



# **Dhanlaxmi**

## **Fabrics Limited**

**21<sup>st</sup>  
Annual Report  
2012 - 13**

**BOARD OF DIRECTORS**

Shri Ramautar S. Jhavar - Chairman  
Shri Vinod S. Jhavar - Managing Director  
Shri Mahesh S. Jhavar - Director  
Shri N. C. Sharma - Director  
Shri Durgesh Kabra - Director  
Shri Mihir Mehta - Director

**AUDITORS**

S. G. Kabra & Co.  
Chartered Accountants

**BANKERS**

ING Vysya Bank,  
The Shamrao Vithal Co-op. Bank Ltd.  
AXIS Bank,  
State Bank of India

**REGISTRAR & SHARE TRANSFER AGENTS**

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072.  
Tel. No. 091-022-28473474 / 28470653 / 40430200  
Fax No. 091-022-28475207 ❖ email : investor@bigshareonline.com.

**REGISTERED OFFICE**

Manpada Road, Bhopar Village, Dombivli (East), Thane - 421 204. Maharashtra.  
Tel. No. : 091-0251- 2870589 / 590 / 591  
Fax No. : 091-0251-2870545 ❖ email : info@dfi.net.in

**CORPORATE OFFICE**

285, Princess Street, Jhavar House, 1<sup>st</sup> Floor, Mumbai - 400 002.  
Tel No. : 091-022-22008176/7 ❖ Fax No. 091-022-22089558

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**NOTICE**

NOTICE is hereby given that Twentyfirst Annual General Meeting of the members of **Dhanlaxmi Fabrics Limited** will be held at the Registered Office of the Company at Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra on Saturday, the 21<sup>st</sup> day of September 2013 at 1.00 P.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2013, and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri Ramautar S. Jhavar who retire by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Shri N. C. Sharma who retire by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to authorize the Board of Directors to fix their remuneration

For and on behalf Of the Board Of Directors

Ramautar S. Jhavar  
Chairman

Date: 30<sup>th</sup> May 2013  
Place: Mumbai

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. **Proxies in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty eight) hours before the time fixed for holding the meeting**
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Compliance officer of the Company, so as to reach Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. Members are requested to notify any correction /change in their name /address including Pin Code number immediately to the Companies Registrar and Share Transfer Agents, Bigshare Services Pvt Ltd. At E-2/3, Ansa Industrial Estate, Saki vihar road, Sakinaka, Andheri (E), Mumbai 400072 in respect of their physical share folios and to their respective Depository Participant (DP) in respect of their electronics share accounts.
5. Members are requested to kindly mention their Folio Number in all their correspondence with the Company's Registrar in order to reply to their queries promptly.
6. Members are requested to bring their Copy of Annual Report along with the Attendance slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 14<sup>th</sup> September, 2013 to 21<sup>st</sup> September, 2013 (both days inclusive).
8. The relevant details as required under Clause 49 of the Listing Agreement with the Stock Exchange, the particulars of Directors who are proposed to be re-appointed under item No.2 and 3 above are given below:

Name:	Shri. Ramautar S. Jhawar
Date of Birth	3 <sup>rd</sup> November 1956
Qualifications:	B.Com
Expertise in specific functional areas:	40 years experience in Textile and investment.
Directorship in other Companies:	Dhanlaxmi Cotex Ltd., Dhanlaxmi Exports Fabrics Pvt Ltd. Sohanlal Jhawar Exports Fabrics Pvt. Ltd., Jhawar Commodities Pvt. Ltd., Somai Investment Pvt. Ltd., Ramautar Finance Pvt. Ltd. Jhawar Trade & Investment Pvt. Ltd., MR Share Broking Pvt. Ltd., VRM Share Broking Pvt. Ltd. Western Chlorides & Chemicals Pvt. Ltd., DFL Fabrics Pvt. Ltd., Promtech Impex Pvt. Ltd., Jasoda Tracon Pvt. Ltd.,
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics	631087

Name:	Shri. N. C. Sharma
Date of Birth	15 <sup>th</sup> September 1941
Qualifications:	B.A.
Expertise in specific functional areas:	Finance & Taxation
Directorship in other Companies:	NIL
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics Limited	NIL

For and on behalf of the Board

Date: 30<sup>th</sup> May 2013  
Place: Mumbai

Ramautar S. Jhawar  
Chairman

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their twentieth Annual Report on the business operations and activities of the Company together with the audited accounts for the Financial year ended 31<sup>st</sup> March 2013.

**Summarised Financial Results:**

Particulars	Year ended 31.3.2013	(Rs.in lacs)
		Year ended 31.3.2012
Income from operations	<b>5708.45</b>	<b>4522.22</b>
Operating Profit	701.70	573.41
Less : Interest	53.91	75.16
Less: Depreciation	476.03	478.06
Profit before tax	171.76	20.19
Less: Provision for tax	166.37	76.57
Profit after tax	5.39	(56.38)
Add: Deferred tax Assests	113.66	72.26
Net Profit for the year	119.05	15.88
Add: Balance brought forward	1574.66	1558.78
Balance carried to balance sheet	<b>1693.71</b>	<b>1574.66</b>

**Operations:**

For the financial year ended 31<sup>st</sup> March 2013 the Revenue from operation of the Company increased substantially to Rs 5708.45 Lacs as compared to Rs.4522.22 Lacs in Previous Year. The Net Profit of the Company for the year under review is of Rs.119.05 Lacs as compared to previous year Net Profit of Rs. 15.88 Lacs.

**Future Outlook**

The Future of Indian Textile Industry is looking really bright. Your Directors are please to inform you that to go ahead with backward integration of production facilities a weaving Plant consisting of 36 Air Jet Looms is under installation at Ichalkaranji Maharashtra. This Plant will commence its production from 2<sup>nd</sup> half of the year. This plant will boost the ready fabric sales of your Company with brand name of "Dhanlaxmi Fabrics" in local as well as export market.

**Dividend**

With a view to the incoming expansion plant the Board does not recommend any dividend for the year 2012-2013.

**Directors**

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company, Shri Ramautar S. Jhavar and Shri N. C. Sharma – Directors of the Company are liable to retire by rotation and being eligible offer themselves for re-appointment at Annual General Meeting. Your Directors recommend their re-appointment.

Brief profile of the Director's proposed to be re-appointed is annexed to the Notice of the ensuring Annual General Meeting.

**Directors Responsibility Statement**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2013 on a 'going concern' basis.

#### **Auditors**

The retiring Auditors M/s .S. G. Kabra & Co., Chartered Accountants, Mumbai, have been appointed to hold office till the conclusion of the next Annual General Meeting. They have furnished a certificate to the effect that the proposed re-appointment, is in accordance with the limits specified U/s. 224(1B) of the Companies Act, 1956.

#### **Auditors Report**

The Auditors have not made any qualification to the financial statement, in their reports or relevant notes on accounts, which are self explanatory and do not call for any comments under section 217 (3) of the Companies Act, 1956.

#### **Cost Audit**

As per the requirement of order issued by the Central Government, pursuant to Section 233B of the Companies Act, 1956, the Company has appointed Mr. Dilip M. Bathija, Cost Accountant, as Cost Auditor to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March 2013.

Due date for filling of Cost Audit Report for the financial year ending 31<sup>st</sup> March 2012 was 28<sup>th</sup> February, 2013 and Cost Audit Report for that year was filed on 22<sup>nd</sup> February, 2013.

#### **Fixed Deposit**

As on 31.03.2013 the Company held no deposit in any form from anyone. There was no deposit held by the Company as on 31.03.2013 which was overdue or unclaimed by the depositors. For the present the board of directors have resolved not to accept any deposits from public, shareholders and others.

#### **Corporate Governance**

A Report on Corporate Governance together with a Management Discussion and Analysis report along with a Certificate from Mr. Ramesh Chandra Mishra, Company Secretary in practice, regarding compliance of requirements of Corporate Governance pursuant to clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.

#### **Particulars As Per Section 217 (2A) Of Companies Act, 1956:**

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under section 217 (2A) of the Companies Act, 1956 and the rules made there under.

#### **Subsidiaries**

The Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit & Loss for the year ended on that date along with the Directors' and Auditors' Report and Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd., DFL Fabrics Private Limited Subsidiaries of the Company are attached to this report and shall be treated as forming part of the report.

#### **Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo**

Particulars as require under Section 217 (1)(e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are given in Annexure-1 to this report.

#### **Acknowledgements**

The Directors place on record their appreciation for co-operation and support extended by the Government, Banks, Shareholders, and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year

For and on behalf of the Board

Ramautar S. Jhawar  
Chairman

Place: Mumbai

Date: 30<sup>th</sup> May 2013



**ANNEXURE-I 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	<b>Adequate Measures Taken</b>
2. Additional investment and proposals, if any, being implemented for reduction of consumption :	<b>Nil</b>
3. Impact of the measure at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:	<b>Marginal</b>
4. Total energy consumption and energy consumption per unit of production are as under :	

		Year Ended 31-03-2013	Year Ended 31-03-2012
<b>A. Power and Fuel Consumption</b>			
1. Electricity			
a) Purchased			
Unit	(Lacs)	56.01	44.73
Total Amount	(Rs. In Lacs)	414.24	288.10
Avg. Rate/Unit	(Rs.)	7.40	6.44
b) Own generation (Through D.G. Set)			
Unit	(Lacs)	0.19	0.48
Diesel Oil Consumed Ltrs.	(Lacs)	0.10	0.22
Total Amount	(Rs. In Lacs)	4.72	9.31
Avg. Rate per Ltr.	(Rs.)	46.90	43.26
2. Coal			
Quantity	(M. Tonnes)	11775	9729
Total Amount	(Rs. In Lacs)	634.67	480.45
Avg Rate/M.Tonne	(Rs.)	5390	4938
<b>B. Consumption Per kg of Production</b>			
Production	(Lac Kgs.)	31.44	25.23
Electricity	(Rs.)	13.18	11.42
Diesel Oil	(Rs.)	0.15	0.37
Coal	(Rs.)	20.19	19.04

**Technology Absorption :**

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

**Foreign Exchange Earnings and Outgo:**

	(Rs. In lacs)	
	<b>2012-13</b>	<b>2011-12</b>
Foreign Exchange Outgo	12.28	8.65
Foreign Exchange Earning	Nil	37.34

For and on behalf of the Board

Place: Mumbai  
Date: 30<sup>th</sup> May 2013

Ramautar S. Jhavar  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments :

The Government of India is keenly interested in promoting the Brand "Made in India" in global market. As the textile industry is the second largest sector of economy in providing employment opportunities, the Government is committed to the growth and betterment of this sector.

