depository Participants. For those members who have not registered their email address, physical copies of the said Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
10. Members may also note that the Notice of the 26thAnnual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.dfl.net.in, which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours on all the working days except Saturdays and Sundays.
11. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
12. Brief details of the Directors, who are seeking appointment / re-appointment, are annexed hereto as per the requirements of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
13. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.

Procedure and Instruction for E-Voting :

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Listing Regulation, 2015, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 26thAnnual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

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

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

The instructions for shareholders voting electronically are as under:

- 1) The voting period begins on **26thSeptember, 2018** at **9.00 a.m.** and ends on **28thSeptember, 2018** at **5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21st September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 3) The shareholders should log on to the e-voting website www.evotingindia.com.

4) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

5) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

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

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

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

17) Note for Non – Individual Shareholders and Custodians

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

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

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

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

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

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

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

REQUEST TO MEMBERS

Members are requested to send their question(s), if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before September 21, 2018 so that the answers/details can be kept ready at the Annual General Meeting

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013, SPECIAL BUSINESS:

Item No.4

The Board of Directors of the Company, upon the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. Dilip Murlidhar Bathija., Cost Accountants, Mumbai to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 at a remuneration of '25,000/- plus taxes and reimbursement of out of pocket expenses for the financial year ending March 31, 2019.

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

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution. The resolution as set out in item no. 4 of this Notice is accordingly commended for your approval.

Item No.5 and 6

An Ordinary Resolution passed by the Company at its 24th Annual General Meeting held on 24th September, 2016 (being Resolution under item number 3 & 4 therein) inter alia, authorised the Board of Directors of the Company ("the Board") pursuant to Section 180 (1) (c) & 180 (1) (a) of the Companies Act, 2013, to borrow monies in excess of the aggregate of the Company's Paid-up capital and Free Reserves subject to a ceiling of Rs. 100 crores.

The overall borrowing limit needs to be increased from the present Rs. 100 crores to Rs. 500 crores in view of additional fund requirements of the Company envisaged for the current and future financial years.

Pursuant to Section 180 (1)(c) of the Companies Act, 2013, the Board of Directors shall exercise borrowing powers in excess of its Paid-up Capital and Free Reserves only with the consent of the Company by passing a Special Resolution at a Meeting of the Shareholders.

Should the creation of mortgage(s) and/or charge(s) on the whole or substantially the whole of the Undertaking(s) of the Company as contemplated under Section 180(1)(a) of the Companies Act, 2013 be called for, the consent of the Shareholders is also being sought for creation of such mortgage(s) and/or charge(s).

Your consent is required under the provisions of Sections 180(1) (c) and 180(1) (a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

The Resolution under item no. 5&6 of the accompanying Notice is being proposed to be passed by the Shareholders as a Special Resolution in the aforesaid context.

The Board recommends the Resolution for acceptance. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.5 and 6 of the accompanying Notice.

Item No.7

The Company has made investments and loans from time to time. In this regard, it is proposed to authorize the Board of Directors of the Company to invest into securities of anybody corporate and/or make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made up to Rs.500 Crores (Rupees Five Hundred Crores Only). The investments of funds etc. may require restructuring / conversion with the changed business environment.

As per section 186 of the Companies Act, 2013, where a Company make investment in shares, debentures, securities of other body corporate and/or provide loan etc and such investments etc are in excess of 60% of the paid up Share Capital, Free Reserves and Securities Premium Account of the Company or 100% of Free Reserves and Securities Premium Account of the Company whichever is more as prescribed under Section 186 of the Companies Act, 2013 and the rules made there under, from time to time in one or more tranches, approval by way of Special Resolution of the shareholders is required. It is proposed to authorize up to a maximum amount of Rs. 500 Crores notwithstanding that investments along with company's existing loans or guarantee(s)/ security(ies) or investments shall be in excess of the limits prescribed under Section 186 aforesaid.

The Board recommends the Resolution for acceptance. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.7 of the accompanying Notice.

REGISTERED OFFICE:

Manpada Road, Bhopar Village,
Dombivli (East), Thane – 421 204
Maharashtra
Date: 10/08/2018

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

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

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

Sr. No	Name of the Directors	Shri Ramautar Jhawar (DIN:00002907),
1	Date of Birth	03 rd November, 1956
2	Age	62
3	Date of Appointment	01/10/1992
4	PAN	AABPJ8706F
5	DIN	00002907
6	No. of Equity shares held in the company (as on 31.03.2018)	6,81,708
7	Qualifications	B.Com
8	Brief Profile	Shri Ramautar Jhawar is Commerce Graduate having 42 years' experience in Textile Business & Finance Management. He is one of the Senior Most Executive of the Company and has been in the service of the Company for the last over 42 years holding and has rich experience about the affairs of the Company.
9	List of other Directorships (excluding Foreign Company)	<ol style="list-style-type: none"> 1. Dhanlaxmi Cotex Limited 2. Jhawar Commodities Private Limited 3. Sohanlal Export Fabrics Pvt Ltd. 4. Dhanlaxmi Fabrics Limited 5. Jhawar Trade And Investments Pvt Ltd 6. MR Share Broking Private Limited 7. V R M Share Broking Private Limited 8. Promtech Impex Pvt. Ltd. 9. DFL Fabrics Private Limited 10. ASA Agrotech Private Limited 11. Krishar Multitrade Private Limited 12. Krishita Multitrade Private Limited 13. Dhanlaxmi Vidyut Private Limited 14. Dhanlaxmi Export Fabric LLP 15. Jasoda Tracon LLP 16. Ramavtar Trading LLP 17. Jhawar Property Developers LLP
10	Membership/Chairmanship of other Public Companies (includes only Audit Committee and Stakeholder Relationship Committee)	2
11	Relationships, if any between Directors, interest.	Brother of Mr. Vinod Jhawar and Mahesh Jhawar and Co-promoter of the Company.

BOARD OF DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report on the business operations and activities of the Company together with the Audited Accounts for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS:

Summary of the Company's financial performance for F.Y. 2017-2018 as compared to the previous financial year is given below: (Rs.in lacs)

Particulars	F.Y. 2017 – 2018		F.Y. 2016 – 2017	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	7027.63	7802.10	9281.21	10473.79
Revenue from other Income	274.21	299.62	103.51	143.43
Total Revenue	7301.85	8101.73	9384.73	10617.23
Profit before Dep. & Int.	923.76	969.22	1146.56	1211.66
Depreciation	406.84	409.34	389.31	391.71
Interest	279.02	286.09	309.87	315.53
Profit after Depreciation & Interest and before Tax	234.16	270.05	447.38	504.42
Provision for Taxation	125.00	133.83	172.00	188.00
Provison for Tax (deferred)	46.90	47.20	(23.51)	23.28
Provision for Taxation for earlier year	-	-	-	-
Profit/ Loss after Tax	156.05	183.43	251.87	291.84

HIGHLIGHTS:

Your Company's main activity is cornered in to dealers and manufacturing and Processing of Textile and allied products /services and Power Generation. As it can be clearly seen from the Highlights that the total revenue generated in current year were quick slightly lower in figures due to the impact of GST on industry. Hence, profit for the year of the Company is Rs.156.05 lakhs as compared to 251.87 lakhs in previous year.

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

DIVIDEND:

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

AMOUNTS TO BE TRANSFERRED TO RESERVES

No fund was transferred to General Reserve.

BOARD OF DIRECTORS:

The Composition of the Board during the year was as per the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Companies Act, 2013. During the period under review no appointment or resignation was made.

During the year Pursuant to Section 152 of the Companies Act, 2013 Shri Ramautar 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 period under review on the recommendation of Nomination and Remuneration Committee, your Board has appointed Shri. Gopal Mohta as an Additional Directors of the Company in the category of Independent Director with effect from 30/05/2017 in order to comply with the requirement of Section 149(1) of the Companies Act, 2013, Who's appointment has been ratified by the members at 25th Annual General Meeting of the company.

DEPOSITS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2018 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, 2018 and of the profit of the Company for the year ended on that date.
- c) Proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts of the Company have been prepared on the ongoing concern basis.
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

DECLARATION OF INDEPENDENCE BY DIRECTORS:

The Independent Non-executive Directors of the Company, viz. Shri Durgesh Kabra, Smt. Jayashree Iyer and Shri. Gopal Mohta 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://dfl.net.in/docs/policy%20on%20nomination%20and%20remuneration%20of%20directors.pdf>

EVALUATION OF BOARD OF DIRECTORS:

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

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

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

STATUTORY AUDITORS:

M/s. R. Soni & Co., Chartered Accountants having Registration No. 130349W, has been appointed as an Statutory Auditors of the Company for the period of 5 years upto F.Y. 2021-22 at 25th Annual General Meeting. M/s. R. Soni & Co., has confirmed that as required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. R. Soni & Co., that their appointment, if made, would be in conformity with the limits specified in the said Section.

AUDITORS REPORT:

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

COST AUDIT AND AUDITOR:

The central govt. has prescribed the maintenance of Cost records under Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for the year ended 31st March 2018. The Audit Committee and Board has recommended the reappointment of Mr. Dilip Murlidhar Bathija., Cost Accountant, Mumbai at their respective meetings for conducting cost Audit for F.Y. 2018-19 and also recommended for members approval at item no.4 of the Notice.

SECRETARIAL AUDIT:

The Audit Committee recommended the name of M/s. Pankaj Trivedi & Co., Company Secretary in Practice, for conducting Secretarial Audit for F.Y. 2017-18 pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

M/s. Pankaj Trivedi & Co., Practicing Company Secretary, in his Independent Auditor Report for financial year 2017-18 have drawn the attention of the management on some matters in connection with the same management herewith give the explanation for the same as follows:

The Promoters of the Company hold 800 shares in physical form; however, the same is under process of dematerialization.

REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:

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

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

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

EXTRACT OF ANNUAL RETURN:

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

NUMBER OF MEETINGS OF THE BOARD:

The details of the number of meetings of the Board held during the Financial Year 2017-18 forms part of the Corporate Governance Report.

POSTAL BALLOT:

No postal ballot was held during the year 2017-2018.

COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are as under. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. Name of Director/KMP No	Remuneration Received 2017-18	% increase year ended 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1 Shri Ramautar S. Jhavar (Chairman & Director)	Nil	Nil	Nil
2 Shri Vinod S. Jhavar (Managing Director)	60,00,000	12.50%	26.58
3 Ms. Jayashree Iyer (Independent Director)	Nil	Nil	Nil
4 Shri Mahesh S. Jhavar (Director&Chief Financial Officer)	6,00,000	100%	2.66
5 Shri Durgesh Kabra (Independent Director)	Nil	Nil	Nil
6 *Shri Gopal Mohta (Independent Director)	Nil	Nil	Nil
7 *Ms. Bhaviika Jain@(Company Secretary)	6,00,000	Nil	2.66

Note: Total 85 major employees are on role
Median remuneration of employee is Rs. 2,25,746/-

* appointed w.e.f. 30/05/2017. Note: Total 85 major employees are on role.
Median remuneration of employee is Rs. 2,25,746/-

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE:

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

INSURANCE OF ASSETS:

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

LISTING OF SHARES:

Equity Shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing Fees for the Year 2018-2019. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report.

During the financial year 2017-18, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates.

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

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

During the financial year 2017-18, no cases in the nature of sexual harassment were reported at any workplace of the Company.

CEO AND CFO CERTIFICATION:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2017-18, till the date of this report. Further there was no change in the nature of business of the Company.

ACKNOWLEDGEMENT:

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

FOR &ON BEHALF OF THE BOARD

Sd/-
Vinod S. Jhavar
(Managing Director)

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

Place: Mumbai
Date: 10/08/2018

**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 **DHANLAXMI FABRICS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, 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 31st March 2018 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) 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)**;
- (vi) Having regards to the compliance system prevailing in the Company, information representation provided by management and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;
 - i. The Equal Remuneration Act, 1976;
 - ii. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;

- iii. Electricity Act, 2003 & The Electricity Rules, 2005
- iv. Energy Conservation Act, 2011
- v. Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011
- vi. The Water (Prevention And Control Of Pollution) Act 1974
- vii. The AIR (Prevention And Control Of Pollution) Act, 1981
- viii. The Minimum Wages Act, 1948
- ix. The Contract Labour (Regulation & Abolition) Act, 1970
- x. The Industrial Employment (Standing Orders) Act 1946
- xi. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
- xii. The Equal Remuneration Act, 1976;
- xiii. Employees Provident Fund & Miscellaneous provisions Act 1952, EPF scheme.
- xiv. Employees State Insurance Act 1948 (ESIC)
- xv. Maharashtra Labour welfare fund Act 1953
- xvi. The cloth markets & Shops board Mumbai (Mathadi Kamgar).
- xvii. Factory Act 1948.
- xviii. IEM code, Directorate of Industries - District Industry Centre
- xix. Maharashtra Pollution control Board - MPCB.
- xx. Maharashtra Boiler rules 1962 (Certificate of use of boiler).
- xxi. MVAT, VAT, Service Tax, Income Tax. xx. Central Excise, Customs Act (for import of material).
- xxii. IEC Code certificate - For import and export.

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

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

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/Cir/ISD/3/2011 dated June 17, 2011, the entire holdings of the Promoters are needed to be in demat form only. However the promoters of the Company still have 800 shares in physical form.

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.

I further Inform/report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Pankaj Trivedi

(Proprietor)

CP No. 15301

Place: Mumbai

Dated: 10th August, 2018.

Annexure To The Secretarial Audit Report

To,
The Member,
Dhanlaxmi Fabrics Limited

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

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

Sd/-
Pankaj Trivedi
Proprietor
ACS No.: 30512

Place: Mumbai
Date: 10/08/2018

Annexure to the Director's Report

ANNEXURE-II FORM NO. AOC-1

Salient feature of Financial Statement of Subsidiary Companies

As at 31st March, 2018

Rupees in Lacs

Name of Subsidiary Company	Western Chloride & Chemicals Pvt. Ltd	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
Reporting Currency	INR	INR	INR
Rate	1.00	1.00	1.00
Capital	3.00	1.00	1.00
Reserve	9.51	55.26	132.50
Total Assets	18.99	372.60	150.13
Total Liabilities	6.48	316.34	16.63
Investments Other than Investment in Sub-Subsidiary	Nil	Nil	Nil
Turnover	7.01	715.11	59.35
Profit before Taxation	(1.47)	20.26	17.10
Provision for Taxation	-	4.42	4.41
Profit After Taxation	(1.47)	15.98	12.86
Proposed Dividend	-	-	-
% of Shareholding	99.99	99.99	99.80

FOR & ON BEHALF OF THE BOARD

Sd/-
Vinod S. Jhawar
(Managing Director)

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

Place: Mumbai
Date: 10/08/2018

Place: Mumbai
Date: 10th August, 2018

Annexure –III**FORMAOC - 2****RELATED PARTY TRANSACTIONS:****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) Of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto:

1. Details of material contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of Related Party and nature of transactions	Nature of contract / arrangement / transactions	Duration of the contract arrangement transactions Ongoing	Salient terms of contract / arrangement / transactions, including value, if any	Date(s) of approval by the Board	Amounts paid as advance(s), if any
DFL Fabrics (Pvt) Ltd	Sales of Fabrics/Yarn	Ongoing	Sold Fabrics of worth of Rs.15,33,781/- Lacs during the year	13.08.2016 & 11.08.2017	-
	Processing Charges	Ongoing	Processing Charges received for Dyeing and bleaching and printing of Fabrics during the year of Rs.86,994/-	13.08.2016 & 11.08.2017	-
	Purchase of Fabrics/ Yarn	Ongoing	Trading purchase of Rs.3,89,389 during the year	13.08.2016 & 11.08.2017	-
Dhanesh Fabrics Pvt Ltd Trading	Sales of Fabrics/Yarn	Ongoing	Sold Fabrics of worth of Rs.3,27,69,111/- during the year	13.08.2016 & 11.08.2017	-
	Processing Charges	Ongoing	Processing Charges received for Dyeing and bleaching and printing of Fabrics during the year of Rs.32,92,222/-	13.08.2016 & 11.08.2017	-
	Purchase of Fabrics/ Yarn	Ongoing	Trading purchase of Rs.45,60,414/- during the year	13.08.2016 & 11.08.2017	-
Western Chloride & Chemicals P Ltd	Lease Rent	Ongoing	Payment of Lease Rent of Rs.5,20,000/- for Land Taken on Lease for Installation of Process house at Manpada Road, Bhopar Village, Dombivali	13.08.2016 & 11.08.2017	-
Promtech Impex Pvt Ltd	Unsecured Loan	Ongoing	10,74,98,522/-	13.08.2016 & 11.08.2017	-

For and on behalf of the Board Of Directors

Place: Mumbai
Date: 10th August, 2018Vinod S. Jhawar
(Managing Director)Sd/-
Ramautar S. Jhawar
(Chairman & Director)

ANNEXURE - IV**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2018****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 : bhagwan@bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products /service	NIC Code of the Products/services	% to total turnover of the company
1	Processing of Fabric & Yarn	1313	46.11%
2	Fabric Manufacturing & Trading	1311	53.89%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

(a) Category of Shareholders as on 31.03.2018	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				Change during the year	%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	2309881	800	2310681	26.93	2309881	800	2310681	26.93	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	2004525	0	2004525	23.36	2004525	0	2004525	23.36	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other – Group Companies	2113300	0	2113300	24.63	2113300	0	2113300	24.63	0	0
SUB TOTAL:(A)(1)	6427706	800	6428506	74.91	6427706	800	6428506	74.91	0	0
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A)(2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	6427706	800	6428506	74.91	6427706	800	6428506	74.91	0	0
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	0	0	0		0	0	0	0	0	0
b) Banks/FI	0	0	0		0	0	0	0	0	0
c) Central Govt	0	0	0		0	0	0	0	0	0
d) State Govt.	0	0	0		0	0	0	0	0	0
e) Venture Capital Fund	0	0	0		0	0	0	0	0	0
f) Insurance Companies	0	0	0		0	0	0	0	0	0
g) FIIS	0	0	0		0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0		0	0	0	0	0	0
i) Others (specify)	0	0	0		0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0		0	0	0	0	0	0

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

(a) Category of Shareholders as on 31.03.2018	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				change during the year	%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Non Institutions										
a) Bodies Corporate										
i) Indian	1426476	173400	1599876	18.64	1407494	173400	1580894	18.42	(18,982)	(0.22)
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	306187	128560	434747	5.07	323904	127660	451564	5.26	16,817	0.20
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	111891	0	111891	1.30	116270	0	116270	1.35	4,379	0.05
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
i) NRI	2432	0	2432	0.03	1460	0	1460	0.02	(972)	(0.01)
ii) Clearing Member	3648	0	3648	0.04	2406	0	2406	0.03	(1,242)	(0.01)
SUB TOTAL (B)(2):	1850634	301960	2152594	25.09	1851534	301060	2152594	25.09	0	0
Total Public Shareholding (B)=(B)(1) +(B)(2)	1850634	301960	2152594	25.09	1851534	301060	2152594	25.09	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	8278340	302760	8581100	100	8279240	301860	8581100	100	0	0

II. Shareholding of Pattern of Promoters

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			%Change in shareholding during the year
		No of Shares	% Total Shares of the Co.	% of Shares pledged encumbered to total shares	No of Shares	% Total Shares of the Co.	% of Shares pledged encumbered to total shares	
1	Laxmi M. Jhawar	1,07,573	1.25	0.00	1,07,573	1.25	0.00	0.00
2	Kamala Ramautar Jhawar	2,87,930	3.36	0.00	2,87,930	3.36	0.00	0.00
3	Mahesh S. Jhawar	27,400	0.32	0.00	27,400	0.32	0.00	0.00
4	Ramautar S. Jhawar	6,81,708	7.94	0.00	6,81,708	7.94	0.00	0.00
5	Vinod Jhawar HUF	30,000	0.35	0.00	30,000	0.35	0.00	0.00
6	Mahesh Jhawar HUF	56,700	0.66	0.00	56,700	0.66	0.00	0.00
7	Vandana Vinod Jhawar	1,44,200	1.68	0.00	1,69,200	1.97	0.00	0.2914
8	Vinod Sohanlal Jhawar	3,86,300	4.50	0.00	3,86,300	4.50	0.00	0.00
9	Mukul Vinod Jhawar	60,000	0.70	0.00	60,000	0.70	0.00	0.00
10	Lalit Vinod Jhawar	26,200	0.31	0.00	1,200	0.01	0.00	-0.2913
11	Vinit R Jhawar	1,98,800	2.32	0.00	1,98,800	2.32	0.00	0.00
12	Rahul Mahesh Jhawar	70,200	0.82	0.00	70,200	0.82	0.00	0.00
13	Ramautar Jhawar Huf Jhawar Huf	1,36,470	1.59	0.00	1,36,470	1.59	0.00	0.00
14	Ramautar Jhawar (Jamnadevi Jhawar Family Trust)	97,200	1.13	0.00	97,200	1.13	0.00	0.00
15	Jhawar Commodities Pvt Ltd	14,57,446	16.98	0.00	14,57,446	16.98	0.00	0.00
16	Dhanlaxmi Cotex Ltd	3,47,079	4.04	0.00	3,47,079	4.04	0.00	0.00
17	M R Share Broking Pvt Ltd	2,00,000	2.33	0.00	2,00,000	2.33	0.00	0.00
18	Promtech Impex Pvt Ltd	12,80,000	14.92	0.00	12,80,000	14.92	0.00	0.00
19	V.R.M. Share Broking Pvt Ltd	2,00,000	2.33	0.00	2,00,000	2.33	0.00	0.00
20	Sohanlal Jhawar Family	1,95,300	2.28	0.00	1,95,300	2.28	0.00	0.00
21	Dhanlaxmi Export Fabric LLP	4,38,000	5.10	0.00	4,38,000	5.10	0.00	0.00
	TOTAL	64,28,506	74.91	0.00	64,28,506	74.91	0.00	0.0001

III. Change in Promoters' Shareholding as on the F.Y Ended on 31-03-2018

Sr. No.	Shareholders Name	Share holding begining (01-04-2016 to 01/04/2017)		Date	Increase/ Decrease in Share holding Shares	Reason	Cumulative Shareholding during the year (01-04-2017 to 01/04/2018)	% of total Shares of the Co.
		No of Shares	% Total Shares of the Co.					
1	Laxmi M. Jhawar	1,07,573	1.25	-	-	-	1,07,573	1.25
2	Kamala Ramautar Jhawar	2,87,930	3.36	-	-	-	2,87,930	3.36
3	Mahesh S. Jhawar	27,400	0.32	-	-	-	27,400	0.32
4	Ramautar S. Jhawar	6,81,708	7.94	-	-	-	6,81,708	7.94
5	Vinod Jhawar HUF	30,000	0.35	-	-	-	30,000	0.35
6	Mahesh Jhawar HUF	56,700	0.66	-	-	-	56,700	0.66
7	Vandana Vinod Jhawar	1,44,200	1.68	12.01.18	25,000	Bought	1,69,200	1.97
8	Vinod Sohanlal Jhawar	3,86,300	4.5	-	-	-	3,86,300	4.5
9	Mukul Vinod Jhawar	60,000	0.7	-	-	-	60,000	0.7
10	Lalit Vinod Jhawar	26,200	0.31	15.12.17	(25,000)	Sold	1,200	0.01
11	Vinit R Jhawar	1,98,800	2.32	-	-	-	1,98,800	2.32
12	Rahul Mahesh Jhawar	70,200	0.82	-	-	-	70,200	0.82
13	Ramautar Jhawar Huf Jhawar Huf	1,36,470	1.59	-	-	-	1,36,470	1.59
14	Ramautar Jhawar (Jamnadevi Jhawar Family Trust)	97,200	1.13	-	-	-	97,200	1.13
15	Jhawar Commodities Pvt Ltd	14,57,446	16.98	-	-	-	14,57,446	16.98
16	Dhanlaxmi Cotex Ltd	3,47,079	4.04	-	-	-	3,47,079	4.04
17	M R Share Broking Pvt Ltd	2,00,000	2.33	-	-	-	2,00,000	2.33
18	Promtech Impex Pvt Ltd	12,80,000	14.92	-	-	-	12,80,000	14.92
19	V.R.M. Share Broking Pvt Ltd	2,00,000	2.33	-	-	-	2,00,000	2.33
20	Sohanlal Jhawar Family	1,95,300	2.28	-	-	-	1,95,300	2.28
21	Dhanlaxmi Export Fabric LLP	4,38,000	5.10	-	-	-	4,38,000	5.10
	TOTAL	64,28,506	74.91	-	-	-	64,28,506	74.91

IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of Gdrs & Adrs)						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018		Type of Transaction)
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in shareholding during the year	
1	Eskay Niryat Pvt Ltd	12,80,000	14.92%	12,80,000	14.92%	N.A.
	Shares Bought during the year	-	-	12,80,000	14.92%	
	Shares Sold During the year	-	-	12,80,000	14.92%	
	Closing balance	12,80,000	14.92%	12,80,000	14.92%	
2	CRB Share Custodian Services Ltd	1,25,000	1.46%	1,25,000	1.46%	N.A.
	Shares Bought during the year	-	-	1,25,000	1.46%	
	Shares Sold During the year	-	-	1,25,000	1.46%	
	Closing balance	1,25,000	1.46%	1,25,000	1.46%	
3	Jignesh Fabrics Pvt Ltd	74,626	0.87%	74,626	0.87%	N.A.
	Shares Bought during the year	-	-	74,626	0.87%	
	Shares Sold During the year	-	-	74,626	0.87%	
	Closing balance	74,626	0.87%	74,626	0.87%	
4	Babita Naresh Jain	59,318	0.69%	59,318	0.69%	N.A.
	Shares Bought during the year	-	-	59,318	0.69%	
	Shares Sold During the year	-	-	59,318	0.69%	
	Closing balance	59,318	0.69%	59,318	0.69%	
5	CRB Capital Markets Ltd	45,500	0.53%	45,500	0.53%	N.A.
	Shares Bought during the year	-	-	45,500	0.53%	
	Shares Sold During the year	-	-	45,500	0.53%	
	Closing balance	45,500	0.53%	45,500	0.53%	
6	Snehalatha Singhi	32,032	0.37%	32,032	0.37%	Sold
	Shares Bought during the year	-	0.00%	32,032	0.37%	
	Shares Sold During the year 22/07/201631/03/2017	(13,473)	(0.15%)	18,559	0.22%	
	Closing balance	18,559	0.22%	18,559	0.22%	
7	Hermes Travel and Cargo Pvt Ltd	30,600	0.36%	30,600	0.36%	Sold
	Shares Bought during the year	-	-	30,600	0.36%	
	Shares Sold During the year	(30,600)	(0.36%)	0	0.00%	
	Closing balance	0	0.00%	0	0.00%	
8	Naval Kishor Malpani					Bought and Sold
	Shares Bought during the year 17.11.2017	0	0.00%	0	0.00%	
		15,534	0.18%	15,534	0.18%	
	Shares Sold During the year	0	0.00%	15,534	0.18%	
	Closing balance	15,534	0.18%	15,534	0.18%	

IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of Gdrs & Adrs)						
Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018		Type of Transaction)
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in shareholding during the year	
9	Pritty Devi Sarawagi	10,505	0.12%	10,505	0.12%	Bought and Sold
	Shares Bought during the year					
	28/04/2017	2,3162	0.15%	12,821	0.15%	
	05/05/2017	0	0.00%	12,823	0.00%	
	Shares Sold During the year	0	0.00%	12,823	0.15%	
	Closing balance	12,823	0.15%	12,823	0.15%	
10	Edelweiss Broking Ltd	12,360	0.14%	12,360	0.14%	N.A.
	Shares Bought/Sold during the year					
	20.06.2017	725	0.01%	13,085	0.15%	
	09.06.2017	(725)	(0.01%)	12,360	0.14%	
	29.12.2017	1,000	0.01%	13,360	0.15%	
	05.01.2018	(1,000)	(0.01%)	12,360	0.14%	
		Closing balance	12,360	0.14%	12,360	
11	Edelweiss Broking Ltd	299	0.00%	299	0.00%	
	Shares Bought / Sold during the year					
	09-06-2017	1,141	0.00	1,440	0.02	
	25-08-2017	-100	0.00	1,340	0.02	
	01-09-2017	1,599	0.00	2,939	0.03	
	08-09-2017	6,194	0.01	9,133	0.11	
	15-09-2017	5,431	0.01	14,564	0.17	
	22-09-2017	2,000	0.00	16,564	0.19	
	06-10-2017	660	0.00	17,224	0.20	
	10-11-2017	1	0.00	17,225	0.20	
	17-11-2017	-15,134	-0.02	2,091	0.02	
	24-11-2017	-400	0.00	1,691	0.02	
	01-12-2017	2,500	0.00	4,191	0.05	
	08-12-2017	261	0.00	4,452	0.05	
	22-12-2017	530	0.00	4,982	0.06	
	29-12-2017	3,104	0.00	8,086	0.09	
	05-01-2018	4,036	0.00	12,122	0.14	
	23-02-2018	-102	0.00	12,020	0.14	
16-03-2018	-3	0.00	12,017	0.14		
23-03-2018	-1	0.00	12,016	0.14		
	Closing balance					
12	Anil Mansukhlal Kothari	10,036	0.12%	10,036	0.12%	
	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.	Shareholders Name	Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	Shri Ramautar S. Jhawar (Chairman & Director)	681708	7.94	681708	7.94
2	Shri Vinod S. Jhawar (Managing Director)	386300	4.50	386300	4.50
3	Ms. Jayashree Iyer (Independent Director)	647	0.00	647	0.00
4	Shri Mahesh S. Jhawar (Director & Chief Financial Officer)	27400	0.32	27400	0.32
5	Shri Durgesh Kabra (Independent Director)	0	0.00	0	0.00
6	Shri Gopal Mohta (Independent Director)	0	0.00	0	0.00
7	Ms. Bhaviika Jain@(Company Secretary)	0	0.00	0	0.00

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1476.22	61.65	-	1537.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)	1476.22	61.65	-	1537.87
Change in Indebtedness during the financial year				
Additions	2007.94	10.76	-	2018.69
Reduction	2426.37	11.53	-	2437.89
Net Change	(418.43)	(0.77)	-	(419.20)
Indebtedness at the end of the financial year				
i) Principal Amount	1057.79	-	-	1057.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)	1057.79	-	-	1057.79

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

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

B. Remuneration to Other Directors

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

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

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

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

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

VIII. Penalties / Punishment / Compounding of Offences

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

FOR & ON BEHALF OF THE BOARD

Sd/-
Vinod S. Jhavar
Managing Director

Sd/-
Ramautar S. Jhavar
Chairman & Director

Place: Mumbai
Date: 10/08/2018

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

Sr. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
A	Powers and Fuel Consumption (Process Division Yarn + Fabrics)		
1	Electricity		
	a) Purchased		
	Unit (Lacs)	40.72	42.17
	Total (Rs. In Lacs)	343.61	349.08
	Amount/Avg. Rate/Unit (Rs.)	8.44	8.28
	b) Own generation (Through D.G. Set)		
	Unit (Lacs)	0.14	0.14
	Diesel Oil Consumed Ltrs (Lacs)	0.06	0.07
	Total Amount (Rs. In Lacs)	3.86	3.65
	Avg Rate per Ltr (Rs.)	66.09	55.34
2	Coal		
	Quantity (M. Tonnes)	9545	7472
	Total Amount (Rs. In Lacs)	610.20	359
	Avg Rate/M. tone M. Tonnes (Rs.)	63.93	48
B	Consumption Per Kg Of Production		
	Production (Lacs Kgs)	23.13	23.72
	Electricity (Rs.)	14.86	14.72
	Diesel Oil (Rs.)	0.17	0.15
	Coal (Rs.)	26.38	15.14
	Total	41.40	30.02
C	Weaving Division Power Consumption		
1	Electricity Purchased		
	Units (Lacs)	31.44	28.47
	Total Amount (Rs. In Lacs)	92.27	76.97
	Avg Rate/unit (Rs.)	2.93	2.70
2	Production (Lacs Mtrs)	38.67	35.63
3	Cost of Power per Mtrs (Rs.)	2.39	2.16

Technology Absorption:

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

Foreign Exchange Earnings and Outgo:

	2017-2018	2016-2017	(Rs. In Lacs)
Foreign Exchange Outgo	-	61.67	
Foreign Exchange Earnings	-	15.40	

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

Place: Mumbai
Date: 10/08/2018

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

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

BOARD OF DIRECTORS:

Composition of the board

As on 31st March, 2018, the Company's Board of Directors comprised of Six directors of which Shri Vinod S. Jhavar is the Managing Director, Shri Ramautar Jhavar is Non-Executive Director and Chairman, Shri Mahesh Jhavar is a Director and Chief Financial Officer and rest Shri Durgesh Kabra, Smt. Jayashree Iyer and Shri Gopal Mohta are Non-Executive and Independent Directors. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

The Board has inducted Shri Gopal Mohta, as an Independent Director on Board w.e.f 30th May, 2017 and his appointment was ratified by the members at 25th Annual General Meeting.

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

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

The number of directorships and committee Chairmanships/Memberships held by the Directors in other public companies as on March 31, 2018 are given below:

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

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 2017-18 (5) Five Board Meetings were held. The maximum gap between two Board meetings was less than one hundred and twenty days.

The Board meetings were held on 30/05/2017, 11/08/2017, 07/09/2017, 17/11/2017 and 01/02/2018.

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

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ramautar S. Jhawar	5	5	Yes
Shri Vinod S. Jhawar	5	5	Yes
Shri Mahesh S. Jhawar	5	5	Yes
Ms. Jayashree Iyer	5	5	No
Shri Durgesh Kabra	5	3	No
Shri Gopal Mohta	4	4	Yes

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors met on 27th March, 2018 without the presence of the Chairman & Whole Time Director and the Senior Management team. The meeting was attended by all the Independent Directors and inter alia discussed:

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

CODE OF CONDUCT:

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

COMMITTEES OF THE BOARD:

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

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

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

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

Constitution of Committees

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

AUDIT COMMITTEE AT GLANCE:

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

SCOPE AND FUNCTION:

The broad terms of reference of the Audit Committee, inter alia, include:

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

- a) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;
- b) Recommending the appointment and removal of the external Auditors, fixation of Audit fee and approval for payment of any other services;
- c) Reviewing with management the Annual financial Statements before submission to the Board;
- d) Reviewing with the management and external Auditors, the adequacy of internal control systems;
- e) Reviewing the adequacy of Cost Audit function;
- f) Discussing with Cost Auditors any significant findings and follow up on such issues; vii. discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- g) Reviewing the Company's financial and risk management policies; and
- h) Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any

COMPOSITION

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

Name of the Audit Committee Members	Category	Number of meetings during the financial year 2017-18	
		No. of Meetings held	No. of Meetings attended
Shri Durgesh Kabra	Chairman	5	3
Shri Ramautar Jhawar	Member	5	5
Smt. Jayashree Iyer	Member	5	5
Shri Gopal Mohta#	Member	4	4

Note: #Appointed as member w.e.f 30.05.2017

The Constitution of Audit Committee has been changed during the year by appointment of Shri Gopal Mohta w.e.f 30.05.2017

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: 30/05/2017, 11/08/2017, 07/09/2017, 17/11/2017 and 01/02/2018. 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.