The Government is also supporting this expansion mood by way of Textile Park Scheme, wherein the Government is providing capital subsidy for such park upto 40% on the total infrastructure facilities in Textile parks.

With the phasing out of Multi Fiber Agreement (MFA) from 1<sup>st</sup> January, 2005, which had imposed quota regime on Indian Textile Exports, it has opened the way for the most competitive developing countries to develop stronger clusters of textile. The infusion of fresh capital in this sector has been evidence by numerous companies setting up projects for spinning, weaving, processing, embroidery and garments and by way of various public issues of companies engaged in this line of business. The Companies are also expanding their line of operation by way of forward and backward integration of production facilities. The healthy capital market conditions, with series of 'bull run' on bourses, have boosted the dreams of Indian Textile industry to attain new heights in textile manufacturing and export.

### 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 favorable 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 MG in Dhule Maharashtra. Again in the year 2005-06 Company has installed 8 WTG of 0.25 MG each (total 2.00 MG) 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.

### Outlook :

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.

**Risks and Concerns :**

The Company continues to remain focused on its core competence product i.e. textile products. Competition in the market place continues to have an impact on the Company's operational performance and also exerts pressure on the margins.

**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 :**

Though in the previous year 2011-12 due to setback in Export Market and increase in input cost the Company's Operational and Financial performance shown the down trend but in the year under review Company had overcome from it and hope for better result in current year.

	2012-13	2011-12
		(Rs.in Lacs)
<b>Turnover</b>		
Processing Charges Fab /Yarn	<b>3897.00</b>	2865.55
Fabrics / Yarn /Garment Sale	<b>1622.35</b>	1491.92
Power Sale	186.41	148.46
Coal Trading Sale	2.69	16.29
<b>Total</b>	<b>5708.45</b>	<b>4522.22</b>
<b>Profitability</b>		
Net Profit after Taxation	119.05	15.88
Add. (Less): Loss /(Profit) on Sale of Fixed Asset	4.61	(4.88)
Less: Profit on commodities / Share Trading	39.46	0.00
<b>Net Profit by operation</b>	<b>84.20</b>	<b>11.00</b>

**Human Resource Development :**

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.

**CORPORATE GOVERNANCE REPORT:****Company's Philosophy on Code of Corporate Governance:**

Good Corporate Governance is a continuous process that needs to be comprehensive for maximum effectiveness. Your Company firmly believes in Corporate Governance as an ideological cornerstone and a strategic driver for long term success. The Company fundamentally believes that good Corporate Governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements.

**A. Board Composition:****Size and Composition of the Board:**

The Board presently consists of a majority of Non-Executive Directors, having rich and varied experience. The Board comprises of One (1) Executive Director and Five (5) Non-Executive Directors of which Three (3) are Independent. The Chairman of the Board is a Non-Executive Director.

The constitution of the Board as on 31<sup>st</sup> March 2013 is given below:

Director	Executive/ Non-Executive/ Independent*	Number of other		
		Director- ships**	Committee Member- ships*	Committee Chairman- ships***
Shri Ramautar S. Jhawar	Chairman, Non-Executive	1	-	-
Shri Vinod S. Jhawar	Managing Director, Executive	-	-	-
Shri Mahesh S. Jhawar	Non Executive	1	-	-
Shri N.C. Sharma	Non Executive, Independent	-	-	-
Shri Durgesh Kabra	Non-Executive, Independent	-	-	-
Shri Mihir Mehta	Non-Executive, Independent	2	-	-

\* Other Directorships exclude directorships held in Private Limited Companies

# Committee Memberships do not include Membership/ Chairmanship in Committee of Directors of Dhanlaxmi Fabrics Limited

**B. Board Meetings:**

The Board meetings are generally held at the Corporate office of the Company. The Agenda for each meeting along with explanatory notes is drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual Shareholders' Meetings. When necessary, additional meetings are held.

Eight Board Meetings were held during the year ended 31<sup>st</sup> March, 2013 i.e. on 30/05/2012, 22/06/2012, 11/08/2012, 28/09/2012, 09/11/2012, 08/01/2013, 02/02/2013, 15/02/2013.

The table hereunder gives the attendance record of the Directors during the financial year 2012-13

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ramautar S. Jhavar	8	8	Yes
Shri Vinod S. Jhavar	8	8	Yes
Shri Mahesh S. Jhavar	8	8	Yes
Shri N.C. Sharma	8	8	Yes
Shri Durgesh Kabra	8	3	No
Shri Mihir Mehta	8	4	No

## B. Board Committees:

Currently, the Board has four committees - the Audit Committee, the Shareholder's / Investor's Grievance Committee, the Remuneration Committee and the Management Committee.

The Board is responsible for the constitution, co-opting and fixing the terms of service for committee members of all the committees.

### 1. Audit Committee:

As required under Section 292A of the Companies Act, 1956, read with the provisions of Clause 49 of the Listing Agreement, the Board has constituted an Audit Committee. It comprises of Three(3) Non-Executive, Directors in which Two (2) are Independent Directors. The Committee is headed by Shri N. C. Sharma and comprises of Shri Durgesh Kabra and Shri Ramautar S. Jhavar as its Members.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter-alia performs the following functions:

- \* overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;
- \* recommending the appointment and removal of the external Auditors, fixation of Audit fee and approval for payment of any other services;
- \* reviewing with management the Annual financial Statements before submission to the Board;
- \* reviewing with the management and external Auditors, the adequacy of internal control systems;
- \* reviewing the adequacy of Cost Audit function;
- \* discussing with Cost Auditors any significant findings and follow up on such issues;
- \* 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;
- \* reviewing the Company's financial and risk management policies; and
- \* examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any,

**Attendance of Members at the Audit Committee Meetings:**

The meetings of the Audit Committee are also attended by the Statutory Auditors as special invitees.

During the financial year ended 31<sup>st</sup> March, 2013, Four (4) Audit Committee Meetings were held on i.e. on 30/05/2012, 11/08/2012, 09/11/2012, 15/02/2013.

The table hereunder gives the attendance record of the Audit Committee Members during the Financial Year 2012-13

Name of the Audit Committee Members	No. of Meetings held	No. of Meetings attended
Shri N.C. Sharma	4	4
Shri Ramautar Jhawar	4	4
Shri Durgesh Kabra	4	3

The Committee has recommended to the Board the appointment of M/s. S. G. Kabra & Co., Chartered Accountants, as the Statutory and Independent Auditors of the company for the Financial Year ending 31<sup>st</sup> March 2013 and that necessary resolution for appointing them as Auditors be placed before the Shareholders.

**2. Remuneration Committee:**

As on 31<sup>st</sup> March 2013, the Remuneration Committee consists of Two (2) members, Shri N.C. Sharma and Shri Durgesh Kabra, all of them being Non-Executive Independent Directors. Shri N. C. Sharma is the Chairman of the Remuneration Committee.

**a) Remuneration Policy:**

Non-Executive Directors are paid sitting fees for each meeting of the Board attended by them. Remuneration including perquisites and commission paid to the Managing Director of the Company are recommended by the Remuneration Committee approved by the Board and is within the limits set by the Shareholders at the General Meetings.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

**b) Details of Remuneration to Executive Directors for the financial year ended 31<sup>st</sup> March 2013:**

Director	Salary & Perquisites	Performance Incentive / Bonus	Commission	Total
Shri Vinod S. Jhawar Managing Director	13.44 Lacs	NIL	NIL	13.44 Lacs

**c) Shareholding in the Company and Remuneration paid to Non-Executive Directors:**

Name of Non-Executive Director	Equity Shares held (Number)	Sitting Fees
Shri Ramautar S. Jhawar	631087	0.30
Shri Mahesh S. Jhawar	39100	0.30
Shri N.C. Sharma	NIL	0.30
Shri Durgesh Kabra	NIL	0.23
Shri Mihir Mehta	NIL	0.30

During the year ended 31<sup>st</sup> March 2013, no meeting of the Remuneration Committee was held.

### 3. Shareholders'/Investors' Grievance Committee:

As at 31<sup>st</sup> March, 2013, the Shareholders'/Investors' grievance Committee consists of Shri N. C. Sharma and Shri Durgesh Kabra, both of them being Non-Executive, Independent Directors. Shri N. C. Sharma is the Chairman of the Committee and acts as the Compliance Officer.

The Shareholders'/Investors' Grievance Committee inter-alia deals with various matters relating to redressal of shareholders and investors complaints like delay in transfer/ transmission of shares, non-receipt of balance sheet, non-receipt of dividends etc. and also recommends measures to improve the performance of investor services.

#### Meetings and Attendance:

Four Committee meetings were held during the year ended March 31, 2013.