COMPOSITION:

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

Name of the Audit Committee Members	Category	Number of meetings during the financial year 2017-18	
		No. of Meetings held	No. of Meetings attended
Shri Durgesh Kabra	Chairman	1	1
Shri Ramautar Jhwar	Member	1	1
Smt. Jayashree Iyer	Member	1	1
Shri Gopal Mohta#	Member	0	0

Note: #Appointed as member w.e.f 30.05.2017

The Constitution of NRC Committee has been changed during the year by appointment of Shri Gopal Mohta w.e.f 30.05.2017

Only One NRC meetings were held during the year. The date on which the said meeting was held 29/05/2017. The necessary quorum was present for all the meetings.

REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED 31ST MARCH, 2018 :

Name	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
Shri Ramautar S. Jhawar	0	0	30,000/-	0	30,000/-
Shri Vinod S. Jhawar	60,00,000	0	0	0	60,00,000/-
Shri Mahesh S. Jhawar	6,00,000/-	0	30,000/-	0	6,30,000/-
Smt. Jayashree Iyer	0	0	30,000/-	0	30,000/-
Shri Durgesh Kabra	0	0	22,500/-	0	22,500/-
Shri Gopal Mohta#	0	0	15,00/-	0	15,000/-

None of the other Independent director holds any shares, convertible instruments or stock options in the company except Smt. Jayashree Iyer (647 shares). As on 31st March 2018, there are no outstanding options granted to any of the Directors of the Company.

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

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

The Stakeholders' Relationship Committee met 4 times during the financial year 2017-18 on 30/05/2017, 11/08/2017, 17/11/2017 and 01/02/2018.

Name of the Audit Committee Members	Category	Number of meeting during the financial year 2017-18	
		No. of Meetings held	No. of Meetings attended
Shri Durgesh Kabra	Chairman	3	3
Shri Ramautar Jhawar	Member	4	4
Shri Mahesh Jhawar	Member	2	2
Shri Gopal Mohta	Mmeber	3	3

Note: #Appointed as member w.e.f 30.05.2017

Details of investor complaints received and redressed during the year 2017-18 are as follows:

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

DISCLOSURES:

During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large. Details of Non- Compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter related to capital markets, during the last three years.

Clause as per Listing Agreement	Quarter/Year End Date	No of Days For Fine	Fine Amount
C35: Shareholding Pattern	31-Dec-13	4	4000
C41: Financial Results	30-Sep-14	1	5000
C41: Financial Results	30-Jun-15	1	5000
C34: Annual Report	31-Mar-14	19	19000
		Basic Fine Amount	33000
		Service Tax @18%	5940
		Total Fine Amount	38940

LISTING :

The Company's Shares are listed during the year on Bombay Stock Exchange; the Company has paid the Listing Fees for F.Y. 2018-19.

DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES :

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

POLICY DETERMINING MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS :

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

DISCLOSURE ON MATERIAL RELATED PARTY TRANSACTIONS :

All material transactions entered into with related parties as defined under the Act and Listing Regulations during the financial year 2017-18 were in the ordinary course of business. No materially significant related party transactions have been entered into during financial year 2017-18. Thus, Disclosure in Form- AOC-2 is not required for the company.

POLICY FOR PROHIBITION OF INSIDER TRADING :

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

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

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION :

In accordance with Regulation 30 of SEBI Regulations, 2015, the Company has framed a Policy on Determination of Materiality for Disclosures to disclose events or information which, in the opinion of the Board of Directors of the Company, are material. Further the Company has an Archival Policy in line with the requirements of SEBI Regulations to ensure that information relating to the Company is adequately disclosed on its web-site as required by law. The Policy have been uploaded on the Company's web-site at the following link <http://www.dfl.net.in/docs/policy%20for%20determination%20of%20material%20events.pdf>

PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY :

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

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY :

The Vigil Mechanism/Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behavior, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We affirm that no director or employee has been denied access to the Audit Committee during financial year 2017-18. The Policy provides that no adverse action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Group.

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

GENERAL BODY MEETING :

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

Financial Year	Type of Meeting	Location	Meeting Date and Time
2016-17	25 th AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	23 rd Sept, 2017at 01:00 p.m.
2015-16	24 th AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	24 th Sept, 2016at 01:00 p.m.
2014-15	23 rd AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	19 th Sept, 2015at 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. 26th Annual General Meeting:**

Day & Date	Time	Venue
Saturday, 29 th September, 2018	01.30 p.m.	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra

B. Financial Calendar (2018-19)

Particulars	Period
Financial Year	April 1, 2018 to March 31, 2019
For consideration of Unaudited/Audited Financial Results	
Results for quarter ending June 30, 2018	On or before August 14, 2018
Results for quarter ending September 30, 2018	On or before November 14, 2018
Results for quarter ending December 31, 2018	On or before February 14, 2019
Results for quarter ending March 31, 2019	On or before May 30, 2019
Annual General Meeting for the year ending March 31, 2019	On or before September 30, 2019

C. BOOK CLOSURE DATE

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 22/09/2018 to 29/09/2018, (both days inclusive).

D. SHARE TRANSFER SYSTEM

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

E. DIVIDEND PAYMENT DATE: Not applicable

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

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

H. DEMATERIALIZATION OF SHARES

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on 31st March, 2018 are as follows:

Mode	No. of Shares	% Shares
Physical Form	301860	03.52
With NSDL	286920	03.34
With CDSL	7992320	93.14
Total	85,81,100	100%

I. Market Price Sensitive Information:

The monthly 'high' and 'low' closing prices of the shares traded during the period from April 2017 to March 2018 on BSE are given below:

Month	High	Low	Close	No of Shares Traded	Month	High	Low	Close	No of Shares Traded
April 2017	42.00	34.50	41.90	2778	October 2017	42.00	37.10	40.50	4604
May 2017	43.00	37.05	37.05	6670	November 2017	40.45	34.80	37.60	7433
June 2017	37.00	31.95	37.00	15201	December 2017	41.50	34.55	35.00	18375
July 2017	44.90	35.15	44.50	26374	January 2018	36.75	30.40	32.00	15239
August 2017	47.75	37.05	44.35	19400	February 2018	33.95	26.75	32.50	16541
September 2017	44.50	37.10	37.10	2890	March 2018	34.95	31.00	34.90	24731

J. Shareholding pattern of the company as on 31st March, 2018

Category	No. of Shares held	% of Shareholding
A Promoter's Holding		
1 Promoters		
- Indian Promoters	64,28,506	74.91%
- Foreign Promoters	0	0
2 Persons acting in concert	0	0.00%
Sub – Total	64,28,506	74.91%
B Non-Promoter's Holding	0	0
3 Institutional Investors	0	0
a) Mutual Funds and UTI	0	0
b) Banks, Financial Institutions, Insurance Companies	0	0
c) (Central/State Govt. Institutions/Non Government Institutions)	0	0
C FII's	0	0
Sub – Total	0	0
4 Other CI. member	2,406	0.03%
a) Private Corporate Bodies	15,80,894	18.42%
b) Indian Public	5,67,834	6.62%
c) NRI's	3,866	0.05%
d) /OCB's	0	0.00%
Sub-Total	21,52,594	25.08%
Grand Total	85,81,100	100.00%

K. Distribution of shareholding as on 31st March, 2018

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
Up to 5000	804	79.8434	1601050	1.8658
5,001 - 10,000	83	8.1213	716260	0.8347
10,001 - 20,000	51	4.9902	787620	0.9179
20,001 - 30,000	16	1.5656	413560	0.4819
30,001 - 40,000	7	0.6849	248170	0.2892
40,001 - 50,000	8	0.7828	368650	0.4296
50,001 - 1,00,000	10	0.9785	752910	0.8774
1,00,001 And Above	31	3.0333	80922780	94.3035
TOTAL	1010	100%	8,58,11,000	100%

SHARE CAPITAL AUDIT

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

SHARE TRANSFER / TRANSMISSION SYSTEM & PROCESS

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

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

MEANS OF COMMUNICATION

At 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: 285,Princess Street, Jhavar House, 1st Floor,
Mumbai – 400 002.
Tel. No. : 091-022-66228033 • Fax No. 091-022-22089558
Email Id: info@dfi.net.in, bhaviikadhanlaxmi@gmail.com
Website: www.dfi.net.in

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended **31st March, 2018**.

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

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

The major sub sector that comprise the organized textile sector include the organized cotton and man-made fiber textile mill industry and manufacturing integrated unit involved in processing, weaving and printing, fabric finishing, garmenting and selling.

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

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

SEGMENT WISE OR PRODUCT-WISE PERFORMANCE:

In the Textile Industry the Company's main business vertical is Textile Processing for both Yarn and fabric. Being an integrated unit weaving i.e. fabric making is another vertical wherein company is involved in cloth manufacturing as well as job work. Almost 50% of the turnover of the company is booked by this Division.

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

OUT LOOK:

The Company is successful in maintaining the increasing trend of turnover and profit in the changing business environment, though it is influenced by internal and external factors within and outside India. Even after the hit of de-monetization the company has sustained and successful in keeping its market share intact. The overall business

prospects for the Company is positive and management is ready to face the upcoming challenges like GST in the financial year 2017-18. From the present stand of textile manufacturers in the industry against GST it seems that market will be little slow, this will show the impact on first Quarter turnover but we are sure that we will be stable in achieving our yearly turnover and margin in this year.

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

RISK AND CONCERNS :

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

To achieve optimum use of available resources i.e. Material, Manpower, Money and Energy Company's operating procedures and controls are in place and monitored with intense care and supervision of the staff and management. Adequate measures have been adopted by the company with upgradation of EDP system in this year with introduction of SAP based ERP along with earlier computerized accounting system Tally ERP 9,

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Due to increasing competition an Introduction of GST regime, there is a decrease in Company turnover by 24.28% over the previous year turnover.

(Rs.in Lacs)

Particulars	2017-18	2016-17
Turnover		
Processing Charges Fabric / Yarn	3240.60	3292.52
Fabrics /Yarn / Garment Sale	3787.03	5917.99
Power Sale	0.00	70.71
Total	7027.63	9281.21
Profitability		
Net Profit after Taxation	156.05	251.87
Add : (Less): Loss/Profit on Sale of Fixed Asset	0.00	(10.10)
Extraordinary Expenses	0.00	0.0
Less : Income from house property	59.46	44.14
Net Profit by Operation	96.59	197.63

HUMAN RESOURCE DEVELOPMENT:

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

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 36 lacs mtr per year.

In power segment the company has installed Wind turbine of 1.25 MW in Dhule Maharashtra and 2.00 MW in Nettur Tamilnadu.

CHANGE IN THE NATURE OF BUSINESS, IF ANY :

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

OPPORTUNITIES AND THREATS :

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

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

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

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :

The Company's main business Segment is Textile Processing but in the year 2004-05 the Company has enter into a new segment of Power generation by installing Wind turbine of 1.25 MW in Dhule Maharashtra. Again in the year 2005-06 Company has installed 8 WTG of 0.25 MW each (total 2.00 MW) in Nettur Tamilnadu. Presently power generated through Wind is being sold to Maharashtra State Electricity Distribution Corporation and Tamilnadu Electricity Board. The Turnover and Profit figures of both the segments are shown separately in Notes to Accounts. The geographical segment is India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Due to Introduction of GST in India, it has impact on our industry. The Turnover of this year has fallen down 24.28% and it result in decrease in operational profits in comparison to previous year.

Particulars	2017-18	2016-17
	(Rs. In Lakhs)	(Rs. In Lakhs)
Turnover		
Processing Charges Fabric /Yarn, Labour	3240.60	3736.07
Fabrics / Yarn /Garment Sale	3787.03	5474.44
Power Sale	0.00	70.74
Total	7027.63	9281.21
Profitability		
Net Profit after Taxation	156.05	251.87

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.

EMPLOYER/EMPLOYEE RELATIONS :

The relationship with the workers of the Company's manufacturing units and other staff has continued to be cordial. The Directors wish to put on record their sincere appreciation and gratitude for the services rendered by the workers and staff at all levels.

HUMAN RESOURCES MANAGEMENT :

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

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

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

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

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

FUTURE OUTLOOK :

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

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

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

CAUTIONARY STATEMENT :

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

FOR & ON BEHALF OF THE BOARD

Sd/-
Vinod S. Jhawar
(Managing Director)

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

Place: Mumbai
Date: 10.08.2018

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

- A. I, **Vinod S. Jhavar**, Managing Director of the Company & **Mahesh S. Jhavar**, Chief Financial Officer of Company, have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For and on behalf of the Board

Sd/-	Sd/-
Vinod S. Jhavar	Mahesh Jhavar
(Managing Director)	(CFO & Director)

Place: Mumbai
Date: 29.05.2018

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

Declaration by the Director

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2018.

For and on behalf of the Board

Sd/-
Vinod S. Jhavar
(Managing Director)

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

To,
The Members of
Dhanlaxmi Fabrics Limited

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Fabrics Limited ("the Company") for the financial year ended March 31, 2018 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, 2018, except as mentioned in Secretarial Audit Report for the year.

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

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

Sd/-
Pankaj Trivedi
Proprietor
ACS No.: 30512

Place: Mumbai
Date: 10/08/2018

INDEPENDENT AUDITOR'S REPORT**To****The Members of Dhanlaxmi Fabrics Ltd****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Dhanlaxmi Fabrics Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended 31st March 2018 and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

FOR R SONI & CO

Chartered Accountants

Firm's registration number: 130349W

Rajesh Soni

Partner

Membership No.133240

Place: Mumbai

Date- 29-05-2018

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31st, 2018, we report that:

- (i)** (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our Opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- (d) The company has various Immovable Properties. The company has maintained proper records, documents & agreements for the same.
- (ii)** (a) As explained to us, inventories have been physically verified during the year by the management at regular intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories. Referring to the Internal Auditor’s Stock Audit report, material discrepancy can be noticed on Physical verification of stock.
- (iii)** (a) The Company has accepted loan from one party covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’),
- (b) In the case of the loans accepted from any parties in the register maintained under section 189 of the act, the company has been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(ii) (b) of the order is not applicable to the company in respect of payment of the principal amount.
- (c) There are no overdue amounts for period of more than ninety days in respect of the loans accepted from the bodies corporate listed in the register maintained under section 189 of the act.
- (iv)** In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of Act, with respect to the loan and investment made.
- (v)** The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi)** **(a)** The Central Government has prescribed the maintenance of cost records under section 148 (1) of the companies Act, 2013
- (b)** We have broadly reviewed the cost records maintained by the company pursuant to the rules prescribed by the Central Government and are of the opinion that prima facie the prescribed accounts and cost records have been maintained

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' state insurance, Income tax, Goods & Service tax (GST), Sales Tax, Cess, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, and duty of customs; value added tax, employees' state insurance and duty of excise.

(b) According to the information and explanation given to us, there is no dispute pending in respect of dues of provident fund/sales tax/wealth tax/service tax/custom duty/excise duty/cess/value added tax, were in arrears as at 31st march, 2018 for a period of more than six month from the date they became payable. According to the records of the Company, income-tax

Name of the Statute	Nature of Dues	Amount(Rs.)	Period to which the amount relates AY	Forum where disputes is pending
Income Tax Act, 1961	Income Tax Assessment	93,41,317/-	2009-10	CIT (Appeal)
	Income Tax Assessment	30,90,126/-	2010-11	ITAT (Appeal)
	Income Tax Assessment	33,78,061/-	2011-12	ITAT (Appeal)
	Income Tax Assessment	80,165/-	2012-13	ITAT (Appeal)

- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the record of the Company, managerial remuneration has been paid.
- (xii) In our opinion and according to the information and explanations given to us, the company is not Nidhi Company. Accordingly paragraph 3(xii) of Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R Soni & Co.

Chartered Accountants
Firm's registration number: 130349W

CA Rajesh Soni

Partner
Membership No.133240

Place: Mumbai
Date- 29-05-2018

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

We have audited the internal financial controls over financial reporting of **Dhanlaxmi Fabrics Limited** (‘the Company’) as of 31st-Mar-2018 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION :

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at march 31,2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial control over financial reporting issued by the institute of chartered accountant of India.

For R Soni & Co.

Chartered Accountants

Firm's registration number: 130349W

CA Rajesh Soni

Partner

Membership No.133240

Place: Mumbai

Date: 29-05-2018

BALANCE SHEET AS AT 31ST MARCH 2018

(Rupees in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2018	AS AT 31-03-2017	AS AT 31-03- 2016
B ASSETS				
1 Non-current assets				
a. Property, Plants & Equipment		3,016.53	3,366.74	2,858.79
b. Capital work-in-progress	1	1,080.92	1,056.26	1,356.20
c. Other Intangible Assets		-	-	-
d. Intangible assets under development		-	-	-
e. Financial Assets				
i) Investments	2	67.08	67.08	67.08
ii) Other Financial Assets		-	-	-
f. Other tax assets (Net)		-	-	-
g. Other non - current assets	3	1,341.60	720.85	477.41
h. Deferred tax Asset		-	-	-
Total Non - Current Assets (A)		5,506.13	5,210.93	4,759.48
2 Current assets				
a. Inventories	4	954.37	1,466.78	1,238.53
b. Financial Assets				
i) Trade receivables	5	1,473.53	2,307.64	1,510.31
ii) Cash and cash equivalents	6	3.20	11.99	9.02
iii) Bank balances other than (ii) above		-	-	-
iv) Loans		-	-	-
v) Other Financial assets		-	-	-
c. Current Tax Assets (Net)		-	-	-
d. Other Current Assets	7	33.45	27.18	199.80
Total Current Assets (B)		2,464.56	3,813.59	2,957.66
TOTAL ASSETS (A+B)		7,970.68	9,024.52	7,717.14
A EQUITY AND LIABILITIES				
1 EQUITY				
a. Equity Share capital	8	858.11	858.11	858.11
b. Other Equity	9	3,498.98	3,342.92	3,091.05
Total Equity (A)		4,357.09	4,201.03	3,949.16
2 LIABILITIES				
Non-current liabilities				
a. Financial Liabilities				
i) Long-term borrowings	10	614.67	1,119.45	1,258.74
ii) Other Financial Liabilities				
b. Deferred tax liabilities (net)	11	429.81	476.71	453.20
c. Other long-term liabilities	12	23.43	22.94	18.53
d. Long-term provisions		-	-	-
Total Non Current Liabilities		1,067.91	1,619.11	1,730.47
(B) Current liabilities				
a. Financial Liabilities				
i) Short-term borrowings	13	1,817.85	2,002.77	1,248.49
ii) Trade payables	14	539.30	967.00	644.81
iii) Other Financial Liabilities		-	-	-
b. Other current liabilities	15	35.74	43.52	77.86
c. Short-term provisions	16	35.04	4.17	49.59
d. Current Tax Liabilities(Net)	17	117.74	186.92	16.75
Total Current Liabilities (C)		2,545.68	3,204.39	2,037.51
TOTAL EQUITY AND LIABILITIES (A+B+C)		7,970.68	9,024.52	7,717.14

In terms of our report attached

For R. Soni & Co.

Chartered Accountants

FR NO. 130349 W

Rajesh Soni

Partner

M. No. 133240

Place : Mumbai

Date : 29th May, 2018

For and on behalf of the Board,

Ramautar S. Jhawar

Chairman & Director

Bhaviika Jain

Company Secretary

Vinod S. Jhawar

Managing Director

Mahesh S. Jhawar

Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Rupees in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2018	FOR THE YEAR ENDED 31-03-2017
A CONTINUING OPERATIONS			
1 Revenue from operations	18	7,027.63	9,281.21
2 Other income	19	274.22	103.51
Total Revenue		7,301.85	9,384.73
3 Expenses			
(a) Cost of materials consumed	20	3,282.50	3,225.53
(b) Cost of Store & Spares Consumed	21	66.59	135.74
(c) Purchases of stock-in-trade	22	559.22	2,561.17
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	512.41	(228.25)
(e) Employee benefits expenses	24	777.83	704.43
(f) Finance costs	25	279.03	309.87
(g) Depreciation	26	406.85	389.31
(f) Other expenses	27	1,179.55	1,839.55
Total Expenses		7,063.96	8,937.35
4 Profit before exceptional Items & taxes	29	237.89	
Exceptional Items - TUF Interest		(3.73)	
5 Profit/(Loss) Before Taxes		234.16	447.38
Tax expense:			
(a) Current tax		125.00	172.00
(b) Deferred Tax		46.90	(23.51)
Net tax expense		78.10	195.51
6 Profit/(Loss) for the period	A	156.06	251.87
Other comprehensive income			
- 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		-	-
Total comprehensive income for the period	B	156.06	251.87
(Profit/ loss + other comprehensive income)	(A+B)		
7 Earnings per Equity share (Face Value of Rs. 10/- each)			
a) Basic		1.82	2.94
b) Diluted		1.82	2.94
8 Significant Accounting Policies	1 to 34		
Notes on Financial Statements			

In terms of our report attached

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

Rajesh Soni
Partner
M. No. 133240

Place : Mumbai
Date : 29th May, 2018

For and on behalf of the Board,

Ramautar S. Jhawar
Chairman & Director

Vinod S. Jhawar
Managing Director

Bhaviika Jain
Company Secretary

Mahesh S. Jhawar
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rupees in Lacs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	237.89	447.38
<i>Adjustments for:</i>		
Depreciation and amortisation	406.85	389.31
(Profit) (-) Loss (+) on sale / write off of assets	-	10.70
Finance costs	279.03	309.87
Interest income	(57.21)	(53.15)
Dividend Received	(0.01)	(0.01)
Rental Income from Investment Property	(59.47)	(44.14)
Operating profit / (loss) before working capital changes	807.07	1,059.95
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories (increase / decrease)	512.41	(228.25)
Trade and other receivables	834.11	(797.33)
Other current assets	(6.27)	172.62
Other Current Liabilities	(46.09)	90.41
Trade and other Payables	(427.70)	322.18
Cash generated from operations	866.46	(440.37)
Net income tax (paid) / refunds	1,673.54	619.58
	125.00	172.00
Net cash flow from / (used in) operating activities (A)	1,548.54	447.58
B. Cash flow from investing activities		
Purchase of fixed assets & sale (net off)	(81.30)	(1,053.75)
Sale of fixed assets	-	456.44
Interest received	57.21	53.15
Rental income from investment properties	59.47	44.14
Loss on Sale of Fixed Asset	-	(10.70)
Long Term Liabilities	(504.78)	(139.29)
Long Term Advances	(620.74)	(243.44)
Other Long term Liabilities	0.48	4.42
Interest on TUF Subsidy	(3.73)	-
Dividend Received	0.01	0.01
Net cash flow from / (used in) investing activities (B)	(1,093.38)	(889.03)
C. Cash flow from financing activities		
Issue of equity shares	-	-
Capital Subsidy received	-	-
Repayment of long-term borrowings	(184.92)	754.28
Net increase / (decrease) in working capital borrowings	(279.03)	(309.87)
Finance cost	-	-
Net cash flow from / (used in) financing activities (C)	(463.95)	444.42
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(8.79)	2.98
Cash and cash equivalents at the beginning of the year	11.99	9.02
Cash and cash equivalents at the end of the year	3.20	11.99
Net increase / (decrease) in Cash and cash equivalents	-	-

In terms of our report attached

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

Rajesh Soni
Partner
M. No. 133240

Place : Mumbai
Date : 29th May, 2018

For and on behalf of the Board,

Ramautar S. Jhawar
Chairman & Director

Vinod S. Jhawar
Managing Director

Bhaviika Jain
Company Secretary

Mahesh S. Jhawar
Chief Financial Officer

51 Company Overview

The Company ("M/S. DHANLAXMI FABRICS LIMITED") is an existing public limited company incorporated on 07th 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.

52 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 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 Company's financial position, financial performance and cash flows which is separately presented in the annual report.

The financial statements were authorized for issue by the Company's Board of Directors on 29th May 2018.

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

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

(i) Investments are measured at fair value.

(B) Revenue Recognition

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

(I) Sales

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

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

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

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

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

(ii) Dividends

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

(C) Property, plant and equipment

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

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

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

(ii) Depreciation

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

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

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

(D) Inventories Valuation

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

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

(iii) Scrap is valued at net realisable value.

(E) Cash And Cash Equivalents

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

(F) Trade receivables

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

(G) Trade and other payables

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

(H) Borrowing Cost

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

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

(I) Investments

All Unquoted equity investments are measured at carrying value.

(J) Employee Benefit

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

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

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

(K) Earnings Per Share

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

(L) Taxation

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

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

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

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

(M) Impairment of Assets

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

(N) Provisions and Contingent Liabilities

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

(O) Operating Cycle

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

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

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

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

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

(b) Financial assets at fair value through other comprehensive income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(iii) Impairment of financial assets

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

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

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

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

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

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

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

(ii) Subsequent measurement

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

53 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.

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

FOR R SONI & CO.

Chartered Accountants
FRN: 130349W

RAJESH SONI

Partner
Membership No. 133240

FOR DHANLAXMI FABRICS LIMITED

Ramautar S. Jhawar
Chairman & Director

Vinod S. Jhawar
Managing Director

Bhaviika Jain
Company Secretary

Mahesh S. Jhawar
Chief Financial Officer

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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

(Rs. in Lacs)

Note No. 1 Property, Plant & Equipment	Description of the Assets	Total as on 01-04-2017	Gross Block at Cost		Deduction during the year	Total as on 31-03-2018	Depreciation/Amortisation/Impairment Losses			Net Block		
			Through Purchase	Through Business Combination			Upto 31-03-2017	Provided during the year	Impairment Loss	Upto 31-03-2018	As on 31-03-2018	As on 31-03-2017
	Land	470.63	-	-	-	470.63	-	-	-	-	470.63	470.63
	Building	763.09	-	-	-	763.09	285.31	24.05	-	309.36	453.73	477.78
	Plant & Machinery	5,282.87	41.83	-	-	5,324.70	3,176.17	360.38	-	3,536.55	1,788.15	2,106.70
	Electrical Installation	150.06	-	-	-	150.06	111.99	5.06	-	117.05	33.01	38.07
	Pipe Fitting	34.62	-	-	-	34.62	32.12	0.15	-	32.27	2.35	2.51
	Furniture & Fixture	108.56	-	-	-	108.56	101.41	0.44	-	101.86	6.70	7.14
	Laboratory Equipment	27.49	-	-	-	27.49	23.19	0.81	-	24.00	3.50	4.30
	Office Equipment	9.05	0.73	-	-	9.78	7.99	0.51	-	8.51	1.27	1.06
	Air Conditioner	17.66	1.63	-	-	19.29	10.93	1.02	-	11.96	7.33	6.73
	Computer	45.20	2.46	-	-	47.66	43.39	1.23	-	44.61	3.05	1.82
	Motor Vehicle	58.27	10.00	-	-	68.27	51.98	1.65	-	53.63	14.64	6.29
	Misc. Assets	54.18	-	-	-	54.18	34.13	3.24	-	37.37	16.81	20.05
	Office Premises Vikroli	128.59	-	-	-	128.59	17.73	1.93	-	19.67	108.92	110.86
	Property - Bhiwandi	93.64	-	-	-	93.64	11.48	1.43	-	12.91	80.73	82.17
	Sub Total	7,243.92	56.64	-	-	7,300.56	3,907.83	401.91	-	4,309.74	2,990.81	3,336.09
	Wind Power Division											
	Land	10.00	-	-	-	10.00	-	-	-	-	10.00	10.00
	Plant and Machinery	521.00	-	-	-	521.00	500.35	4.93	-	505.28	15.72	20.65
	Sub Total	531.00	-	-	-	531.00	500.35	4.93	-	505.28	25.72	30.65
	Total	7,774.92	56.64	-	-	7,831.56	4,408.18	406.85	-	4,815.02	3,016.53	3,366.74
	Previous Year	7,285.74	945.62	-	-	7,774.92	4,426.95	389.31	408.08	4,408.18	3,366.74	2,858.79

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rupees in Lacs)

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

	As at 31 /03/2018		As at 31 /03/2017		As at 31 /03/2016	
2 NON-CURRENT INVESTMENTS						
In equity shares of subsidiary companies		65.08		65.08		65.08
1. Western Chlorides & Chemicals Pvt Ltd		-		-		-
2999 Equity Shares @ Rs.2170/- Per Share, face Value Rs.100/- Per shares		-		-		-
2. Dhanesh Fabrics Pvt Ltd		1.00		1.00		1.00
9999 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares		-		-		-
3. DFL Fabrics Pvt Ltd		1.00		1.00		1.00
9980 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares		-		-		-
Total		67.08		67.08		67.08
3 OTHER NON CURRENT ASSETS						
Balances with Excise dept.		97.07		34.91		38.68
Security Deposits		-		151.22		104.55
Interest Receivable under TUF Scheme		818.79		136.31		136.31
Loans to Company		182.49		-		-
IT Refund		71.45		182.49		-
Fixed Deposits with Bank		-		66.93		48.88
Income Tax Paid Under Protest						
For A.Y. 2010-11 (Under Appeal)		117.22		100.00		100.00
For A.Y. 2011-12 (Under Appeal)		45.00		45.00		45.00
For A.Y. 2012-13 (Under Appeal)		4.00		4.00		4.00
For A.Y. 2013-14 (Under Appeal)		5.57		-		-
Total		1341.60		720.85		477.41
4 INVENTORIES						
Fabric		483.37		660.43		653.74
Yarn		220.25		497.09		347.95
Stock in Process		91.81		148.27		91.02
Dyes		39.39		57.88		51.10
Chemicals		48.91		44.74		42.84
Packing Material		5.32		7.86		7.76
Coal		11.03		6.42		4.18
Diesel		0.57		0.42		0.34
Stores & Spares		40.62		43.67		39.59
Windmill Energy Generation Stock		13.10		-		-
Total		954.37		1,466.78		1,238.53
5 TRADE RECEIVABLES						
Particulars						
Unsecured						
Outstanding For a Period exceeding Six Months from the date they are due for payment						
Considered Good	211.17		1052.03		200.64	
Considered Doubtful	-		-		-	
Less: Allowance for Bad Debts	-	211.17	-	1,052.03	-	200.64
Less: Provision for Service Discount	-	-	-	-	-	-
Less : ECI Effect	-	-	-	-	-	-
Other		1,262.37		1,255.61		1,309.67
Total		1,473.53		2,307.64		1,510.31

i) No Provision for Doubtful Debtors is made as Management of the company is hopeful of full recoverability of the same. (Rupees in Lacs)

6 CASH AND CASH EQUIVALENTS Particulars	As at 31 /03/2018		As at 31 /03/2017		As at 31 /03/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Cash on hand		3.03		8.46		7.41
Balance with banks		0.17		3.53		1.61
Total		3.20		11.99		9.02
7 OTHER CURRENT ASSETS Particulars						
Other Loans & Advances		24.66		10.18		19.40
Loan to staff		2.16		0.56		1.00
Prepaid Expenses		6.63		1.44		7.89
Advance to Suppliers		-		15.00		171.51
Total		33.45		27.18		199.80

i) Other Loans & Advances includes primarily Interest accrued and receivable on Non Current Fixed Deposits with Bank.

8 EQUITY SHARE CAPITAL Particulars	As at 31 /03/2018		As at 31 /03/2017		As at 31/03/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital 1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)		1,500.00		1,500.00		1,500.00
Issued, Subscribed and Paid up 85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/-Par Value)		858.11		858.11		858.11

Note No 8.1 : The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2018:

Particulars	As at 31 /03/2018		As at 31 /03/2017		As at 31 /03/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	8,581,100.00	858.11	8,581,100.00	858.11	8,581,100.00	858.11
Add: Shares issued during the year	-	-	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-	-	-
Number of shares at the end	8,581,100.00	858.11	8,581,100.00	858.11	8,581,100.00	858.11

Note No 8.2: 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 8.3: 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 8.4: The details of Shareholders holding more than 5% Shares in the company

Name of Shareholders	As at 31 /03/2018		As at 31 /03/2017		As at 31 /03/2016	
	No. of Shares	% held as at	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	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92	12,80,000	14.92
Jhavar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics LLP	4,38,000	5.10	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhavar	778,408	8.79	778,408	8.79	778,408	8.79

(Rupees in Lacs)			
9 OTHER EQUITY	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Particulars			
Capital Reserve	-	-	-
At the beginning and at the end of the year			
General Reserve			
Opening Balance(As per last Balance Sheet)	108.46	108.46	108.46
Add: Transferred from Surplus	-	-	-
	108.46	108.46	108.46
Surplus			
Opeing Balance (As per last Balance sheet)	2,338.46	2,086.59	2,024.23
Add: Net Profit after tax Transferred from Statement of Profit & Loss	156.06	251.87	62.36
Less: Transfer to General Reserve	2,494.52	2,338.46	2,086.59
	-	-	-
	2,494.52	2,338.46	2,086.59
Security Premium			
Opening Balance	896.00	896.00	896.00
Add: During the Year	-	-	-
Closing Balance	-	-	-
Surplus Closing Balance	896.00	896.00	896.00
OCI			
Opening Balance	-	-	-
Add: During the year	-	-	-
Closing Balance	-	-	-
Total	3,498.98	3,342.92	3,091.05
10 LONG TERM BORROWINGS			
Secured Loans			
Term Loan from Kotak Mahindra Bank	40.10	108.85	180.44
Term Loan from AXIS Bank	206.15	290.99	-
Term Loan from The Shamrao Vithal Co-Op. Bank	368.42	657.95	923.87
Unsecured Loans			
From Promtech Impex Pvt Ltd	-	61.66	154.43
Total	614.67	1,119.45	1,258.74
10.1 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.			
10.2 Unsecured loan was received from M/s. Promtech Impex Pvt Ltd the associate company was duly repaid on demand during the year.			
11. DEFERED TAX LIABILITIES (NET)	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Defered Tax Liabilities			
At Beginning of the year	476.71	453.20	542.14
Defered Tax Liability/ Assets for the year	(46.90)	23.51	88.94
Defered Tax on retained earning on fixed assets	-	-	-
At Closing of the year	429.81	476.71	453.20
The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation adjusted in account.			
Though adjustment has been made in term of accounting standard 22, having regard to the normal capital expenditure which the Company is expected to continue to make in future years, the timing difference not effectively reversed and to cash outgo likely to materialize on account thereof.			