The attendance record of members is given in the table hereunder:

Name of the Shareholders'/Investors' grievance committee members	No. of meetings held	No. of meetings attended
Shri N. C.Sharma	4	4
Shri Durgesh Kabra	4	4

The committee expresses satisfaction with the company's performance in dealing with investors' grievance and its share transfer system.

#### Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31<sup>st</sup> March, 2013:

The total number of complaints received and replied to the satisfaction of the Shareholders during the year ended 31<sup>st</sup> March 2013 was none. There were no pending/unattended complaints as on 31<sup>st</sup> March 2013.

### 4. Management Committee:

The Management Committee consists of Shri Vinod S. Jhavar, Shri Ramautar S. Jhavar, Shri Mahesh S. Jhavar, and Shri N.C. Sharma. The Committee is headed by Shri N C. Sharma.

The Management Committee meetings are generally held at the Registered Office of the Company. Agenda for each meeting are drafted and circulated in advance to the Directors. Every Committee Members is at a liberty to suggest the inclusion of items on the agenda. There is however no schedule as to when a Management Committee meeting is held. These meeting are held only to take a review of the overall functioning of the Company.

#### Meetings and Attendance:

There were only Two Management Committee Meetings during the year ended 31<sup>st</sup> March, 2013.i.e on 4<sup>th</sup> October 2012, 25<sup>th</sup> March 2013 to review the halfyearly working of the Company.

Table hereunder gives the attendance record of the members.

Name of the Directors	No. of Meetings held	No. of Meetings attended
Shri Vinod S. Jhavar	2	2
Shri Ramautar S. Jhavar	2	2
Shri Mahesh S. Jhavar	2	2
Shri N.C.Sharma	2	2

**D. General Body Meetings:**

Details of last **Three** Annual General Meetings are given here under:

Year	Date	Venue/ Details of Special Resolution passed	Time
2010	25/09/2010	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. No Special Resolution was passed.	1:00 P.M.
2011	24/09/2011	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. No Special Resolution was passed.	1.00 P.M
2012	11/08/2012	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. Special Resolution was passed.	1.00 P.M.

**Special Resolution:**

1. In the Annual General Meeting held on 11<sup>th</sup> August, 2012 following Special Resolutions were passed:  
As per the recommendation of the Remuneration Committee and pursuant to the provisions of Section 198, 269, 309 and 311 read with schedule XIII to the Companies Act 1956 and subject to such approvals as may be necessary Shri Vinod S. Jhavar be and is hereby reappointed as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> November 2012.

**E. Disclosures:**

- \* There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Annexure to the Auditor's Report which form a part of the Auditors' Report for the year ended 31<sup>st</sup> March, 2013.
- \* There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years period.
- \* The Company has not established the non- mandatory requirement of whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.
- \* The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and has framed the Remuneration Committee which is amongst the Non-Mandatory Requirements.

**F. Means of Communication to the Shareholders:**

The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the Listing Agreement. Generally, the same are published in "Free Press Journal" (English language) and "Nav-Shakti" (Marathi language). As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Stock Exchange, Mumbai immediately after the conclusion of the respective meeting. No presentations were made to the institutional investors or to analysts during the year under review.

**G. Certificate on Corporate governance:**

As required by Clause 49 of the Listing Agreement, a certificate issued by Mr.Ramesh Chandra Mishra ,Practicing Company Secretaries, regarding Compliance with Corporate Governance norms is given as an Annexure to this Report.



**H. CEO Declaration:**

The Managing Director of the Company has certified positively to the Board on the matters specified under Clause 49 (V) of the Listing Agreement.

**I. General Shareholder Information :**

- |   |   |
|---|---|
| 1. Date, time and venue of Annual General Meeting of Shareholders | 21 <sup>st</sup> September 2013, 1.00 p.m. Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. |
| 2. Financial Year   | 2012-2013   |
| 3. Dates of book closures   | 14 <sup>th</sup> September 2013 to 21 <sup>st</sup> September 2013 (both days Inclusive)                  |

**4. Financial Calendar**

(tentative and subject to change)

**Financial reporting for quarter ended**

June 30, 2013	: by August 14, 2013
September 30, 2013	: by November 14, 2013
December 31, 2013	: by February 14, 2014
March 31, 2014	: by May 30, 2014

**Annual General Meeting**

for year ended 31<sup>st</sup> March 2014 – September 30<sup>th</sup>, 2014.

- |                               |   |
|-------------------------------|---|
| 5. Listing on stock exchanges | Bombay Stock Exchange Limited   |
| 6. Stock Code                 | 521151  |
| 7. Listing fees               | Paid for year 2012-2013 to The Stock Exchange, Mumbai                         |
| 8. Registered office          | Manpada Road, Bhopar Village, Dombivli (East),<br>Thane- 421 204. Maharashtra |

**9. Registrar and Share Transfer agents**

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka, Andheri (E),  
Mumbai 400 072  
Tel No.: 091-022-8473474 / 28470653  
28473747 / 40430200  
Fax No: 091-022-28475207  
E-mail: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**10. Share Transfer System:**

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Share Transfer committee of the Company meets as often as required. Most of the Share Transfers are handled by the Registrar and Transfer Agents and timely reports are sent by them to the Company in respect of transfers that have taken place for the approval of the Shareholders Grievance Committee in its Meeting.

The total number of shares transferred in physical form during the year 2012-13 was 200 shares.

**11. Stock Market price data:**

Monthly high and low at the Bombay Stock Exchange Limited Mumbai for financial year ended 31<sup>st</sup> March 2013:

Month	Volume	Dhanlaxmi Fabrics Limited.		BSE Sensex	
		High (Rs)	Low (Rs)	High	Low
April, 2012	648	13.02	10.40	17,644	17,010
May, 2012	1,030	12.67	11.50	17,432	15,810
June, 2012	1,056	11.65	10.55	17,448	15,749
July, 2012	2,301	15.60	12.20	17,631	16,598
August, 2012	71	17.08	14.50	17,973	17,027
September, 2012	15	17.80	16.20	18,870	17,251
October, 2012	759	16.20	11.45	19,137	18,393
November, 2012	3,475	11.00	9.00	19,373	18,256
December, 2012	4,041	9.73	8.01	19,612	19,149
January, 2013	4,331	16.90	9.13	20,204	19,509
February, 2013	605	18.90	16.15	19,967	18,794
March, 2013	10,595	16.10	15.50	19,755	18,568

**12. Distribution of Shareholding as on 31<sup>st</sup> March 2013**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Amount (Rs.)	% of Total
1 - 5,000	760	80.68	1591540	1.86
5,001 - 10,000	67	7.11	595940	0.69
10,001 - 20,000	37	3.93	589170	0.69
20,001 - 30,000	13	1.38	326480	0.38
30,001 - 40,000	8	0.85	277780	0.32
40,001 - 50,000	9	0.96	422930	0.49
50,001 - 1,00,000	7	0.74	511280	0.60
1,00,001 - & Above	41	4.35	81495880	94.97
<b>Total</b>	<b>942</b>	<b>100.00</b>	<b>85811000</b>	<b>100.00</b>

**13. Categories of Shareholding as on 31<sup>st</sup> March 2013**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	31	3.25	5973815	69.62
Mutual Fund	1	0.10	300000	3.50
Private Corporate Bodies	40	4.20	1766969	20.58
NRIs/OCBs	5	0.53	868	0.01
Indian Public	865	92.92	539448	6.29
<b>Total</b>	<b>942</b>	<b>100.00</b>	<b>8581100</b>	<b>100.00</b>

**14. Dematerialisation of shares and liquidity**

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE953D01016.

**15. Plant Location:**

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

**16. Address for correspondence:**

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka, Andheri (E),  
Mumbai 400 072  
Tel No.: 091-022-28473474/28470653/28473747 / 40430200  
Fax No: 091-022-28475207  
E-mail: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**17. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

There are no outstanding convertible instruments as on date.

For and on behalf of the Board

**Ramautar S. Jhawar**

Chairman

Place: Mumbai

Date: 30<sup>th</sup> May, 2013.

**PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
DHANLAXMI FABRICS LIMITED  
MUMBAI.

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Fabrics Limited ("the Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

Ramesh Chandra Mishra  
Company Secretary

Place: Mumbai

Date: 30<sup>th</sup> May, 2013

FCS No : 5477

**CEO/CFO CERTIFICATION TO THE BOARD**

I Certify that:-

- a. I have reviewed the financial statements and the cash flow statement for the year 2012- 13 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the company'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 2012-2013 which are fraudulent, illegal or violative of the companies code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of 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 –
- Significant changes in internal control over the financial reporting during the year 2012-13
  - Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
  - 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 company's internal control system over the financial reporting.

For DHANLAXMI FABRICS LIMITED

Sd/-

Place: Mumbai  
Date: 30<sup>th</sup> May, 2013

Vinod S. Jhawar  
Managing Director

## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

All Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the company and its shareholders/ stakeholders. Every member of the Board and Senior Management shall be duty bound to follow the provisions of this Code in letter as well as spirit.

With a view to maintain the high standards that the Company requires, the following rules/code of conduct should be observed in all activities of the Board. The Company appoints the Company Secretary as a compliance officer for the purposes of the code, who will be available to directors and senior management to answer questions and to help them comply with the code.

Accordingly, the members are expected to read and understand this code and uphold these standards in their business dealings and activities.

The provisions of this Code be read as under:

### 1. Honest & Ethical Conduct

All the members are expected to act in accordance with the highest standards of personal & professional integrity, honesty and ethical conduct while working on the Company's premises, at office, at offsite locations, at company sponsored business and social events, or at any other place where the members are representing the Company. An honest conduct shall mean a conduct free from fraud and deception.

### 2. Conflict Of Interest

The code demands that the members should avoid and disclose actual & apparent conflict of interest. A conflict of interest exists where the interest or benefits of one person or entity conflict with the interests of the Company. It may take the following forms:

- A) Employment/outside employment.** The members are expected to devote their full attention to the business interests of the Company and are prohibited from engaging in any activity that interferes with their performance or responsibility towards the Company.
- B) Outside directorships.** To serve as a Director of any Company that competes with the company shall be viewed as conflict of interest. any member intending to serve on the board of the business competitor shall obtain a prior approval of the Board.
- C) Related parties.** As a general rule the members should avoid conducting business with a relative. Further, contracts with organisations/ firms where a relative of the member is working as a principal officer or partner should be avoided.
- D) Payment or acceptance of gifts:** Under no circumstances shall the members accept any offer, payment, promise to pay, or authorisation to pay any money or gift from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly any business decision.

### 3. Confidentiality Of Information

Any information concerning the company's business, its customers, suppliers etc., which is not in public domain and to which the director has access or possesses such information must be considered confidential and held in confidence, unless authorised to do so and when disclosure is required as a matter of law. No Director shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorised.

**4. Insider Trading**

Any Director /employee of the Company shall not derive benefits or assist others to derive benefits by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information. All Directors will comply with insider trading guidelines as issued by SEBI.

**5. Protection Of Assets**

The Directors/Employee's must protect the Company's assets, labour and information and may not use these for personal use, unless approved by the Board.

**6. Shareholders**

The Company shall be committed to enhancing shareholders wealth & value. The Board of Directors of Company commits itself to abide by all regulations and laws that govern shareholders rights. Further, the Board members also commits in keeping its family of shareholders thoroughly informed about all relevant aspects of the Company's business, and discloses such information in accordance with relevant regulations and agreements.

**7. Equal Opportunities Employer**

The Company shall provide equal opportunities to all its employees and all qualified applicants for employment without discriminating with regard to their race, caste, sex, religion, etc.

Our Human resource policies always promote equality in the workplace promoting equal opportunities to all its employees. Among our goals are to make benefits and services available to our employees with

Regard to their wellbeing, to communicate effectively with them, to ensure equal employment treatment, to assist employees in relaxing there potential and maximizing their productivity, and to fairly evaluate and recognize performance.

Further our all human resource polices be administered in a manner consistent with applicable laws and other provisions of this Code, respect for the right to privacy and the right to be heard, and that in all matters equal opportunity will be provided to those eligible and decisions shall be based on mutual discussions.

For its part, the company expects employees to perform excellent work in a cost effective manner, and to strive for quality and productivity. Also we expect from our employee that they follow all directions and instructions, properly care for facilities and equipment, to anticipate problems and suggest improvements, to treat other employees and clients and customers with honesty and courtesy, and to be energetic in the performance of tasks and fulfillment of goals.

**8. Safety, Health And Environment**

The company attaches a great importance to a healthy environment and to the safety of its employees.

**9. Ethical Conduct**

Every employee of the company including the Board Members shall deal on behalf of the Company professionalism, honesty & integrity, while conforming to high moral and ethical standards. Such conduct shall be fair, reasonable & transparent and perceived to be so by third parties.

Every employee of the Company shall preserve the human rights of every individual and community, and shall strive to honour commitments.

Every employee shall be responsible for the implementation of and compliance with the Code in his/her environment. Failure to adhere of the code could attract severe consequences, including termination of employment

**10. Transparency And Accountability**

All Company employees ensure that their actions in the conduct of business and employment are totally transparent except where the need of business security demands otherwise. All employees shall voluntarily ensure that their areas of operation are always be open to audit and the conduct of their activities are totally auditable.

**11. Political Non Alignment**

Dhanlaxmi Fabrics Limited shall not support, directly or indirectly, any specific political party or candidate for political office. The company shall not offer or give any Company's fund or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

**12. Compliance With Applicable Laws, Rules And Regulations.**

The Board Members and Designated Employees of the Company have a duty to comply with all the laws, rules and regulations that apply to the Company's business. They must acquire appropriate knowledge of the legal requirements relating to their duties, either from internal source or from an outside source. Violations of applicable laws, rules and regulations may subject them to individual criminal or civil liabilities, as well as disciplinary action/s by the Company.

**13. Reporting Concerns**

Every employee of Company shall promptly report to the management, they become aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or act not in the Company's interest. It is the ethical responsibility of the employees to abide by and enforce this Code. The Board of Directors shall take necessary disciplinary action against any Director and/or employees who would be found guilty of violating this Code.

**14. Where To Seek Clarification**

The Board Members and Designated Employees can get clarification regarding this Code of Conduct from the Compliance Officer of the Company.

**15. Waivers & Amendments Of The Code**

The Company is committed to continuously reviewing and updating its policies and procedures and hence, the Code is subject to modifications to meet the future requirements.

Once every year or upon revision of this code, every Director must acknowledge and execute an understanding of the code and an agreement to comply. New Directors will sign such a deed at the time when their directorship begins.

For Dhanlaxmi Fabrics Limited

Place: Mumbai  
Date: 30<sup>th</sup> May, 2013

**Vinod S. Jhavar**

Managing Director

**INDEPENDENT AUDITOR'S REPORT**

**To,  
The Members of  
Dhanlaxmi Fabrics Ltd.**

We have audited the accompanying financial statements of Dhanlaxmi Fabrics Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements :**

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March, 31st 2013 ;
- b) in the case of the Statement of Profit and Loss of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**Report on other Legal and regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227 (3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) in our opinion Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

S.G.Kabra  
Partner  
M.No. 38867

Place : Mumbai.  
Date : 30<sup>th</sup> May 2013

**ANNEXURE TO THE AUDITORS' REPORT**  
**(Report on other Legal and Regulatory requirements)**

**1. In respect of its Fixed Assets :**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on its fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner which is in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion the Company has not disposed of a substantial part of its fixed assets during the year therefore the going concern status of the Company is not affected.

**2. In respect of its Inventories :**

- (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper records of inventories. As explain to us, there were No material discrepancies noticed on phusical verification as compared to book records.

**3. In respect of loans secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956;**

- (a) The Company has not granted any loans, secured or unsecured to companies, firms and other parties listed in the register maintained under Setion 301 of the Companies Act 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii(d) of the order are not applicable to the Company.
- (b) In respect of loan taken by the Company, the loan is interest ree and repayable on demand.
- (c) There is no overdue amount in respect of loan taken by the Company.

**4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedures commensurate with size of the company and nature of its business, for the purchase of inventories and fixed assets and for expenses and for sale of goods. During the course of our audit, no major instance of continueing failure to correct any weaknesses in the internal controls has been noticed.**

**5. In respect of contracts or arrangements referred to in Section 301 Companies Act, 1956.**

- (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act, have been so entered in the register required to be maintained under that section.
- (b) As per information and explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeds Rupees five lacs in year has been made at price which appeared reasonable as per information available with the Company.

**6. According to the information and explanation given to us the Company has not accepted any deposits from the public therefore the provisions of Clause (VI) of paragraph 4 of the order not applicable to the Company.**

**7. As per information and explanations given to us the Company has an internal audit system commensurate with its size and nature of its business.**

**8. As per information and explanations given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion**

that, prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**9. In respect of Statutory dues :**

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise-Duty, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
10. The Company does not have any accumulated losses at the end of the year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any Loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhis / Mutual Benefit Fund / Society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in shares, Mutual Funds and other Investments. Proper records and timely entries have been maintained in this regard and further investments specified are held in their own name.
15. According to information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short term basis have not been used for long term investment by the Company.
18. Based on our audit procedures and on the information given by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The company has not raised any money by public issues during the year.
21. Based on our audit procedures and on the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

**S. G. Kabra**  
Partner  
M. No. 38867

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2013	AS AT 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	2,698.17	2,572.50
Total		<b>3,556.28</b>	<b>3,430.61</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	417.64	591.51
(b) Deferred tax liabilities (net)	4	490.30	603.96
(c) Other long-term liabilities	5	21.52	17.02
(d) Long-term provisions	6	347.93	181.59
Total		<b>1,227.39</b>	<b>1,394.08</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	325.03	0.00
(b) Trade payables	8	793.39	341.11
(c) Other current liabilities	9	98.80	37.25
(d) Short-term provisions	10	77.83	51.70
Total		<b>1295.05</b>	<b>430.06</b>
<b>TOTAL</b>		<b>6,128.72</b>	<b>5,254.75</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,175.08	2,636.25
(ii) Capital work-in-progress		885.29	370.52
(b) Non-current investments	12	67.08	67.08
(c) Long-term loans and advances	13	638.08	476.25
Total		<b>3,765.53</b>	<b>3,550.10</b>
<b>2 Current assets</b>			
(a) Inventories	14	215.49	263.88
(b) Trade receivables	15	1,988.69	1,060.84
(c) Cash and cash equivalents	16	28.38	234.74
(d) Short-term loans and advances	17	130.63	145.19
Total		<b>2,363.19</b>	<b>1,704.65</b>
<b>TOTAL</b>		<b>6128.72</b>	<b>5,254.75</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per our report of even date attached,