(Rupees in Lacs)			
12 OTHER LONG TERM LIABILITIES	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Deposits received from Licensee	23.43	22.94	18.53
12.1 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 /03/2018	As at 31 /03/2017	As at 31 /03/2016
1. Synergy Property Development Services Pvt Ltd	16.70	16.70	16.70
2. G4 Securities Solution (India) Pvt. Ltd.	3.42	3.42	-
3. Mr. Mohammad Muzaammi Suyani	3.31	2.83	-
4. Yukti Mercantile pvt. Ltd.	-	-	0.96
5. John Keells Logistics Pvt Ltd	-	-	0.87
Total	23.43	22.94	18.53
12.2 The carrying value of Security Deposits is deemed to be the Fair Value.			
13 SHORT TERM BORROWING			
Secured Borrowing	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Cash credit from Kotak Mahindra Bank	185.55	630.05	484.23
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	1,084.00	473.59	471.94
Cash Credit from Axis Bank Ltd.	105.18	480.71	-
Current Maturities of Long Term Loan from Kotak Mahindra Bank	68.75	68.75	68.75
Current Maturities of Long Term Loan from AXIS Bank	84.84	83.76	-
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	289.53	265.92	223.7
TOTAL	1,817.85	2,002.77	1,248.49
13.1 Secured borrowings are secured by way of Hypothecation of stocks and book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.			
13.2 The company has not availed the credit facility at the end of the to surplus of own funds.			
14 TRADE PAYABLES	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Creditors	539.30	967.00	644.81
14.1 Disclosure under Section 22 of the Micro, Small and Medium enterprises Development Act 2006 could not be furnished as none of the suppliers of the company have provided the details of their registration under the said Act.			
15 OTHER CURRENT LIABILITIES	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Charity Fund	7.00	12.99	12.92
Sundry Liabilities	19.27	22.52	-
Statutory Liabilities	9.47	8.01	62.07
Advance received from customers	-	-	2.87
Total	35.74	43.52	77.86
16 SHORT TERM PROVISIONS	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Provision for outstanding Expenses	35.04	4.17	49.59
17 CURRENT TAX LIABILITIES(NET)	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Provision for Income Tax	488.10	363.10	715.58
Less: Advance tax Paid	173.00	118.00	270.00
Less:TDS Receivables	130.34	58.17	428.82
Less: GST Refund Receivable	67.01	-	-
Total	117.74	186.92	16.75

	(Rupees in Lacs)	
	<u>As at 31 /03/2018</u>	<u>As at 31 /03/2017</u>
18 REVENUE FROM OPERATIONS		
Process Charges of Fabrics	706.78	2,908.77
Weaving Sales	1,159.51	5,398.82
Weaving Jobwork Income	-	443.55
Fabric Sales Local	1,559.89	61.24
Textile Job Charges - Local	2,076.44	-
Textile Job Charges - OMS	370.75	-
Fabric Sales OMS	1,059.89	-
Fabric Sales Tax Free	1.11	-
Yarn Process Charges Local	33.25	255.61
Yarn Process Charges Oms	53.39	99.04
Yarn Sales	6.62	14.38
Screen Charges	-	29.11
Power Sales	-	70.71
Total	7,027.63	9,281.21
19 OTHER INCOME		
Interest accrued on FD	5.03	5.34
Other Interest	52.19	20.34
TUF Interest Subsidy	-	27.47
Duty Drawback	-	3.09
Profit & Loss on sale of Assets	-	(10.70)
Sundry balance W/off	-	13.04
Misc. Income	157.53	0.78
Dividend received	0.01	0.01
Rent from house property	59.47	44.14
Total	274.22	103.51
19.1 Misc. Income consists of Maturity amount of Key Man Insurance Policy.		
20 COST OF RAW MATERIALS CONSUMED		
Yarn	1,551.45	1,911.23
Dyes	169.43	230.38
Chemicals	569.94	617.43
Packing Material	62.29	100.07
Coal	579.23	359.20
Consumables	34.76	-
Diesel	1.97	3.65
Excise	-	3.57
Textile Process Charges	313.43	-
Total	3282.50	3,225.53
21 STORE & SPARES CONSUMPTION		
Indigenous	66.59	135.74
Total	66.59	135.74
22 PURCHASES OF STOCK IN TRADE		
Fabric	54,955	1790.67
Other	-	510.86
Trading Purchase	9.67	259.64
Total	559.22	2,561.17

(Rupees in Lacs)		
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Inventory (At close)	As at 31 /03/2018	As at 31 /03/2017
Fabric	849.46	824.73
Work in Progress	91.81	148.27
Windmill Energy Generation Stock	13.10	-
Total	954.37	973.00
Inventory (At commencement)		
Fabric	1,318.51	653.74
Work in Progress	148.27	91.02
Total	1,466.78	744.76
Net Change	512.41	(228.25)
24 EMPLOYEE BENEFIT EXPENSES		
Labour Charges	494.92	480.64
Salary	269.07	209.61
Contribution to P.F & ESIC	7.21	4.70
Contribution to Graduty Fund	-	6.58
Maharashtra Labour Fund	0.09	-
Staff welfare Expenses	6.54	2.91
Total	777.83	704.43
25 FINANCE COST		
Interest on Working capital	140.92	12.00
Interest on Term Loan	123.81	171.70
Interest On Others	14.30	126.17
Total	279.03	309.87
25.1 The benefit of TUF subsidy on interest received has been accounted under Heading "Other income" Note no. 21		
26 DEPRECIATION		
Depreciation on Fixed Assets	406.85	389.31
26.1 Depreciation has been provided as per guidlenes given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis		
27 OTHER EXPENSES		
27 (a) Manufacturing expenses		
Electricity Charges	440.76	430.43
Water Expenses	297.33	214.11
Repairs to building	2.13	2.77
Repairs to Machinery	26.61	34.38
Job charges paid	1.48	109.87
Freight & forwarding expenses	14.75	25.21
Laboratory expenses	0.15	0.55
Insurance	3.67	13.99
Lease rent for factory land	5.35	0.60
Commission & Brokerage - Purchase	1.55	-
Contribution to Hazzardous waste	-	0.39
Others	38.17	827.22
Sizing/Warping Charges	134.06	-
Total	965.99	1,659.51

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

(Rupees in Lacs)

	As at 31 /03/2018	As at 31 /03/2017
27(b) <u>Selling & distribution expenses</u>		
Sales promotion	0.66	0.33
Cash Discount	3.53	-
Commission & brockorage	42.64	13.17
Total	46.84	13.50
27.(c) <u>Administrative expenses</u>		
Property tax	0.92	1.48
Printing & stationery	6.77	7.68
Rent, Rates & Taxes	1.08	5.30
Travelling expenses	4.61	3.08
Postege & courier charges	2.38	2.14
Legal & professional fees	21.53	18.88
Advertisement charges	0.67	2.28
Repairs to others	3.69	4.30
Conveyance expenses	3.85	3.19
General expenses	2.85	6.17
Bank Loan processing fees & Stamp duty	4.40	14.28
Listing fees	2.50	2.29
Bank charges	0.13	1.64
Demate Charges	-	0.52
Vehicle expenses	4.73	5.85
Trunk & telephone	4.08	4.10
Auditor Remuneration	-	6.83
Keyman Insurance Exp.	-	7.94
Directors remuneration	60.00	48.00
Sitting Fees	1.28	1.05
Real Estate Expenses	8.40	6.37
Clearing & Forwarding	-	4.88
Others	3.58	5.13
Sundry Balances W/off	20.11	-
Total	157.57	163.39
<u>Total 27(a)+27(b)+27(c.)</u>	1,170.40	1,836.40
28 <u>Payment to auditors</u>		
(a) <u>Auditor</u>		
Statutory audit Fees	6.75	0.75
Tax Audit Fee	0.15	0.15
Internal audit fees	2.00	2.00
(b) <u>Cost Audit Fees</u>	0.25	0.25
Total	9.15	3.15

(Rupees in Lacs)

29	EXCEPTIONAL ITEMS	As at 31 /03/2018	As at 31 /03/2017
	Interest Received on TUF Subsidy	132.58	-
	Interest written off since non recoverable	136.31	-
	Total	-3.73	-
30	<u>EARNING PER SHARE(EPS)</u>		
	(i) Net Profit after tax as per statement of Profi & Loss Attributable to equity Shareholders	15,605,949.52	25,186,605.78
	(ii) Weighted average number of Equity shares used as denominator for calculating EPS	8581100	8581100
	(iii) Basic and Diluted Earnings per share	1.82	2.94
	(iv) Face Value per Equity share	Rs.10/-	Rs.10/-
31	<u>CONTINGENT LIABILITIES</u>		
	Contingent Liabilities not provided for in respect of		
	1. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66	74.66
	2. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appealent Court	528.96	528.96
32	<u>FOREIGN EXCHANGE EARNING AND OUTGO</u>		
	a) Earning - Fabrics Export		61.67
	b) Outgo - Import of Spares for Imported Machinery		22.87
33	<u>RELATED PARTY DISCLOSURE</u>		
	a) Name of the related party and description of relationship.		

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

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

(Rupees in Lacs)

Sr. No.	Related Parties	Nature of Transactions during the year	2017-2018	2016-2017
(i)	Promtech Impex Pvt Ltd	Interest	42.85	14.98
(ii)	Western Chlorides & Chemicals Pvt Ltd.	Rent	5.40	0.60
(iii)	Dhanesh Fabrics Pvt Ltd	Textile Job Income	210.74	643.50
		Rent	0.27	-
		Fabric Sale	608.74	-
		Fabric Purchase	45.60	259.64
(iv)	DFL Fabrics Pvt Ltd.	Fabric Purchase	18.30	21.06
		Fabric Process Income	20.26	51.22
(v)	Vinod S Jhawar	Directors Remuneration	60.00	48.00
(vi)	Mahesh S Jhawar	Directors Remuneration	6.00	3.00

i) Director Remuneration is net of TDS Payable and Contribution to Provident Fund Account etc

Sr. No.	Related parties	2017-2018	2016-2017
(i)	Promtech Impex Pvt Ltd	15.06	-61.66
(ii)	Western Chlorides & Chemicals Pvt Ltd.	-	2.89
(iii)	Dhanesh Fabrics Pvt Ltd	94.30	48.98
(iv)	DFL Fabrics Pvt Ltd.	1.28	1.63

34 Note 8 : 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 2018

Particulars	Carrying Amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
Financial assets	-	-	67.08	67.08	-	-
Investments	-	-	67.08	67.08	-	-
Trade Receivables	-	-	1,473.53	1,473.53	-	-
Cash and cash equivalents	-	-	3.20	3.20	-	-
	-	-	1,543.81	1,543.81	-	-
Financial liabilities	-	-	539.30	539.30	-	-
Trade Payables	-	-	539.30	539.30	-	-
Short Term Borrowings	-	-	1,817.85	1,817.85	-	-
Long Term Borrowings	-	-	614.67	614.67	-	-
	-	-	2,971.82	2,971.82	-	-

As at 31st March 2017

Particulars	Carrying amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
Financial assets	-	-	67.08	67.08	-	-
Investments	-	-	67.08	67.08	-	-
Trade Receivables	-	-	2,307.64	2,307.64	-	-
Cash and cash equivalents	-	-	11.99	11.99	-	-
	-	-	2,386.71	2,386.71	-	-
Financial liabilities	-	-	967.00	967.00	-	-
Trade Payables	-	-	967.00	967.00	-	-
Short Term Borrowings	-	-	2,002.77	2,002.77	-	-
Long Term Borrowings	-	-	1,119.45	1,119.45	-	-
	-	-	4,089.22	4,089.22	-	-

As at 31st March 2016					(Rupees in Lacs)	
Particulars	Carrying Amount			Fair value		
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
Financial assets	-					
Trade Receivables	-		1,510.31	1,510.31		
Investments	-		67.08	67.08	-	-
Loans and Advances	-		-	-	-	-
Cash and cash equivalents	-		9.02	9.02	-	-
			1,586.41	1,586.41	-	-
Financial liabilities						
Trade Payables			644.81	644.81		
Short Term Borrowings	-		1,248.49	1,248.49	-	-
Long Term Borrowings	-		1,258.74	1,258.74	-	-
			3,152.04	3,152.04	-	-

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.

(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, 2018	As at March 31, 2017	As at March 31, 2016
0 - 6 months	1,262.37	1,255.61	1,309.67
Beyond 6 months	211.17	1,052.03	200.64
Total	1,473.53	2,307.64	1,510.31

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

(b) Cash and cash equivalents and Other Bank Balances

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

C.iii. Liquidity risk

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

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

C.iv. Market risk

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

C.iv.a Currency risk

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

C.iv.b Interest rate risk

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

DHANLAXMI FABRICS LIMITED

RECONCILIATION OF EQUITY AS AT 01ST APRIL 2016

(Rupees in Lacs)

PARTICULARS	AS PER INDIAN GAAP	ADJUSTMENTS	AS PER INDI-AS
I Non - Current Assets			
(a) Property, Plant and Equipment	2,858.79	-	2,858.79
(b) Capital work - in - progress	1,356.20	-	1,356.20
(c) Other Intangible Assets	-	-	-
(d) Intangible assets under development	-	-	-
(e) Financial assets	-	-	-
(i) Investments	67.08	-	67.08
(iii) Other financial assets	428.54	0	428.54
(f) Other tax assets (Net)	-	-	-
(g) Other non - current assets	-	-	-
(h) Deferred tax asset	-	-	-
Total Non - Current Assets (A)	4,710.61	-	4,710.61
II Current Assets	-	-	-
(a) Inventories	1,238.53	-	1,238.53
(b) Financial assets	-	-	-
(i) Trade receivables	1,510.31	-	1,510.31
(ii) Cash and cash equivalents	57.89	-	57.89
(iii) Bank balances other than (ii)above	-	-	-
(iv) Loans	-	-	-
(v) Other financial assets	180.39	-	180.39
(c) Other tax assets (Net)	698.82	-	698.82
(d) Other current assets	19.40	-	19.40
Total Current Assets (B)	0.04	-	0.04
TOTAL ASSETS (A+B)	4,710.65	-	4,710.65
<u>EQUITY AND LIABILITIES</u>			
I EQUITY			
(a) Equity share capital	858.11	-	858.11
(b) Other Equity	3,091.05	-	3,091.05
Total Equity (A)	3,949.16	-	3,949.16
II LIABILITIES	-	-	-
(1) Non Current Liabilities	-	-	-
(a) Financial Liabilities	1,551.06	-	1,551.06
(i) Other financial liabilities	18.53	-	18.53
(b) Provisions	715.58	-	715.58
(c) Deferred tax Liabilities	453.20	-	453.20
Total Non Current Liabilities (B)	2,738.37	-	2,738.37
(2) Current Liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(i) Borrowings	956.17	-	956.17
(i) Trade payables	644.81	-	644.81
(ii) Other financial liabilities	-	-	-
(b) Other current liabilities	77.86	-	77.86
(c) Provisions	49.59	-	49.59
(d) Current tax liabilities (Net)	-	-	-
Total Current Liabilities (c)	1,728.44	-	1,728.44
TOTAL EQUITY AND LIABILITIES (A+B+C)	8,415.97	-	8,415.97

DHANLAXMI FABRICS LIMITED**RECONCILIATION OF EQUITY AS AT 31ST MARCH 2017**

(Rupees in Lacs)

PARTICULARS	AS PER INDIAN GAAP	ADJUSTMENTS	AS PER INDI-AS
I Non - Current Assets			
(a) Property, Plant and Equipment	3,366.74	-	3,366.74
(b) Capital work - in - progress	1,056.26	-	1,056.26
(c) Other Intangible Assets	-	-	-
(d) Intangible assets under development	-	-	-
(e) Financial assets	-	-	-
(i) Investments	67.08	-	67.08
(iii) Other financial assets	653.93	0	653.93
(f) Other tax assets (Net)	-	-	-
(g) Other non - current assets	-	-	-
(h) Deferred tax asset	-	-	-
Total Non - Current Assets (A)	5,144.00	-	5,144.00
II Current Assets	-	-	-
(a) Inventories	1,466.78	-	1,466.78
(b) Financial assets	-	-	-
(i) Trade receivables	2,307.64	-	2,307.64
(ii) Cash and cash equivalents	78.92	-	78.92
(iii) Bank balances other than (ii)above	-	-	-
(iv) Loans	-	-	-
(v) Other financial assets	17.00	-	17.00
(c) Other tax assets (Net)	176.17	-	176.17
(d) Other current assets	10.18	-	10.18
Total Current Assets (B)	4,056.69	-	4,056.69
TOTAL ASSETS (A+B)	9,200.70	-	9,200.70
<u>EQUITY AND LIABILITIES</u>			
I EQUITY			
(a) Equity share capital	858.11	-	858.11
(b) Other Equity	3,342.92	-	3,342.92
Total Equity (A)	4,201.03	-	4,201.03
II LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities	1,537.88	-	1,537.88
(i) Other financial liabilities	22.94	-	22.94
(b) Provisions	363.10	-	363.10
(c) Deferred tax Liabilities	476.71	-	476.71
Total Non Current Liabilities (B)	2,400.64	-	2,400.64
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,584.34	-	1,584.34
(i) Trade payables	967.00	-	967.00
(ii) Other financial liabilities	-	-	-
(b) Other current liabilities	43.52	-	43.52
(c) Provisions	4.17	-	4.17
(d) Current tax liabilities (Net)	-	-	-
Total Current Liabilities (c)	2,599.03	-	2,599.03
TOTAL EQUITY AND LIABILITIES (A+B+C)	9,200.70	-	9,200.70