For and on behalf of the Board,

**For S. G. Kabra & Co.**

Chartered Accountants

FR NO. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

**Ramautar S. Jhwar**

Chairman

**Vinod S. Jhwar**

Managing Director

**Mahesh S. Jhwar**

Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2013

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	18	5,708.45	4,522.22
2 Other income	19	94.16	25.41
<b>3 Total revenue</b>		<b>5802.61</b>	<b>4547.63</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	2,080.92	1,413.16
(b) Purchases of stock-in-trade	21	1,594.51	1,302.73
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(2.44)	105.78
(d) Employee benefits expenses	23	504.55	407.30
(e) Finance costs	24	53.91	75.16
(f) Depreciation	25	476.03	478.06
(g) Other expenses	26	923.37	745.25
<b>Total expenses</b>		<b>5,630.85</b>	<b>4,527.44</b>
<b>5 Profit before tax</b>		<b>171.76</b>	<b>20.19</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		166.34	76.73
(b) Less- Deferred tax Credit		113.66	72.26
(c) Less Current tax Credit relating to prior year		0.00	0.16
(d) Add. Current tax payment relating to prior year		0.03	0.00
<b>Net tax expense</b>		<b>52.71</b>	<b>4.31</b>
<b>7 Profit for the year</b>		<b>119.05</b>	<b>15.88</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.	27	1.39	0.19
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 33		

As per our report of even date attached

For and on behalf of the Board,

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

**S. G. Kabra**  
Partner  
M. No. 38867

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Rs. in Lacs)

Particulars	For the year ended 31/03/2013	For the year ended 31/03/2012
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	171.76	20.19
<i>Adjustments for:</i>		
Depreciation and amortisation	476.03	478.06
(Profit) / loss on sale / write off of assets	4.61	(4.88)
Finance costs	53.91	75.16
Interest income	(6.73)	(7.88)
Rental Income from Investment Property	(46.70)	(7.27)
Operating profit / (loss) before working capital changes	652.88	748.72
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	48.39	88.10
Trade and other receivables	(913.29)	511.30
Other non-current assets	(161.83)	66.38
Trade and other Payables	539.95	18.02
Cash generated from operations	(486.78)	683.80
Net income tax (paid) / refunds	(166.37)	(76.57)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(0.27)</b>	<b>1,160.61</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(543.24)	(369.98)
Sale of fixed assets	9.01	113.01
Interest received	6.73	7.88
Rental income from investment properties	46.70	7.27
Long Term Liabilities	4.50	17.02
Long term Provisions	166.34	56.30
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>( 309.96)</b>	<b>(168.50)</b>
<b>C. Cash flow from financing activities</b>		
Issue of Equity Shares	0.00	0.00
Capital subsidy received	6.62	0.00
Repayment of long-term borrowings	(173.87)	(112.31)
Net increase / (decrease) in working capital borrowings	325.03	(591.15)
Finance cost	(53.91)	(75.16)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>103.87</b>	<b>(778.62)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(206.36)</b>	<b>213.49</b>
Cash and cash equivalents at the beginning of the year	234.74	21.25
Cash and cash equivalents at the end of the year	28.38	234.74
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>(206.36)</b>	<b>213.49</b>

**Notes:** (i) The Cash Flow Statement reflects the continuing operations.

In terms of our report attached.

For and on behalf of the board

**For S.G.KABRA & Co.**

Chartered Accountants

FR NO. 104507 W

**S.G.Kabra**  
Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2013

**Ramautar S.Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### A) Basis of Preparation of Financial Statements

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

### B) Use of Estimates

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

### C) On Fixed Assets

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

### D) Leased Assets

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

### E) Depreciation

Depreciation is provided on Fixed Assets used during the year under Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956 on tripple shift basis.

### F) Impairment of Assets

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

### G) Foreign Currency Transactions.

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or approximates the actual rate at the date of the transaction.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account.

### H) Investments

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

**I) Inventories**

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

**J) Revenue Recognition.**

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

**K) Excise Duty / Service Tax and Sales Tax / Value Added Tax.**

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

**L) Employee Benefits.**

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

**M) Employee Retirement Benefits :**

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

**N) Provision for Current and Deffered Tax**

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

**O) Provisions, Contingent Liabilities and Contingent Assets.**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Asset are neither recognised in the financial statements.

**P) Disclosure under section 22**

Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

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

<b>1 SHARE CAPITAL</b>	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
<b>Authorised Share Capital</b>		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares)	1500.00	1500.00

<b>Issued, Subscribed and Paid up</b>	858.11	858.11
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity Shares)		

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

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

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

The details of Shareholders holding more than 5% Shares

	<b>As at 31/03/2013</b>		<b>As at 31/03/2012</b>	
	<b>No of Shares</b>	<b>%</b>	<b>No of Shares</b>	<b>%</b>
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics Pvt Ltd	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhawar	6,31,087	7.35	6,31,087	7.35

<b>2 RESERVES &amp; SURPLUS</b>	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
<b>General Reserve</b>	65.00	65.00
<b>Capital subsidy Reserve</b>	43.46	36.84
<b>Equity Share Premium reserve</b>	896.00	896.00
<b>Profit &amp; Loss A/c</b>	1574.66	1558.78
As per last Balance sheet	119.05	15.88
Add Profit for the year	1693.71	1574.66
<b>Total</b>	<b>2698.17</b>	<b>2572.50</b>
<b>Total</b>		

**3 LONG TERM BORROWINGS**

	As at 31/03/2013	As at 31/03/2012
<b>Secured Loans</b>		
Term Loan from ING Vysya Bank	384.24	558.11
<b>Unsecured Loans</b>		
From Promtech Impex Pvt Ltd	33.40	33.40
<b>Total</b>	<b>417.64</b>	<b>591.51</b>

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

3.2 Unsecured loan received from M/s. Promtech Impex Pvt Ltd the associate company. Repayable on demand without any interest.

3.3 Repayment schedule of Bank Term Loan.

Term Loan No.	2013-14	2014-15	2015-16	2016-17
8853	66.72	15.08	0.00	0.00
40415	85.38	85.38	78.28	0.00
2925	16.40	16.40	16.40	4.20
<b>Total</b>	<b>168.50</b>	<b>116.86</b>	<b>94.68</b>	<b>4.20</b>

**4 DEFERRED TAX LIABILITIES (NET)**

	As at 31/03/2013	As at 31/03/2012
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	603.96	676.22
Less Deferred Tax Assets	113.66	72.26
At closing of the year	490.30	603.96

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

**5. OTHER LONG TERM LIABILITIES**

	As at 31/03/2013	As at 31/03/2012
Deposits received from Licensee	21.52	17.02

5.1 Security deposits received against Leave and Licencers Agreement entered with the following Licensee for office No.401 and 403 at Kailas Corporate Lounge Vikroli Mumbai and Commercial Galas in Raj Laxmi Park, Kalher Bhiwandi given on rent to them.

1. John Keells Logistics Pvt Ltd	9.83	For 2 year
2. ITT Corporation India Pvt Ltd	7.19	For 4 year
3. Yukti Mercantile Pvt Ltd	4.50	For 4 year
<b>Total</b>	<b>21.52</b>	

**6 LONG TERM PROVISIONS**

	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
Provision for IT	347.93	181.59

**6.1** Provision for IT for the Financial year 2009-10 to 2012-13 has been made which will be written off after actual assesment of IT and difference will be appropriated by Debiting/ Crediting the P&L A/c in that year.

**7 SHORT TERM BORROWINGS.**

<b>Secured Borrowing</b>	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
Cash credit from ING Vysya Bank	125.03	0.00
Working capital Demand loan from ING Vysya Bank	200.00	0.00
<b>Total</b>	<b>325.03</b>	<b>0.00</b>

**7.1** Secured by way of Hypothecation of stocks and book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.

**7.2** The company has not availed the credit facility at the end of the year 2011-12 due to surplus own funds.

**8 TRADE PAYABLES**

	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
Creditors	793.39	341.11

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

**9 OTHER CURRENT LIABILITIES**

	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
Charity Fund	5.50	1.06
Unclaimed Dividends	2.34	2.34
Statutory Liabilities	52.63	32.88
Advance received from customers	38.33	0.97
<b>Total</b>	<b>98.80</b>	<b>37.25</b>

**9.1** Unclaimed Divident do not include any amount due and outstanding to be credited to Investor Education and Protrction Fund.

**10 SHORT TERM PROVISIONS**

	<b>As at 31 /03/2013</b>	<b>As at 31/03/2012</b>
Provision for outstanding Expenses	77.83	51.70

**11 FIXED ASSETS**

(Rs. in Lacs)

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-04-2012	Addition during the year	Sold during the year	Total as at 31-03-2013	Upto 31-03-2012	Provided for the year	Adjusted during the year	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
1. Land	125.16	0.00	0.00	125.16	0.00	0.00	0.00	0.00	125.16	125.16
2. Building	416.18	0.00	0.00	416.18	196.01	13.90	0.00	209.91	206.27	220.17
3. Plant & Machinery	3550.51	0.00	7.13	3343.38	1931.19	271.54	4.06	2198.67	1144.71	1419.32
4. Electrical Installation	100.86	0.00	0.00	100.86	65.47	4.79	0.00	70.26	30.60	35.39
5. Pipe Fitting	34.62	0.00	0.00	34.62	24.49	3.58	0.00	28.07	6.55	10.13
6. Furniture & Fixture	104.29	0.00	0.00	104.29	58.55	6.60	0.00	65.15	39.14	45.74
7. Laboratory Equipment	25.70	0.00	0.00	25.70	9.37	1.22	0.00	10.59	15.11	16.33
8. Office Equipment	6.88	0.00	0.00	6.88	4.25	0.33	0.00	4.58	2.30	2.63
9. Air Conditioner	8.95	0.00	0.00	8.95	5.14	0.42	0.00	5.56	3.39	3.81
10. Computer	38.50	0.00	0.00	38.50	34.22	0.73	0.00	34.95	3.55	4.28
11. Motor Vehicle	67.77	28.48	13.81	82.43	32.03	6.86	3.27	35.62	46.81	35.74
12. Misc. Fixed Assets	28.79	0.00	0.00	28.79	10.04	1.37	0.00	11.41	17.38	18.75
13. House Property	222.23	0.00	0.00	222.23	4.26	7.42	0.00	11.68	210.55	217.97
<b>SUB-TOTAL</b>	<b>4530.44</b>	<b>28.48</b>	<b>20.94</b>	<b>4537.97</b>	<b>2375.02</b>	<b>318.76</b>	<b>7.33</b>	<b>2686.45</b>	<b>1851.52</b>	<b>2155.42</b>
Wind Power Division										
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00
2. Plant And Machinery	1521.00	0.00	0.00	1521.00	1050.17	157.27	0.00	1207.44	313.56	470.83
Sub Total	1531.00	0.00	0.00	1531.00	1050.17	157.27	0.00	1207.44	323.56	480.83
<b>Total</b>	<b>6061.44</b>	<b>28.48</b>	<b>20.94</b>	<b>6068.97</b>	<b>3425.19</b>	<b>476.03</b>	<b>7.33</b>	<b>3893.89</b>	<b>2175.08</b>	<b>2636.25</b>
PREVIOUS YEAR	5728.21	369.98	36.75	6061.44	2974.97	478.06	27.84	3425.19	2636.25	