DHANLAXMI FABRICS LIMITED

Reconciliation of Profit & Loss for the year ended 31st March 2018

(Rupees in Lacs)

PARTICULARS	AS PER INDIAN GAAP	ADJUSTMENTS	AS PER INDI-AS
I Income			
Revenue from operations	7,027.63	-	7,027.63
Other income	274.22	-	274.22
Total Income	7,301.85	-	7,301.85
II Expenses			
Operating Expenses	3,841.72	-	3,841.72
Changes in inventories	512.41	-	512.41
Excise Duty on sales of goods	-	-	-
Employee benefit expenses	777.83	-	777.83
Finance Cost	279.03	-	279.03
Depreciation & amortization expenses	406.85	-	406.85
Other Expenses	1,179.55	-	1,179.55
Total Expenses	6,997.37	-	6,997.37
III Profit before exceptional items & tax	304.48	-	304.48
Exceptional Items	-3.73	-	-3.73
IV Profit/(Loss) before tax	300.75	-	300.75
V Tax expenses			
(1) Current tax :		-	
(a) of Current year	125.00	-	125.00
(b) of Earlier years		-	
(2) Deferred tax	46.90	-	46.90
VI Profit for the period	222.65	-	222.65
VII Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
B. (i) Items that will not be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	222.65	-	222.65

DHANLAXMI FABRICS LIMITEDSTATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(Rupees in Lacs)

A. Equity Share Capital

Particulars	Amount
Balance at at 1st April, 2016	858.11
Changes in equity share capital during the year	-
Balance at at 31st March, 2017	858.11
Changes in equity share capital during the year	-
Balance at at 31st March, 2018	858.11

B. Other Equity

Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
Balance at 1st April, 2016		108.46	2,086.59		2,195.05
Profit for the year	-	-	251.87	-	251.87
Trf to General Reserve	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
Balance at 31st March, 2017		108.46	2,338.46		2,446.92
Profit for the year	-	-	156.06	-	156.06
Final Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
Balance at 31st March, 2018		108.46	2,494.52		2,602.98

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of DHANLAXMI FABRICS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **DHANLAXMI FABRICS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its statement of profit and loss and its cash flows statement for the year ended on that date.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

FOR R. SONI & CO

Chartered Accountants

Firm's registration

Number: 130349W

CA Rajesh Soni

Partner

Membership No.133240

Place: Mumbai

Date- 29-05-2018

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

“ANNEXURE A” TO THE 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 31st March 2018 in conjunction with our audit of the consolidated 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial control over financial reporting issued by the institute of chartered accountant of India.

FOR R SONI & CO.

Chartered Accountants

Firm's registration number: 130349W

CA Rajesh Soni

Partner

Membership No.133240

Place: Mumbai

Date: 29-05-2018

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Rupees in Lacs)

PARTICULARS	NOTE	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
1				
Non-current assets				
a. Property, Plants & Equipment	1	3,025.28	3,378.70	2,870.91
b. Capital work-in-progress		1,080.92	1,056.26	1,356.20
c. Financial Assets				
i) Investments	2	84.79	62.08	62.08
ii) Other Financial Assets		-	-	-
d. Other Tax Assets(Net)		-	-	-
e. Other Non-Current Assets	4	1,442.44	861.54	641.83
Total		5,633.43	5,358.58	4,931.02
2				
Current assets				
a. Inventories	5	1,132.00	1,592.84	1,332.64
b. Financial Assets				
i) Trade receivables	6	1,564.05	2,379.56	1,644.18
ii) Cash and cash equivalents	7	23.27	29.39	18.80
iii) Other Financial assets		-	-	-
c. Current Tax Assets(Net)	3	12.11	6.79	0.10
d. Other Current Asset	8	100.36	56.72	276.86
Total		2,831.80	4,065.31	3,272.58
TOTAL ASSETS		8,465.23	9,423.89	8,203.60
EQUITY & LIABILITIES				
1				
Equity				
a. Equity Share Capital	9	858.11	858.11	858.11
b. Other Equity	10	3,696.27	3,523.20	3,231.81
Total		4,554.38	4,381.31	4,089.92
2				
Liabilities				
Non-current liabilities				
a. Financial Liabilities				
Long-term borrowings	11	1,124.55	1,295.55	1,435.74
b. Deferred tax liabilities (net)	12	429.58	476.79	453.50
c. Other long-term liabilities	13	23.43	22.94	18.53
Total		1,577.56	1,795.28	1,907.77
Current liabilities				
Financial Liabilities				
a i) Short-term borrowings	15	1,528.32	2,002.77	1,248.49
ii) Trade payables	16	547.50	998.30	791.65
b. Current Tax (Liabilities)		184.76	186.92	17.34
c. Other current liabilities	17	38.67	55.13	98.84
d. Short-term provisions	18	35.04	4.17	49.59
Total		2,334.29	3,247.30	2,205.91
TOTAL EQUITY & LIABILITIES		8,466.23	9,423.89	8,203.60
Significant Accounting Policies				
Notes on Financial Statements	1 to 32			

In terms of our report attached

FOR R. SONI & CO.

Chartered Accountants
FR NO. 130349 W

CA Rajesh Soni

Partner
M. No. 133240

Place : Mumbai
Date : 29-05-2018

For and on behalf of the Board,

Ramautar S. Jhawar
Chairman & Directors

Vinod S. Jhawar
Managing Director

Bhavika Jain
Company Secretary

Mahesh S. Jhawar
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018 (Rupees in Lacs)

PARTICULARS	NoteNo.	FOR THE YEAR ENDED 31-03-2018	FOR THE YEAR ENDED 31-03-2017
A CONTINUING OPERATIONS			
1 Revenue from operations	19	7,802.10	10,442.19
2 Other income	20	299.62	175.04
Total Revenue		8,101.73	10,617.23
3 Expenses			
(a) Cost of materials consumed	21	3,282.50	3,225.53
(b) Cost of Stores & Spares consumed	22	66.59	135.74
(c) Purchases of stock-in-trade	23	1,130.55	3,509.20
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	425.61	(260.20)
(e) Employee benefits expenses	25	810.43	728.27
(f) Finance costs	26	286.09	315.53
(g) Depreciation	27	409.34	391.71
(h) Other expenses	28	1,416.83	2,068.32
Total Expenses		7,827.94	10,114.11
4 Profit before exceptional items & taxes		273.78	503.12
Exceptional Items - TUF Interest		(3.73)	
5 Profit/(Loss) Before Taxes		270.05	503.12
Tax expense:			
(i) Current tax		133.83	188.00
(ii) Deferred Tax		47.21	(23.28)
Net tax expense		86.62	211.28
6 Profit/(Loss) for the period	A	183.43	291.84
Other comprehensive income			
- 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 (Profit/ loss + other comprehensive income)	(A+B)	183.43	291.84
7 Earnings per Equity share (for continuing operations)			
a) Basic		2.14	3.40
b) Diluted		2.14	3.40
8 Significant Accounting Policies	1 to 32		
Notes on Financial Statements			

In Terms Of Our Report Attached

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

CA Rajesh Soni
Partner
M. No. 133240

Place : Mumbai
Date : 29-05-2018

For and on behalf of the Board,

Ramautar S. Jhawar
Chairman & Director

Vinod S. Jhawar
Managing Director

Bhaviika Jain
Company Secretary

Mahesh S. Jhawar
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2018		(Rs. in Lacs)
Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	273.78	503.12
<i>Adjustments for:</i>		
Depreciation and amortisation	409.34	428.54
(Profit) (-) Loss (+) on sale / write off of assets	-	71.45
Finance costs	279.03	1,551.06
Interest income	(71.55)	180.39
Dividend Received	(0.21)	(0.09)
Long Term Capital Gain	(1.51)	0
Property Tax	6.35	-
Short Term Capital Gain	(3.45)	-
Rental Income from Investment Property	(64.87)	(44.74)
Operating profit / (loss) before working capital changes	826.91	2,689.72
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories (increase / decrease)	425.61	(260.20)
Trade and othe receivables	774.00	(775.61)
Other current assets	17.58	212.96
Other Current Liabilities	(54.77)	80.46
Trade and other Payables	(412.76)	243.98
Loans & Advances	27.28	24.37
Cash generated from operations	776.95	(474.04)
Net income tax (paid) / refunds	1,603.86	2,215.69
Net cash flow from / (used in) operating activities (A)	133.83	188.00
B. Cash flow from investing activities		
Purchase of fixed assets & sale (net off)	(81.58)	(1,056.45)
Sale of fixed assets	-	456.44
Interest received	71.55	(180.39)
Rental income from investment properties	64.87	44.74
Loss on Sale of Fixed Asset	-	(71.45)
Long Term Liabilities	(507.18)	(139.29)
Long Term Advances	(622.77)	(243.59)
Other Long term Liabilities		7.30
Long Term Capital Gain	1.51	
Short Term Capital Gain	3.45	
Sale of Investment	2.15	
Interest on TUF Subsidy	(3.73)	
Dividend Received	0.21	0.09
Net cash flow from / (used in) investing activities (B)	(1,071.52)	1182.60

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2017		(Rs. in Lacs)
Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
C. Cash flow from financing activities		
Issue of equity shares	-	-
Capital Subsidy received	-	-
Repayment of long-term borrowings		
Net increase / (decrease) in working capital borrowings	(125.61)	753.38
Finance cost	(279.03)	(1,551.06)
Net cash flow from / (used in) financing activities (C)	(404.64)	(797.67)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(6.12)	47.42
Cash and cash equivalents at the beginning of the year	29.39	18.80
Cash and cash equivalents at the end of the year	23.27	29.39
Net increase / (decrease) in Cash and cash equivalents	-	-
<p>In Terms Of Our Report Attached</p> <p>FOR R. SONI & CO. Chartered Accountants FR NO. 130349 W</p> <p>CA Rajesh Soni Partner M. No. 133240</p> <p>Place : Mumbai Date : 29th May 2018</p>		
<p style="text-align: right;">For and on behalf of the Board,</p> <p>Ramautar S. Jhawar Chairman & Director</p> <p>Bhaviika Jain Company Secretary</p> <p>Vinod S. Jhawar Managing Director</p> <p>Mahesh S. Jhawar Chief Financial Officer</p>		

CONSOLIDATED FINANCIAL STATEMENTS

51 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 2018. The Principal activities of the group is cornered in to dealers and manufacturing and Processing

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

(B) Revenue Recognition

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

(I) Sales

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

CONSOLIDATED FINANCIAL STATEMENTS

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

(II) Other Income

(i) Interest Income

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

(ii) Dividends

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

(C) Property, plant and equipment

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

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

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

(ii) Depreciation

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

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

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

(D) Inventories Valuation

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

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

(iii) Scrap is valued at net realisable value.

(iv) Power Inventory is valued at cost

(E) Cash And Cash Equivalents

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

(F) Trade receivables

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

(G) Trade and other payables

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

CONSOLIDATED FINANCIAL STATEMENTS

(H) Borrowing Cost

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

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

(I) Investments

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

(J) Employee Benefit

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

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

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

(K) Earnings Per Share

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

CONSOLIDATED FINANCIAL STATEMENTS

(L) Taxation

- (i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation. Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.
- (ii) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.
- (iii) Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.
- (iv) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the no tax has been recognised in the books of Accounts.

(M) Impairment of Assets

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

(N) Provisions and Contingent Liabilities

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

(O) 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

(P) Financial Instruments

(I) Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

(c) Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iii) Impairment of financial assets In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

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

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

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

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.

CONSOLIDATED FINANCIAL STATEMENTS

53 FIRST TIME ADOPTION OF IND AS

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

Explanation 1 - Exemptions and exceptions availed

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

(I) Ind AS Optional exemptions

Deemed Cost - Property, Plant and Equipment and Intangible Assets

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

(II) Ind AS mandatory exemptions

(i) Estimates

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

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

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

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

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

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

For R Soni & Co
Chartered Accountants
FR No - 130349W

CA Rajesh Soni
Partner
M. No. 133240

FOR DHANLAXMI FABRICS LIMITED

Ramautar S. Jhwar
Chairman & Director

Bhaviika Jain
Company Secretary

Vinod S. Jhwar
Managing Director

Mahesh S. Jhwar
Chief Financial Officer

Notes on Consolidated Financial Statements for the Year ended 31st March, 2018

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

Description of the Assets	Total as on 01-04-2017	Gross Block at Cost		Deduction during the year	Total as on 31-03-2018	Depreciation/Amortisation/Impairment Losses			Net Block			
		Through Purchase	Through Business Combination			Upto 31-03-2017	Provided during the year	Impairment Loss	Upto 31-03-2018	As on 31-03-2018	As on 31-03-2017	
										31-03-2018	31-03-2017	
Note No. 1 Property, Plant & Equipment												
Land	472.88	-	-	-	472.88	-	-	-	-	-	472.88	472.88
Building	763.09	-	-	-	763.09	285.31	24.05	-	309.36	-	453.73	477.78
Plant & Machinery	5,282.87	41.83	-	-	5,324.70	3,176.17	360.38	-	3,536.55	-	1,788.15	2,106.70
Electrical Installation	150.06	-	-	-	150.06	111.99	5.06	-	117.05	-	33.01	38.07
Pipe Fitting	34.62	-	-	-	34.62	32.12	0.15	-	32.27	-	2.35	2.51
Furniture & Fixture	108.56	-	-	-	108.56	101.41	0.44	-	101.86	-	6.70	7.14
Laboratory Equipment	27.49	-	-	-	27.49	23.19	0.81	-	24.00	-	3.50	4.30
Office Equipment	9.05	0.73	-	-	9.78	7.99	0.51	-	8.51	-	1.27	1.06
Air Conditioner	17.66	1.63	-	-	19.29	10.93	1.02	-	11.96	-	7.33	6.73
Computer	45.20	2.73	-	-	47.94	43.39	1.32	-	44.70	-	3.23	1.82
Motor Vehicle	76.16	10.00	-	-	86.16	60.15	4.06	-	64.21	-	21.95	16.00
Misc. Assets	54.18	-	-	-	54.18	34.13	3.24	-	37.37	-	16.81	20.05
Office Premises Vikroli	128.59	-	-	-	128.59	17.73	1.93	-	19.67	-	108.92	110.86
Property - Bhiwandi	93.64	-	-	-	93.64	11.48	1.43	-	12.91	-	80.73	82.17
Sub Total	7,264.05	56.92	-	-	7,320.97	3,916.00	404.41	-	4,320.41	-	3,000.56	3,348.05
Wind Power Division												
Land	10.00	-	-	-	10.00	-	-	-	-	-	10.00	10.00
Plant and Machinery	521.00	-	-	-	521.00	500.35	4.93	-	505.28	-	15.72	20.65
Sub Total	531.00	-	-	-	531.00	500.35	4.93	-	505.28	-	25.72	30.65
Total	7,795.05	56.92	-	-	7,851.97	4,416.35	409.34	-	4,825.69	-	3,026.28	3,378.70
Previous Year	7,305.88	945.62	-	456.44	7,795.05	4,432.72	391.71	408.08	4,416.35	-	3,378.70	2,858.79

CONSOLIDATED FINANCIAL STATEMENTS

Notes on Consolidated Financial Statements for the Year ended 31st March, 2018 (Rupees in Lacs)

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

1. PROPERTY, PLANTS & EQUIPMENT	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Gross Block	7,851.97	7,799.30	7,307.87
Less: Depreciation	4,825.69	4,420.60	4,436.96
Net Block	3,025.28	3,378.70	2,870.91
2. INVESTMENTS			
Investment in Shares	22.71	-	-
Total	22.71	-	-
3. CURRENT TAX ASSETS(NET)			
TDS Receivables	1.94	4.69	0.23
Advance tax Paid	19.00	18.10	-
Less: Provision for Tax	-8.83	16.00	0.13
Total	12.11	6.79	0.10
4. OTHER NON CURRENT ASSETS			
Balances with Excise dept.	-	34.91	38.68
Security Deposits	97.44	151.57	104.90
Interest Receivable under TUF Scheme	-	136.31	136.31
Loan to Company	803.73	-	-
Mahashakti Grains & Minerals Pvt Ltd	-	25.34	-
Lord Venkatesha Yarn Pvt Ltd	54.04	101.38	101.38
Sheetalkumar S Manrere	45.40	-	50.69
Promtech Impex Private Limited	14.16	12.15	12.00
Fixed Deposits with Bank	71.45	66.93	48.88
IT Refund	184.42	183.95	-
Income Tax Paid Under Protest	-	-	-
For A.Y. 2010-11 (Under Appeal)	117.22	100.00	100.00
For A.Y. 2011-12 (Under Appeal)	45.00	45.00	45.00
For A.Y. 2012-13 (Under Appeal)	4.00	4.00	4.00
For A.Y. 2013-14 (Under Appeal)	5.57	-	-
Total	1,442.44	861.54	641.83
5. INVENTORIES			
Fabric	661.00	751.27	715.88
Yarn	220.25	497.09	347.95
Stock in Process	91.81	148.27	91.02
Dyes	39.39	57.88	51.10
Chemicals	48.91	44.74	42.84
Packing Material	5.32	7.86	7.76
Coal	11.03	6.42	4.18
Diesel	0.57	0.42	0.34
Shares	-	35.23	31.97
Stores & Spares	40.62	43.67	39.59
Windmill Energy Generation Stock	13.10	-	-
Total	1,132.00	1,592.84	1,332.64

CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

6 TRADE RECEIVABLES	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Particulars			
<u>Unsecured</u>			
Outstanding For a Period exceeding Six Months from the date they are due for payment			
Considered Good	248.33	1,098.16	243.34
Considered Doubtful	-	-	-
Less: Allowance for Bad Debts	- 248.33	- 1,098.16	- 243.34
Less: Provision for Service Discount	-	-	-
Less : ECI Effect	-	-	-
Other	1,315.72	1,281.41	1,400.84
Total	1,564.05	2,379.56	1,644.18
i) No Provision for Doubtful Debtors is made as Management of the company is hopeful of full recoverability of the same.			
7 CASH AND CASH EQUIVALENTS	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Particulars			
Cash on hand	4.01	12.47	11.78
Balance with banks	19.25	16.92	7.02
Total	23.27	29.39	18.80
8 OTHER CURRENT ASSETS			
Particulars			
Other Loans & Advances	24.66	10.18	20.16
Loan to staff	2.93	1.64	1.17
Prepaid Expenses	6.63	1.44	7.89
GST Refund Receivable	70.52	-	-
Advance to Suppliers	-	15.00	171.51
Sundaram Textiles	-	-	76.13
Lord Krishna Fabitex	-	20.28	-
Jagdishprasad Baheti	(4.37)	8.20	-
	100.36	56.72	276.86
i) Other Loans & Advances includes primarily Interest accrued and receivable on Non Current Fixed Deposits with Bank.			
9 EQUITY SHARE CAPITAL	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Authorised Share Capital			
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)	1,500.00	1,500.00	1,500.00
Issued, Subscribed and Paid up			
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/-Par Value)	858.11	858.11	858.11

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(Rupees in Lacs)

Note No 9.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2018:

Particulars	As at 31 /03/2018		As at 31 /03/2017		As at 31 /03/2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	8,581,100.00	858.11	8,581,100	858.11	8,581,100	858.11
Add: Shares issued during the year	-	-	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-	-	-
Number of shares at the end	8,581,100.00	858.11	8,581,100	858.11	8,581,100	858.11

Note No 9.2: 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 9.3: 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 9.4: The details of Shareholders holding more than 5% Shares in the company

Name of Shareholders	As at 31 /03/2018		As at 31 /03/2017		As at 31 /03/2016	
	No. of Shares	% held as at	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	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics LLP	4,38,000	5.10	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhawar	778,408	8.79	778,408	8.79	778,408	8.79

10 OTHER EQUITY

Particulars	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
General Reserve			
Opening Balance(As per last Balance Sheet)	119.08	119.08	119.08
Add: Transferred from Surplus	-	-	-
	119.08	119.08	119.08
Surplus			
Opeing Balance (As per last Balance sheet)	2,508.12	2,216.28	2,114.29
Add Net Profit after tax Transferred from Statement of Profit & Loss	183.43	291.84	102.00
	2,691.55	2,508.12	2,216.28
Less: Transfer to General Reserve	-	-	-
	2,691.55	2,508.12	2,216.28
Security Premium			
Opening Balance	896.00	896.00	896.00
Add: During the Year	-	-	-
Closing Balance	-	-	-
Surplus Closing Balance	896.00	896.00	896.00
Investment Allowance Reserves			
OCI			0.45
Opening Balance	-	-	-
Add: During the year	(10.36)	-	-
Closing Balance	(10.36)	-	-
Total	3,696.27	3,523.20	3,231.81

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(Rupees in Lacs)

11 LONG TERM BORROWINGS			
Particulars	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Secured Loans			
Term Loan from Kotak Mahindra Bank	40.10	108.85	180.44
Term Loan from AXIS Bank	206.15	290.99	-
Term Loan from The Shamrao Vithal Co-Op. Bank	657.95	657.95	923.87
Unsecured Loans			
From Promtech Impex Pvt Ltd	204.85	163.01	154.43
Maresh S Jhavar	-	74.75	177.00
Sheetal Kumar Manrere	15.50	-	-
Total	1,124.55	1,295.55	1,435.74
<p>11.1 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.</p> <p>11.2 Unsecured loan was received from M/s. Promtech Impex Pvt Ltd the associate company was duly repaid on demand during the year.</p>			
12 DEFERED TAX LIABILITIES (NET)			
Particulars	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Deferred Tax Liabilities			
At Beginning of the year	476.79	453.50	542.57
Deferred Tax Liability/ Assets for the year	(47.21)	23.28	-
Deferred Tax on retained earning on fixed assets		-	-89.07
At closing of the year	429.58	476.79	453.50
<p>The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation adjusted in account.</p> <p>Though adjustment has been made in term of accounting standard 22, having regard to the normal capital expenditure which the Company is expected to continue to make in future years, the timing difference not effectively reversed and to cash outgo likely to materialize on account thereof.</p>			
13 OTHER LONG TERM LIABILITIES			
Particulars	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Deposits received from Licensee	23.43	22.94	18.53
<p>13.1 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.</p>			
Particulars	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
1. Synergy Property Development Services Pvt Ltd	16.70	16.70	16.70
2. G4 Securities Solution (India) Pvt. Ltd.	3.42	3.42	-
3. Mr. Mohammad Muzaammi Suyani	3.31	2.83	-
4. Yukti Mercantile pvt. Ltd.	-	-	0.96
5. John Keells Logistics Pvt Ltd	-	-	0.87
Total	23.43	22.94	18.53
<p>13.2 The carrying value of Security Deposits is deemed to be the Fair Value.</p>			
14 CURRENT TAX LIABILITY(NET)			
Particulars	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Provision for Income Tax	488.10	363.10	760.16
Less: Advance Tax	(173.00)	(118.00)	(302.91)
Less: TDS Receivable	(130.34)	(58.17)	(439.90)
	184.76	186.92	17.34
<p>14.1 Provision for IT for the year from 2014-15 to 2017-18 has been made which will be written off after actual assessment of IT and difference will be appropriated by Debit / Credit the P & L A/c in that year.</p>			

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(Rupees in Lacs)

15 SHORT TERM BORROWINGS.			
Secured Borrowing	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Cash credit from Kotak Mahindra Bank	185.55	630.05	484.23
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	1,084.00	473.59	471.94
Cash Credit from Axis Bank Ltd.	105.18	480.71	-
Current Maturities of Long Term Loan from Kotak Mahindra Bank	68.75	68.75	68.75
Current Maturities of Long Term Loan from AXIS Bank	84.84	83.76	-
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	-	265.92	223.57
TOTAL	1,528.32	2,002.77	1,248.49
15.1 Secured borrowings are secured by way of Hypothecation of stocks and book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.			
15.2 The company has not availed the credit facility at the end of the year 2011-12 due to surplus of own funds.			
16 TRADE PAYABLES			
Creditors	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
	547.50	998.30	791.65
16.1 Disclosure under Section 22 of the Micro, Small and Medium enterprises Development Act 2006 could not be furnished as none of the suppliers of the company have provided the details of their registration under the said Act.			
17 OTHER CURRENT LIABILITIES			
	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
Charity Fund	7.00	12.99	12.92
Sundry Liabilities	21.58	24.09	0.88
Statutory Liabilities	10.09	9.55	62.45
Advance received from customers	-	-	22.58
Lord Venkatesha Yarn Private Limited	-	8.50	-
Total	38.67	55.13	98.84
18 SHORT TERM PROVISIONS			
Provision for outstanding Expenses	As at 31 /03/2018	As at 31 /03/2017	As at 31 /03/2016
	35.04	4.17	49.59
19 REVENUE FROM OPERATIONS			
	As at 31 /03/2018	As at 31 /03/2017	
Process Charges of Fabrics	706.78	2,908.77	
Weaving Sales	1,159.51	5,398.82	
Weaving Jobwork Income	-	443.55	
Fabric Sales Local	1,559.89	61.24	
Textile Job Charges - Local	2,076.44	-	
Textile Job Charges - OMS	371.41	30.18	
Fabric Sales OMS	1,059.89	-	
Fabric Sales Tax Free	1.11	-	
Yarn Process Charges Local	33.25	255.61	
Yarn Process Charges Oms	53.39	99.04	
Yarn Sales	6.62	14.38	
Net Cloth Sales	773.82	1,130.79	
Screen Charges	-	29.11	
Power Sales	-	70.71	
Total	7,802.10	10,442.19	
i) Revenue from Power Sales has not been recognised during the year in absense of reasonable measurability amid to tariff revision proposed by Government of Maharashtra. The matter is under escalation and thus Revenue Recognition has been postponed and would be recognised as and when there would be reasonable certainty on tariff.			
ii) During the Year, amid to ongoing escalation with Government of Maharashtra on Power Terrif, The management has decided to use it Power for captive use. Accordingly the Electricity Expenses stands reduced to that extent.			

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(Rupees in Lacs)

	As at 31 /03/2018	As at 31 /03/2017
20 OTHER INCOME		
Interest accrued on FD	5.03	5.34
Other Interest	66.24	56.35
TUF Interest Subsidy	-	27.47
Duty Drawback	-	3.09
Profit & Loss on sale of Assets	-	(10.70)
Sundry balance W/off	0.28	16.28
Misc. Income	157.53	0.79
Long Term Capital Gain	1.51	-
Short Term Capital Gain	3.45	-
Share Trading Profit	-	31.60
Interest on Income Tax Refund	0.50	-
Dividend received	0.21	0.09
Rent from house property	64.87	44.74
Total	299.62	175.04
20.1 Misc. Income consists of Maturity amount of Key Man Insurance Policy.		
21 COST OF RAW MATERIALS CONSUMED		
Yarn	1,551.45	1,911.23
Dyes	169.43	230.38
Chemicals	569.94	617.43
Packing Material	62.29	100.07
Coal	579.23	359.20
Consumables	34.76	-
Diesel	1.97	3.65
Excise	-	3.57
Textile Process Charges	313.43	-
Total	3,282.50	3,225.53
22 Store & spares Consumption		
Indigenous	66.59	135.74
Total	66.59	135.74
23 PURCHASES OF STOCK IN TRADE		
Fabric	549.55	2,706.92
Purchase of Shares	-	31.69
Other	-	510.95
Trading Purchase	581.00	259.64
Total	1,130.55	3,509.20
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Inventory (At close)		
Fabric	1,027.09	915.57
Work in Progress	91.81	148.27
Windmill Energy Generation Stock	13.10	-
Shares	-	35.23
Total	1,132.00	1,099.07
Inventory (At commencement)		
Fabric	1,409.34	715.88
Work in Progress	148.27	91.02
Shares	-	31.97
Total	1,557.61	838.87
Net Change	425.61	(260.20)

CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

	As at 31 /03/2018	As at 31 /03/2017
25 EMPLOYEE BENEFIT EXPENSES		
Labour Charges	494.92	480.64
Salary	301.53	233.42
Contribution to P.F & ESIC	7.21	4.70
Contribution to Graduty Fund	-	6.58
Maharashtra Labour Fund	0.09	-
Staff welfare Expenses	6.68	2.93
Total	810.43	728.27
26 FINANCE COST		
Interest on Working capital	140.92	12.00
Interest on Term Loan	123.81	171.70
Interest On Others	21.37	131.83
Total	286.09	315.53
26.1 The benefit of TUF subsidy on interest received has been accounted under Heading "Other income" Note no. 19		
27 DEPRECIATION		
Depreciation on Fixed Assets	409.34	391.71
27.1 Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis		
28 OTHER EXPENSES		
28 (a) Manufacturing expenses		
Power & Fuel	440.76	430.43
Grey Checking Charges	0.57	0.93
Water Expenses	297.33	214.11
Repairs to building	2.13	2.77
Repairs to Machinery	26.61	34.38
Printing & Engraving	0.84	1.21
Job charges paid	195.58	290.06
Freight & forwarding expenses	18.28	29.98
Laboratory expenses	0.15	0.55
Insurance	3.88	14.41
Lease rent for factory land	5.35	0.60
Commission & Brokerage - Purchase	1.55	-
Contribution to Hazzardous waste	-	0.39
Others	38.23	827.22
Screen Charges	2.41	7.80
Sizing/Warping Charges	134.06	-
Total	1,167.71	1,854.84

CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

	As at 31 /03/2018	As at 31 /03/2017
28(b) Selling & distribution expenses		
Sales promotion	0.66	1.05
Cash Discount	4.14	
Commission & brockorage	57.45	34.22
Total	62.25	35.27
28.(c) Administrative expenses		
Property tax	7.27	7.83
Printing & stationery	6.78	7.74
Rent, Rates & Taxes	1.60	5.30
Travelling expenses	5.73	3.70
Postege & courier charges	2.38	2.18
Legal & professional fees	21.95	19.73
Advertisement charges	0.67	2.28
Repairs to others	3.77	4.58
Conveyance expenses	4.64	4.32
Electricity Expense	0.32	-
General expenses	2.99	6.50
Bank Loan processing fees & Stamp duty	4.40	14.28
Listing fees	2.50	2.29
Bank charges	0.22	1.67
Demate Charges	-	0.54
Vehicle Running expenses	6.79	6.76
Trunk & telephone	4.59	4.44
Auditor Remuneration	-	6.83
Keyman Insurance Exp.	-	7.94
Directors remuneration	60.00	48.00
Sitting Fees	1.28	1.05
Real Estate Expenses	8.40	6.37
Clearing & Forwarding	-	4.88
Others	4.67	5.42
Sundry Balances W/off	26.53	(0.06)
Total	177.46	174.55
Total 28(a)+28(b)+28(c.)	1,407.42	2,064.66
28.1 Payment to auditors		
(a) Auditor		
Statutory audit Fees	7.01	1.04
Tax Audit Fee	0.15	0.38
Internal audit fees	2.00	2.00
(b) Cost Audit Fees	0.25	0.25
Total	9.41	3.67
29 EXCEPTIONAL ITEMS		
Interest Received on TUF Subsidy	132.58	-
Interest written off since nonrecoverable	136.31	-
Total	- 3.73	

CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

30 EARNING PER SHARE(EPS)	As at 31 /03/2018	As at 31 /03/2017
(i) Net Profit after tax as per statement of Profi & Loss Attributable to equity Shareholders	18,343,046	29,183,658
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	8,581,100	8,581,100
(iii) Basic and Diluted Earnings per share	2.14	3.40
(iv) Face Value per Equity share	Rs.10/-	Rs.10/-

31 **CONTINGENT LIABILITIES**

Contingent Liabilities not provided for in respect of

1. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66	74.66
2. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appealent Court	528.96	528.96

32 **FOREIGN EXCHANGE EARNING AND OUTGO**

a) Earning - Fabrics Export	-	61.67
b) Outgo - Import of Spares for Imported Machinery	-	22.87

33 **RELATED PARTY DISCLOSURE**

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

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

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

(Rupees in Lacs)

Sr. No.	Related parties	Nature of Transactions during the year	2017-2018	20167-2017
(i)	Promtech Impex Pvt Ltd	Interest	48.59	20.18
(ii)	Vinod S Jhawar	Directors Remuneration	60.00	48.00
(iii)	Mahesh S Jhawar	Directors Remuneration	6.00	3.00
		Unsecured Loan (Repayment)	74.75	102.25
(iv)	M R Share Broking Pvt Ltd	Shares Purchase	17.61	22.09
		Shares sale	23.34	26.00
(v)	VRM Share Broking Pvt Ltd	Shares Purchase	7.82	9.62
		Shares sale	13.70	5.60
(vi)	Dhanlaxmi Export Fabrics LLP	Trading Sale	0.59	-

i) Director Remuneration is net of TDS Payable and Contribution to Provident Fund Account etc

c) Details of Balance Sheet during the year with related parties at the year end

Sr. No.	Related Parties	2017-2018	20167-2017
(i)	Promtech Impex Pvt Ltd	(190.69)	(150.86)
(ii)	Mahesh S Jhawar	-	(74.75)

34 Note 8 : 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 2018

Particulars	Carrying amount			Fair value	
	Through OCI	Amortised Cost	Total	Level 1,2,3	Total
Financial assets					
Investments	22.71	62.08	84.79	-	-
Trade Receivables	-	1,564.05	1,564.05	-	-
Cash and cash equivalents	-	23.27	23.27	-	-
	22.71	1,649.39	1,672.11	-	-
Financial liabilities					
Trade Payables	-	547.50	547.50	-	-
Short Term Borrowings	-	1,528.32	1,528.32	-	-
Long Term Borrowings	-	1,124.55	1,124.55	-	-
		3,200.37	3,200.37	-	-

As at 31st March 2017

Particulars	Carrying amount			Fair value	
	Through OCI	Amortised Cost	Total	Level 1,2,3	Total
Financial assets					
Investments	-	62.08	62.08	-	-
Trade Receivables	-	2,379.56	2,379.56	-	-
Cash and cash equivalents	-	29.39	29.39	-	-
		2,471.03	2,471.03	-	-
Financial liabilities					
Trade Payables	-	547.50	547.50	-	-
Short Term Borrowings	-	1,528.32	1,528.32	-	-
Long Term Borrowings	-	1,124.55	1,124.55	-	-
		3,200.37	3,200.37	-	-

As at 31st March 2016					(Rupees in Lacs)	
Particulars	Carrying amount			Fair value		
	Through OCI	Amortised Cost	Total	Level 1,2,3	Total	
Financial assets						
Trade Receivables	-	1,644.18	1,644.18			
Investments	-	62.08	62.08	-	-	
Loans and Advances	-	18.80	18.80	-	-	
Cash and cash equivalents	-	1,725.05	1,725.05	-	-	
Financial liabilities						
Trade Payables	-	791.65	791.65			
Short Term Borrowings	-	1,248.49	1,248.49	-	-	
Long Term Borrowings	-	1,435.74	1,435.74	-	-	
		3,475.88	3,475.88			

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.