Capital Work in Progress Rs. 885.29 Lacs (Previous Year Rs. 370.52Lacs)

**12 NON-CURRENT INVESTMENTS**

In equity shares of subsidiary companies

**As at 31/03/2013****As at 31/03/2012**

- Western Chlorides & Chemicals Pvt Ltd**  
2999 Equity Shares @ Rs.2170/- Per Share, face Value Rs.100/- Per shares
- Dhanesh Fabrics Pvt Ltd**  
9999 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares
- DFL Fabrics Pvt Ltd**  
9980 Equity Shares @ Rs.10/- each face Value Rs.10/- Per shares

65.08

65.08

1.00

1.00

1.00

1.00

**Total****67.08****67.08****13 LONG TERM LOANS & ADVANCES****As at 31/03/2013****As at 31/03/2012**

Balances with Excise dept.

39.60

58.54

Security Deposits

94.23

88.33

Interest Receivable under TUF Scheme

137.87

114.49

TDS Receivables

206.38

129.89

Advance tax Paid

160.00

60.00

Loans to subsidiary

0.00

25.00

**Total****638.08****476.25**

	As at 31/03/2013	(Rs. In Lacs) As at 31/03/2012
13.1 Details of loans to subsidiary companies is as under		
Dhanesh Fabrics Pvt Ltd	0.00	25.00
<b>Total</b>	<b>0.00</b>	<b>25.00</b>
<b>14 INVENTORIES</b>		
Fabric	124.77	58.65
Yarn	0.00	7.61
Stock in Process	13.23	69.30
Dyes	32.18	39.46
Chemicals	30.47	45.65
Packing Material	1.57	7.39
Coal	3.56	5.93
Diesel	0.58	0.40
Stores & Spares	9.13	29.49
<b>Total</b>	<b>215.49</b>	<b>263.88</b>
<b>15 TRADE RECEIVABLES</b> (Unsecured and Considered Good)		
Over Six Months	175.22	103.43
Other	1813.47	957.41
<b>Total</b>	<b>1988.69</b>	<b>1060.84</b>
<b>16 CASH AND BANK BALANCES</b>		
Cash on hand	2.04	2.80
Balance with banks	6.26	224.76
Fixed deposits with banks	20.08	7.18
<b>Total</b>	<b>28.38</b>	<b>234.74</b>
16.1 Balance with bank includes unclaimed dividend Rs. 2.34 Lacs.		
16.2 Fixed Deposit with Banks will be matured as under:-		
Fixed Deposit value	Date of Maturity	
Rs.96000	18/07/2017	
Rs.270000	24/12/2018	
Rs.6500	31/12/2018	
Rs.346000	25/05/2019	
Rs.10000	28/06/2013	
Rs.1280000	19/03/2016	
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
Loan to staff	1.19	1.12
Prepaid Expenses	6.35	5.12
Advance to Suppliers	120.83	59.56
Others	2.26	79.39
<b>Total</b>	<b>130.63</b>	<b>145.19</b>

	(Rs. In Lacs)	
	For the year ended	
	31/03/2013	31/03/2012
<b>18 REVENUE FROM OPERATIONS</b>		
Process Charges of Fabrics	3037.48	2355.95
Process Charges of Yarn	859.52	509.60
Fabric Sales	1445.00	1417.93
Yarn Sales	37.37	3.80
Garment Sales	139.98	70.19
Power Sales	186.41	148.46
Trading Sales of Coal	2.69	16.29
<b>Total</b>	<b>5708.45</b>	<b>4522.22</b>
<b>19 OTHER INCOME</b>		
Interest accrued on FD	3.05	2.51
Interest on IT refund	1.79	5.32
Other Interest	1.89	0.05
Duty Drawback	1.06	0.94
Foreign exchange differences	4.64	3.91
Profit on sale of Assets	(4.61)	4.88
Sundry balance W/off	0.01	0.28
Misc. Income	0.17	0.25
Profit on Commodities & Share Trading	39.46	0.00
Rent from house property	46.70	7.27
<b>Total</b>	<b>94.16</b>	<b>25.41</b>
<b>20 COST OF RAW MATERIALS CONSUMED</b>		
Dyes	254.23	177.51
Chemicals	831.09	534.47
Packing Material	219.60	128.81
Coal	634.67	480.45
Diesel	4.72	9.31
Store & Spares	136.61	82.61
<b>Total</b>	<b>2080.92</b>	<b>1413.16</b>
20.1 Store & spares Consumption		
Indigenous	123.13	72.81
Imported	13.48	9.80
<b>Total</b>	<b>136.61</b>	<b>82.61</b>
<b>PURCHASES OF STOCK IN TRADE</b>		
Fabric	1590.64	1271.18
Yarn	1.22	15.47
Coal	2.65	16.08
<b>Total</b>	<b>1594.51</b>	<b>1302.73</b>

	(Rs. in Lacs)	
	For the year ended	
	31/03/2013	31/03/2012
<b>22 CHANGES IN INVENTORIES</b>		
<b>Inventory ( At close)</b>		
Fabric	124.77	58.65
Yarn	0.00	7.61
Work in Progress	13.23	69.30
<b>Total</b>	<b>138.00</b>	<b>135.56</b>
<b>Inventory ( At commencement)</b>		
Fabric	58.65	158.15
Yarn	7.61	32.97
Work in Progress	69.30	50.22
<b>Total</b>	<b>135.56</b>	<b>241.34</b>
<b>Net Change</b>	<b>2.44</b>	<b>-105.78</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Charges	335.36	247.33
Salary	160.59	151.46
Contribution to P.F & ESIC	2.89	2.99
Contribution to Gratuity Fund	4.41	3.59
Staff welfare Expenses	1.30	1.93
<b>Total</b>	<b>504.55</b>	<b>407.30</b>
<b>24 FINANCE COST</b>		
Interest on Working capital	16.43	23.62
Interest on Term Loan	37.48	51.54
(Net to TUF subsidy benefit accrual)		
<b>Total</b>	<b>53.91</b>	<b>75.16</b>
<b>25 DEPRECIATION</b>		
Depreciation on Fixed Assets	476.03	478.06
<b>25.1 Depreciation provided on straight line method on triple shift basis</b>		
<b>26 OTHER EXPENSES</b>		
<b>26 (a) Manufacturing expenses</b>		
Electricity Charges	414.24	288.10
Water Expenses	204.76	195.61
Repairs to building	9.82	7.66
Repairs to Machinery	42.36	47.51
Job charges paid	82.63	65.33
Freight & forwarding expenses	21.75	14.56
Laboratory expenses	0.48	0.40
Insurance	10.70	9.29
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.75	0.57
Analysis Charges	0.68	0.81
<b>Total</b>	<b>787.77</b>	<b>630.44</b>
<b>26(b) Selling &amp; distribution expenses</b>		
Sales promotion	0.03	0.17
Commission & brockorage	20.01	17.97
<b>Total</b>	<b>20.04</b>	<b>18.14</b>

(Rs. in Lacs)

	For the year ended	
	31/03/2013	31/03/2012
<b>26.(c) ADMINISTRATIVE EXPENSES</b>		
Property tax	4.74	4.74
Printing & stationery	11.11	7.98
Rent, Rates & Taxes	2.62	1.77
Travelling expenses	4.02	7.06
Postage & courier charges	1.02	1.48
Legal & professional fees	6.68	14.71
Advertisement charges	1.39	1.60
Repairs to others	8.95	5.61
conveyance expenses	3.49	2.55
General expenses	9.84	6.95
Bank Loan processing fees & Stamp duty	22.39	0.45
Registration fee	0.15	0.00
Expenses on Demurger	1.50	0.00
Listing fees	0.28	0.28
Bank charges	0.64	0.21
Demate Charges	0.34	0.35
Vehicle expenses	6.75	6.32
Trunk & telephone	3.90	3.16
Auditor Remuneration	1.78	1.41
Medical expenses	0.24	7.52
Keyman expenses	7.94	7.94
Directors remuneration	13.44	13.44
Sitting Fees	1.35	1.14
<b>Total</b>	<b>114.56</b>	<b>96.67</b>
<b>Total 26(a)+26(b)+26(c.)</b>	<b>923.37</b>	<b>745.25</b>
<b>26.1 Payment to auditors</b>		
(a) Auditor		
Statutory audit Fees	0.73	0.55
Tax Audit Fee	0.96	0.77
(b) Cost Audit Fees	0.09	0.09
<b>Total</b>	<b>1.78</b>	<b>1.41</b>
<b>27 EARNING PER SHARE(EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	119.05	15.88
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	1.39	0.19
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>



(Rs. in Lacs)

**28 CONTINGENT LIABILITIES****As at 31<sup>st</sup> March 2013****Contingent Liabilities not provided for in respect of Rs. In Lacs**

1. Bank Guarantees	20.08
2. Property tax the year 2012-2013	4.74
3. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66
4. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case pending before hon'ble judge co-op court No.2 Kolhapur	528.96

For the year ended

31/03/2013                      31/03/2012

**29 FOREIGN EXCHANGE EARNING AND OUTGO**

a) Earning - Fabrics Export to Bangladesh	Nil	37.34
b) Outgo - Import of Spares for Imported Machinery	12.28	8.65

**30 RELATED PARTY DISCLOSURES****30(a) List of Associated Companies:-**

1. Dhanlaxmi Cotex Ltd
2. Sohanlal Export fabrics Pvt Ltd
3. Sohanlal Jhawar Family Trust
4. Dhanlaxmi Export Fabrics Pvt Ltd
5. Promtech Impex Pvt Ltd
6. MR share Broking Pvt Ltd
7. VRM Share Broking Pvt Ltd

**Subsidiary Companies:-**

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

**Management Personnel and Relatives**

1. Vinod S. Jhawar - Managing Director

**30(b) Transactions during the year with related parties**

Nature of transaction	Rs. In Lacs			Total
	Subsidiaries	Associates	Key Managerial Personnel	
Revenue from operation	739.36	0.00	0.00	739.36
Purchases	0.00	0.00	0.00	0.00
Expenditure on service	0.60	0.00	0.00	0.60
<b>Outstanding balance As at 31-03-2013</b>				
Receivables	53.79	0.00	0.00	53.79
Payables	0.00	33.42	0.00	33.42
Manageral remuneration	0.00	0.00	13.44	13.44

**31 SEGMENT INFORMATION**

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

**31(a) Primary Segment :**

Particulars	Rs. In Lacs					
	Textile Division		Power Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue	5522.04	4373.76	186.41	148.46	5708.45	4522.22
Other Income	94.16	25.41	0.00	0.00	94.16	25.41
<b>Total Income</b>	<b>5616.20</b>	<b>4399.17</b>	<b>186.41</b>	<b>148.46</b>	<b>5802.61</b>	<b>4547.63</b>
Operating Profit	216.44	134.17	9.23	(38.82)	225.67	95.35
Financial Cost	53.91	74.59	0.00	0.57	53.91	75.16
Taxes	52.71	4.31	0.00	0.00	52.71	4.31
<b>Net Profit</b>	<b>109.82</b>	<b>55.27</b>	<b>9.23</b>	<b>(39.39)</b>	<b>119.05</b>	<b>15.88</b>
Segment Fixed Assets	2736.81	2525.93	323.56	480.83	3060.37	3006.76
Segment Long term Borrowing	417.64	591.51	0.00	0.00	417.64	591.51
Capital Employed	3841.07	3721.17	623.15	904.90	4464.22	4626.07
Depreciation	318.76	320.79	157.27	157.27	476.03	478.06

32 Additional information pursuant to provision of part IV of schedule VI to the Companies Act, 1956 is as per Annexure 1.

33 Statement under section 212 of the companies act, 1956 relating to subsidiary company is as per Annexure 2.

In terms of our report attached.

For and on behalf of the Board.

**For S.G.KABRA & Co.**

Chartered Accountants

FR No- 104507W

**S.G.Kabra**

**Partner**

Membership No.38867

Place : Mumbai

Date :30th May 2013

**Ramautar S. Jhawar**  
**Chairman**

**Vinod S. Jhawar**  
**Managing Director**

**Mahesh S. Jhawar**  
**Director**

**Annexure 1 (Refer Note No. 32 of Notes on Financial Statements)**  
Statement in pursuance to part IV of Schedule VI of the Companies Act., 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I Registration Details**

Registration No.	68861	State Code 11
Balance Sheet Date	31-03-2013	
	For the year ended	(Rs. in Lacs)
	31-03-2013	For the year ended
		31-03-2012

**II Capital Raised during the year**

Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement / Others	NIL	NIL

**III Position of Mobilisation and Deployment of Funds**

Total Liabilities	6128.72	5254.75
Total Assets	6128.72	5254.75

**Source of Funds**

Paid-up-Capital	858.11	858.11
Reserves & Surplus	2698.17	2572.49
Non Current Liabilities	1277.39	1394.08
Current Liabilities	1295.05	430.07

**Application of Funds**

Net Fixed Asset	2175.08	2636.25
Capital Work In Progress	885.29	370.52
Net Current Assets	638.08	476.25
Investments	68.08	67.08
Current Assets	2363.19	1704.65

**IV Performance of Company**

Turnover	5802.61	4547.63
Total Expenditure	5630.85	4527.44
Profit (Loss) before Tax	171.76	20.19
Profit (Loss) after Tax	119.05	15.88
Earning per Share (Rs.)	1.39	0.19

**V Generic Names of Principal product/services of Co.**

Item no. 5208 (Bleaching, Dyeing, Printing of Cotton/Rayon Manufactured on Job Basis  
Processing of Fabrics)

For and on behalf of the Board,

As per our report of even date attached,

**For S. G. Kabra & Co.**

Chartered Accountants

FR No. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

**Ramautar S. Jhawar**

Chairman

**Vinod S. Jhawar**

Managing Director

**Mahesh S. Jhawar**

Director

Place : Mumbai

Date : 30<sup>th</sup> August, 2013

## Annexure 2 (Refer Note No. 33 of Notes on Financial Statements)

## STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SBUSIDIARY COMPANY

Sr. No.	Subsidiary Company	Western Chlorides & Chemicals Pvt. Ltd.	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
1	Financial year of the Subsidiary Company ended on	31-03-2013	31-03-2013	31-03-2013
2	Year from which it become subsidiary Companies	01-12-1992	16-08-2007	07-02-2009
3	Country of Incorporation	India	India	India
4	(a) No. of Shares held by the Company & face value	2999 Equity Shares of Rs. 100/-	9999 Equity Shares of Rs.10/-	9980 Equity Shares of Rs.10/-
	(b) Extent of holding	99.99%	99.99%	99.80%
5	Net aggregate amount of subsidiary's Profit/ (Loss) so far as it concerns the members of the Holding Company.			
	a) Not dealt with in the accounts of the Holding Company.			
	For the financial year ended 31 <sup>st</sup> March, 2013	0.07	3.76	13.86
	For the Previous Financial Years, since it became the Holding Company's Subsidiary.	(0.22)	10.26	7.03
	b) Dealt with in the accounts of the Holding Company.			
	For the financial year ended 31 <sup>st</sup> March, 2012.	Nil	Nil	Nil
	For the Previous Financial Years, since it became the Holding Company's Subsidiary.	Nil	Nil	Nil

**Directors' Report**

To  
The Members,  
**Western Chlorides & Chemicals Pvt. Ltd.**

Your Directors present herewith the Fourty Second Annual Report and the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS :**

	<b>Year ended 31/03/2013</b>	<b>( Rs. In Lacs.) Year ended 31/03/2012</b>
Profit/(Loss) before Depreciation	0.19	0.24
Less : Depreciation	0.09	0.01
Profit/(Loss) Before Tax	0.10	0.23
Less : Provision for Tax	0.03	0.07
Profit /(Loss) After Tax	0.07	0.16
Add: Balance brought forward from Previous year	(0.22)	(0.38)
Balance carried to Balance sheet	(0.15)	(0.22)

**DIVIDEND :**

In view of the carried forward losses, your Directors regret their inability to recommend any dividend.

**DIRECTORS:**

There were no changes in the Directorship of the Company during the year under review.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors would like to assure the Members that the financial statement for the year under review conform in their entirety to the requirement of the Companies Act, 1956.

The Directors confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2013 and of the profit for the year ended on that date.
- Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.

**AUDITORS :**

M/s S.G.Kabra & Co. Chartered Accountants retire as Auditor of the Company and are being eligible for re-appointment. It is recommended that they be re-appointed and their remuneration be fixed.

**AUDITORS' REPORT:**

Observation made in the Auditors' Report read with relevant Notes in the Notes on Accounts are self explanatory and their for, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**FIXED DEPOSITS:**

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 and rules made there under.

**PARTICULARS AS PER SECTION 217(2A) OF COMPANIES ACT, 1956:**

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs.24,00,000/- or more per annum, if employed throughout the year, or Rs.2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under section 217(A) of the Companies Act, 1956 and the rules made there under.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:**

There were no foreign exchange earnings or outgo during the year 2012-13.

**CONSERVATION OF ENERGY :**

- |    |   |                |
|----|---|----------------|
| 1. | Energy conservation measures taken :  | Nil            |
| 2. | Additional investment and proposals, if any, being Implemented for reduction of consumption :   | None           |
| 3. | Impact of the measure at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods : | Not Applicable |

**TECHNOLOGY ABSORPTION:**

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

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank all associates for their co-operation.