(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, 2018	As at March 31, 2017	As at March 31,, 2016
0 - 6 months	1,316	1,281	1,401
Beyond 6 months	248	1,098	243
Total	1,564	2,380	1,644

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

(b) Cash and cash equivalents and Other Bank Balances

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

C.iii. Liquidity risk

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

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

C.iv. Market risk

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

C.iv.a Currency risk

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

C.iv.b Interest rate risk

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

DHANLAXMI FABRICS LIMITED

Reconciliation of Consolidated Equity as at 01st April 2016

(Rupees in Lacs)

PARTICULARS	AS PER INDIAN GAAP	ADJUSTMENTS	AS PER INDI-AS
Non - Current Assets			
(a) Property, Plant and Equipment	2870.91	-	2,870.91
(b) Capital work - in - progress	1,356.20	-	1,356.20
(c) Other Intangible Assets	-	-	-
(d) Intangible assets under development	-	-	-
(e) Financial assets	-	-	-
(i) Investments	67.08	-	67.08
(iii) Other financial assets	428.54	-	428.54
(f) Other tax assets (Net)	-	-	-
(g) Other non - current assets	164.42	-	164.42
(h) Deferred tax asset	-	-	-
Total Non - Current Assets (A)	4,887.15	-	4,887.15
Current Assets			
(a) Inventories	1,332.64	-	1,332.64
(b) Financial assets	-	-	-
(i) Trade receivables	1,655.48	-	1,655.48
(ii) Cash and cash equivalents	67.68	-	67.68
(iii) Bank balances other than (ii) above	-	-	-
(iv) Loans	0.10	-	0.10
(v) Other financial assets	180.39	-	180.39
(c) Other tax assets (Net)	743.04	-	743.04
(d) Other current assets	104.56	-	104.56
Total Current Assets (B)	4,083.90	-	4,083.90
TOTAL ASSETS (A+B)	8,971.04		8,971.04
EQUITY AND LIABILITIES			
EQUITY		-	
(a) Equity share capital	863.11	-	863.11
(b) Other Equity	3,231.81	-	3,231.81
Total Equity (A)	4,094.92	-	4,094.92
LIABILITIES		-	
(1) Non Current Liabilities	-	-	-
(a) Financial Liabilities	1,551.06	-	1,551.06
(i) Other financial liabilities	18.53	-	18.53
(b) Provisions	750.46	-	750.46
(c) Deferred tax Liabilities	453.50	-	453.50
Total Non Current Liabilities (B)	2,773.55	-	2,773.55
(2) Current Liabilities		-	
(a) Financial Liabilities		-	
(i) Borrowings	1,183.17	-	1,183.17
(i) Trade payables	761.15	-	761.15
(ii) Other financial liabilities	-	-	-
(b) Other current liabilities	108.66	-	108.66
(c) Provisions	49.59	-	49.59
(d) Current tax liabilities (Net)	-	-	-
Total Current Liabilities (c)	2,102.57	-	2,102.57
TOTAL EQUITY AND LIABILITIES (A+B+C)	8,971.04		8,971.04

DHANLAXMI FABRICS LIMITED

Reconciliation of Consolidated Equity as at 31st March 2017

(Rupees in Lacs)

PARTICULARS	AS PER INDIAN GAAP	ADJUSTMENTS	AS PER INDI-AS
I Non - Current Assets			
(a) Property, Plant and Equipment	3,378.70	-	3,378.70
(b) Capital work - in - progress	1,056.26	-	1,056.26
(c) Other Intangible Assets	-	-	-
(d) Intangible assets under development	-	-	-
(e) Financial assets	-	-	-
(i) Investments	62.08	-	62.08
(iii) Other financial assets	-	-	-
(f) Other tax assets (Net)	-	-	-
(g) Other non - current assets	861.54	-	861.54
(h) Deferred tax asset	-	-	-
Total Non - Current Assets (A)	5,358.58	-	5,358.58
II Current Assets	-	-	-
(a) Inventories	1,592.84	-	1,592.84
(b) Financial assets	-	-	-
(i) Trade receivables	2,379.56	-	2,379.56
(ii) Cash and cash equivalents	29.39	-	29.39
(iii) Bank balances other than (ii)above	-	-	-
(iv) Loans	-	-	-
(v) Other financial assets	-	-	-
(c) Other tax assets (Net)	6.79	-	6.79
(d) Other current assets	56.72	-	56.72
Total Current Assets (B)	4,065.31	-	4,065.31
TOTAL ASSETS (A+B)	9,423.89	-	9,423.89
EQUITY AND LIABILITIES			
I EQUITY		-	
(a) Equity share capital	858.11	-	858.11
(b) Other Equity	3,523.20	-	3,523.20
Total Equity (A)	4,381.31	-	4,381.31
II LIABILITIES		-	
(1) Non Current Liabilities		-	
(a) Financial Liabilities	1,295.55	-	1,295.55
(i) Other financial liabilities	22.94	-	22.94
(b) Provisions	-	-	-
(c) Deferred tax Liabilities	476.79	-	476.79
Total Non Current Liabilities (B)	1,795.28	-	1,795.28
(2) Current Liabilities		-	
(a) Financial Liabilities		-	
(i) Borrowings	2,002.77	-	2,002.77
(i) Trade payables	998.30	-	998.30
(ii) Other financial liabilities	-	-	-
(b) Other current liabilities	55.13	-	55.13
(c) Provisions	4.17	-	4.17
(d) Current tax liabilities (Net)	186.92	-	186.92
Total Current Liabilities (c)	3,247.30	-	3,247.30
TOTAL EQUITY AND LIABILITIES (A+B+C)	9,423.89	-	9,423.89

DHANLAXMI FABRICS LIMITED

Reconciliation of Consolidated Profit & Loss for the year ended 31st March 2018

(Rupees in Lacs)

PARTICULARS	AS PER INDIAN GAAP	ADJUSTMENTS	AS PER INDI-AS
I Income			
Revenue from operations	7,802	-	7,802
Other income	300	-	300
Total Income	8,102	-	8,102
II Expenses			
Operating Expenses	4,413	-	4,413
Changes in inventories	426	-	426
Excise Duty on sales of goods	-	-	-
Employee benefit expenses	810	-	810
Finance Cost	286	-	286
Depreciation & amortization expenses	409	-	409
Other Expenses	1,417	-	1,417
Total Expenses	7,761	-	7,761
III Profit before exceptional items & tax	340	-	340
Exceptional Items	-4	-	-4
IV Profit/(Loss) before tax	337	-	337
V Tax expenses			
(1) Current tax :		-	
(a) of Current year	134	-	134
(b) of Earlier years		-	
(2) Deferred tax	47	-	47
VI Profit for the period	250	-	250
VII Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	
B. (i) Items that will not be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	250	-	250

DHANLAXMI FABRICS LIMITED

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEAR ENDED 31 ST MARCH, 2018 (Rupees in Lacs)

A. Equity Share Capital

Particulars	Amount
Balance at at 1st April, 2016	858.11
Changes in equity share capital during the year	-
Balance at at 31st March, 2017	858.11
Changes in equity share capital during the year	-
Balance at at 31st March, 2018	858.11

B. Other Equity

Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
Balance at at 1st April, 2016	896.00	119.08	2,216.28		3,231.36
Profit for the year	-	-	291.84	-	291.84
Trf to General Reserve	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	-
Balance at at 31st March, 2017	896.00	119.08	2,508.12		3,523.20
Profit for the year	-	-	193.79	-	193.79
Final Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	- 10.36	-	- 10.36
Balance at at 31st March, 2018	896.00	119.08	2,691.55		3,706.63

RESTRICTION ON TRANSFER OF PHYSICAL SHARES & PROCEDURE FOR DEMATERIALISATION OF SHARES

ALL SHAREHOLDERS/ STAKEHOLDERS

Amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with respect to mandatory dematerialization for transfer of securities

SEBI has vide gazette notification dated June 8, 2018, has mandated that transfer of securities would be carried out in dematerialized form only by making an amendment in Regulation 40 of the Listing Regulations which will come into effect from **December 5, 2018**.

According to the aforesaid notification, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from December 5, 2018.

PLEASE NOTE THAT BIGSHARE SERVICES PVT. LTD , REGISTRARS AND TRANSFER AGENT AND COMPANY WILL NOT ACCEPT ANY REQUEST FOR TRANSFER OF SHARES IN PHYSICAL FORM WITH EFFECT FROM DECEMBER 5, 2018.

This restriction shall not be applicable to the request received for transmission or transposition of physical shares. Shareholders are requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account. Please refer procedure for dematerialization of shares.

You may also visit web site of depository's viz., NSDL or CDSL for further understanding about the demat procedure:

NSDL website: <https://nsdl.co.in/faqs/faq.php> (dematerialization)

CDSL website: <https://www.cdslindia.com/downloads/faq/Demat%20CDSL%20Way%20-%20V%20-%20Dematerialization.pdf>

You may access the circulars issued by the BSE and NSE in this regard on following links:

BSE website: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=cd22b184-1153-4b05-8ad9-d04699161f89&Page=cir>

NSE website: https://www.nseindia.com/corporates/content/eq_listcompanies.htm

SHAREHOLDERS, HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO ARRANGE THE DEMATERIALIZATION OF THE SAID SHARES AT EARLIEST TO AVOID ANY INCONVENIENCE IN FUTURE FOR TRANSFERRING THOSE SHARES.

DEMATERIALIZATION OF SHARES

Dematerialization offers flexibility along with security and convenience. Holding share certificates in physical format carried risks like certificate forgeries, loss of important share certificates, and consequent delays in certificate transfers.

Dematerialization eliminates these hassles by allowing customers to convert their physical certificates into electronic format. Shares in the electronic format are held in a Demat account.

Process of dematerialization of shares

- Dematerialization starts with opening a Demat account. For demat account opening, you need to shortlist a Depository Participant (DP) that offers Demat services. A DP is an agent of the depository (NSDL and CDSL) providing depository services to investors.
- To convert the physical shares into electronic/demat form, A Dematerialization Request Form (DRF), which is available with the Depository Participant (DP), has to be filled in and deposited along with share certificates. On each share certificate, '*Surrendered for Dematerialization*' needs to be mentioned.
- The DP needs to process this request along with the share certificates to the company and simultaneously to registrars and transfer agents through the depository
- Once the request is approved, the share certificates in the physical form will be destroyed and a confirmation of dematerialization will be sent to the depository
- The depository will then confirm the dematerialization of shares to the DP. Once this is done, a credit in the holding of shares will reflect in the investor's account electronically.
- This will take about 15 to 30 days after the submission of dematerialization request
- Dematerialization is possible only with a Demat account.

Benefits of dematerialization

- It allows you to conveniently manage your shares and transactions from anywhere;
- Stamp duty is not levied on your electronic securities;
- When you open a demat account, it provides paperless transactions of securities;

PROXY FORM
DHANLAXMI FABRICS LIMITED
CIN: L17120MH1992PLC068861

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

26th Annual General Meeting - 29th September, 2018 at 1.30 p.m.

Name of the Member : _____

Address of Member : _____

E-mail Id : _____

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

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint the following as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at Saturday, 29th September, 2018 at Regd. Office Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204, Maharashtra, India at 01.30 p.m.

1) Mr. / Ms _____ of _____ in the district of _____ or failing him / her

2) Mr. / Ms _____ of _____ in the district of _____ or failing him / her

Please Afflix
Re. 1/- Revenue
Stamp and Sign

3) Mr. / Ms _____ of _____ in the district of _____

Signed this _____ day of _____, 2018

Signature of the Member

Note : This form in order to be effective shall be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the meeting

ATTENDANCE SLIP

DHANLAXMI FABRICS LIMITED

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

26th Annual General Meeting - 29th September, 2018

Name of the Member:

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

Number of Shares held	
------------------------------	--

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 26th Annual General Meeting of the Company on 29th September 2018 at 1.30 p.m. at **Manpada Road, Bhopar Village, Dombivali (East), Thane-421204.**

.....

If Member please sign here

.....

If proxy, sign here

Note : This form should be signed and handed over at the Meeting Venue.

** Applicable for investors holding shares in electronic form.*

Form No. MGT – 12 Ballot Paper

**[Pursuant to Section 109(5) of the Companies Act, 2013 (the Act) and
Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]**

CIN: L17120MH1992PLC068861

Dhanlaxmi Fabrics Limited

Regd. Office: Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204, Maharashtra, India
Website: www.dfl.net.in | Email Id: info@dfl.net.in Tel No: 0251-2870545

26thAnnual General Meeting, September 29, 2018 at 01:30 p.m

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

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in following manner:

Sr. No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended together with the reports of the Board of Directors and the Auditors thereon.			
2	To appoint a Director in place of Shri Ramautar Jhavar (DIN:00002907) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.			
3	To ratify appointment M/S. R. Soni &Co., Chartered Accountants (Registration No: 130349W) As The Statutory Auditors of the Company for 26 th "AGM to 27 th " AGM			
4	Ratification of appointment of Mr. Dilip Murlidhar Bathija., Cost Accountants, as a Cost Auditors of the Company for F.Y. 2018-19.			
5	To increase borrowing power under section 180 (i) (C) of the Companies Act, 2013 up to 500 crores.			
6	Creation of Security under section 180 (i) (C) of the Companies Act, 2013 in connection with the borrowing of the Company.			
7	To make Investments, give Loans, Guarantees and provide Securities up to Rs. 500 Crores under section 180 (i) (C) of the Companies Act, 2013			

Place: Mumbai

Date:

(Signature of Shareholder)



Bigshare Services Pvt. Ltd

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai 400059; Maharashtra, India.
Tel : 022 62638200; www.bigshareonline.com

Ref :

Date : _____

Folio No. :

Dear Shareholder(s),

Unit :

Sub.: Mandatory update of PAN and Bank details

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio.

As per the records of the Company / RTA, your folio needs to be updated with the PAN and complete bank account details.

Hence you are requested to submit the following documents within 21 days of receipt of this communication:

- The form which has been provided overleaf of this letter, dully filled in and sign by all the shareholders
- Self-attested copy of PAN card of the shareholder (including joint holders)
- Original cancelled cheque leaf with the name of first /sole shareholder printed on it and in absence of personalized cheque copy of bank passbook showing name & account details of the account holder attested by bank
- Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

In case if you have any queries or need any assistance in this regard, please contact us at the following address:

Bigshare Services Pvt. Ltd
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai – 400 059
Tel. No. 91 22 62638200, email : investor@bigshareonline.com

On receipt of the above document we will update the same in our records.

Important information: In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares converted into demat form at the earliest.

Thanking you,

Yours faithfully,

for Bigshare Services Pvt Ltd.

Sd/-

Authorised Signatory

P.T.O.

FORM FOR FURNISHING PAN AND BANK DETAILS

Bigshare Services Pvt. Ltd.

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

Dear Sir/Madam,

Unit :

I/we hereby furnish our PAN and bank mandate details for updating in your records. I/we am/are enclosing herewith:

- 1) Self-attested copy of PAN card of the shareholder (including joint holders)
- 2) Original personalized cancelled cheque leaf / First page of bank pass book
- 3) Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

Folio No.	
Mobile No.	
E-Mail id	

Bank Account Details : (for electronic credit of dividends)

Name of the Bank										
Name of the Branch										
Account Number (as appearing in cheque book)										
Account Type (Please tick as applicable)	Saving			Current				Cash Credit		
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification										
11 Digit IFSC Code										

	Name	PAN	Signature (as per specimen registered with the Company / RTA)
First Holder :			
Joint Holder1:			
Joint Holder 2 :			

Date:

Place:

Note : The above details will not be updated if the supporting documents are not attached and or not duly signed by the shareholder (including joint holders).

BOOK-POST

If undelivered please return to :

DHANLAXMI FABRICS LIMITED

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

Dist. Thane, Maharashtra.