For and on behalf of the Board

Ramautar S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

Mahesh S. Jhawar  
Director

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**Western Chlorides & Chemicals Pvt. Ltd.**

**Report on the Financial Statements :**

We have audited the accompanying financial statements of M/s. Western Chlorides & Chemicals Pvt. Ltd. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements :**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India. 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 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 consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March, 31<sup>st</sup> 2013 ;
- b) in the case of the Statement of Profit and Loss of the profit for the year ended on that date;

**Report on other Legal and regulatory Requirements :**

1. The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the act, is not applicable to the Company.
2. As required by section 227 (3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - c) the Balance Sheet, Statement of Profit and Loss, and dealt with by this Report are in agreement with the books of account
  - d) in our opinion Balance Sheet, Statement of Profit and Loss, and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Mumbai.  
Date : 30<sup>th</sup> May 2013

S.G.Kabra  
Partner  
M.No. 38867



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2013	AS AT 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	3.00	3.00
(b) Reserves and surplus	2	10.92	10.85
Total		<b>13.92</b>	<b>13.85</b>
<b>2 Non-Current liabilities</b>			
Long Term Provisions	3	0.03	0.57
Total		<b>0.03</b>	<b>0.57</b>
<b>2 Current liabilities</b>			
Other current liabilities	4	0.17	0.22
Total		<b>0.17</b>	<b>0.22</b>
	<b>TOTAL</b>	<b>14.12</b>	<b>14.64</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	5	0.00	0.09
(b) Long-term loans and advances	6	0.52	1.03
Total		<b>0.52</b>	<b>1.12</b>
<b>2 Current assets</b>			
(a) Cash and Cash equivalents	7	0.92	0.84
(b) Short-term loans and advances	8	12.68	12.68
Total		<b>13.60</b>	<b>13.52</b>
	<b>TOTAL</b>	<b>14.12</b>	<b>14.64</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 13		

As per our report of even date attached,

**For S. G. Kabra & Co.**  
Chartered Accountants  
FR NO. 104507 W  
**S. G. Kabra**  
Partner  
M. No. 38867

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board,

**Ramautar S. Jhavar**  
Director

**Mahesh S. Jhavar**  
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
<b>A CONTINUING OPERATIONS</b>			
<b>1 Revenue from operations</b>			
Other income	9	1.36	1.50
<b>Total revenue</b>		<b>1.36</b>	<b>1.50</b>
<b>2 Expenses</b>			
(a) Employee benefits expenses	10	1.02	1.19
(b) Depreciation and amortisation expenses	11	0.09	0.01
(c) Other expenses	12	0.15	0.07
<b>Total</b>		<b>1.26</b>	<b>1.27</b>
<b>3 Profit before tax</b>		<b>0.10</b>	<b>0.23</b>
4 Current tax expense for current year		0.03	0.07
<b>5 Profit for the year</b>		<b>0.07</b>	<b>0.16</b>
<b>6 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.		<b>2.33</b>	<b>5.19</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 13		

As per our report of even date attached,

For **S. G. Kabra & Co.**  
Chartered Accountants  
FR NO. 104507 W  
**S. G. Kabra**  
Partner  
M. No. 38867

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board,

**Ramautar S. Jhawar**  
Director

**Mahesh S. Jhawar**  
Director

**Significant Accounting Policies**

1. The Company follows accrual basis of accounting & recognizing Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the company are as stated below.
  - a) Fixed Assets are shown at cost.
  - b) Depreciation is provided on fixed assets using written down value method provided in schedule (xiv) of the Companies Act , 1956.
  - c) Investment are valued at cost of acquisition.
  - d) Retirement benefits : Gratuity / Retirement benefits are recorded only on crystallization of liability on account thereof.
  - e) Recognition of income & Expenditure – Items of Income & Expenditure are generally recognized on accrual basis.
  
2. **Contingent Liabilities :** NIL
  
3. In the opinion of the Board of Directors, the Current Assets , Loans & Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
  
4. The Company has leased out its factory land at Dombivli to the Holding Company for setting up Textile process house.
  
5. 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.
  
6. Additional information pursuant to provision 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
  - i. Licensed Capacity Not Applicable
  - ii. Installed Capacity Not Applicable
  - iii. The Company did not have
    - a) Any employee drawing aggregate remuneration.
      - i. Of Rs. 24 lakhs per annum or more in respect of employees employed through out the year.
      - ii. At a rate equal to Rs.2 lakhs per month or more in respect of employees employed for part of the year
    - b) Any imports during the year .
    - c) Any earnings / expenditure in foreign currency.
    - d) Any non-resident shareholders.
  
7. Figures of the previous year have been regrouped wherever necessary.
  
8. **Deferred Tax –**  
 The Company has adopted Accounting Standard -22, "Accounting for Taxes on Income" with effect from 1<sup>st</sup> April 2003. Since the Company has provided depreciation in its books of account as per Income Tax Act-1956. Therefore there is no difference between the depreciation provided in books and depreciation considered in Income Tax return, so this Accounting Standard is not applicable to the Company.

**Notes on Financial Statement for the year ended 31st March-2013**

Rs. In Lacs

Particulars	As AT 31/03/2013	AS AT 31/03/2012
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>	<b>5.00</b>	<b>5.00</b>
5000 Equity Shares of Rs. 100/- each (Previous year 5000 Equity Shares Rs.100/-each)		
<b>Issued,Subscribed &amp; Paid up</b>	<b>3.00</b>	<b>3.00</b>
3000 Equity Shares of Rs. 100/- each fully paid up in cash (Previous year 3000 Equity shares Rs.100/-each.)		
1.1 The details of Shareholders holding more than 5% Shares		
	No.of Shares %	No.of Shares %
Dhanlaxmi Fabrics Ltd. (Holding Company)	2999 99.97	2999 99.97
<b>2 RESERVES &amp; SURPLUS</b>		
	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
<b>General Reserve</b>	<b>10.62</b>	<b>10.62</b>
<b>Investment Allowance Reserve</b>	<b>0.45</b>	<b>0.45</b>
<b>Profit &amp; Loss A/C</b>		
As per last Balance Sheet	(0.22)	(0.38)
Add profit for the year	0.07	0.16
<b>Total</b>	<b>(0.15)</b>	<b>(0.22)</b>
<b>Total</b>	<b>10.92</b>	<b>10.85</b>
<b>3 NON-CURRENT LIABILITIES</b>		
	<b>As at 31/03/2013</b>	<b>As At 31/03/2012</b>
Provision for IT	0.03	0.57
<b>Total</b>	<b>0.03</b>	<b>0.57</b>
<b>4 CURRENT LIABILITIES</b>		
	<b>As at 31/03/2013</b>	<b>As At 31/03/2012</b>
Sundry Creditors for Expenses	0.17	0.22
<b>Total</b>	<b>0.17</b>	<b>0.22</b>
<b>5 FIXED ASSETS</b>		
Fixed Assets (Gross Block)	4.25	4.25
Less Depreciation	4.25	4.16
<b>Total</b>	<b>0.00</b>	<b>0.09</b>

**NOTE : 5**

(Rs. in Lacs)

**Fixed Assets**

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-4-2012	Addition during the year	Sold during the year	Total as at 31-3-2013	Upto 31-3-2012	Provided during the year	Adjusted during the year	Upto 31-3-2013	As at 31-3-2013	As at 31-3-2012
Building	3.22	0.00	0.00	<b>3.22</b>	3.13	0.09	0.00	<b>3.22</b>	<b>0.00</b>	0.09
Weighing Scale	0.20	0.00	0.00	<b>0.20</b>	0.20	0.00	0.00	<b>0.20</b>	<b>0.00</b>	0.00
Furniture & Fixture	0.28	0.00	0.00	<b>0.28</b>	0.28	0.00	0.00	<b>0.28</b>	<b>0.00</b>	0.00
Office Equipment	0.21	0.00	0.00	<b>0.21</b>	0.21	0.00	0.00	<b>0.21</b>	<b>0.00</b>	0.00
Factory Equipment	0.32	0.00	0.00	<b>0.32</b>	0.32	0.00	0.00	<b>0.32</b>	<b>0.00</b>	0.00
Hand Cart & Cycle	0.02	0.00	0.00	<b>0.02</b>	0.02	0.00	0.00	<b>0.02</b>	<b>0.00</b>	0.00
<b>TOTAL</b>	<b>4.25</b>	<b>0.00</b>	<b>0.00</b>	<b>4.25</b>	<b>4.16</b>	<b>0.09</b>	<b>0.00</b>	<b>4.25</b>	<b>0.00</b>	<b>0.09</b>
PREVIOUS YEAR	4.25	0.00	0.00	<b>4.25</b>	4.15	0.01	0.00	<b>4.16</b>	<b>0.09</b>	

		As at 31/03/2012	Rs. In Lacs As at 31/03/2011
<b>6</b>	<b>LONG TERM LOAN AND ADVANCES</b>		
	T.D.S.Receivable	0.17	0.67
	Deposits	0.35	0.36
	<b>Total</b>	<b>0.52</b>	<b>1.03</b>
<b>7</b>	<b>CASH &amp; BANK BALANCES</b>		
	Cash Balance	0.64	0.38
	Balance with Bank	0.28	0.46
	<b>Total</b>	<b>0.92</b>	<b>0.84</b>
<b>8</b>	<b>SHORT TERM LOAN AND ADVANCES</b>		
		<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
	Yukti Mercantile Pvt.Ltd.	0.00	12.00
	Interest Receivable	0.68	0.68
	D. B. Chemicals	12.00	0.00
	<b>Total</b>	<b>12.68</b>	<b>12.68</b>
<b>9</b>	<b>OTHER INCOME</b>		
		<b>For the Year Ended</b>	
		<b>31/03/2013</b>	<b>31/03/2012</b>
	Lease Charges Received	0.60	0.60
	Interest	0.76	0.77
	Sundry Blance W/off	0.00	0.12
	<b>Total</b>	<b>1.36</b>	<b>1.49</b>
<b>10</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
		<b>31/03/2013</b>	<b>31/03/2012</b>
	Salary	1.02	1.09
	<b>Total</b>	<b>1.02</b>	<b>1.09</b>
<b>11</b>	<b>DEPRECIATION</b>		
		<b>31/03/2013</b>	<b>31/03/2012</b>
	Depreciation on Fixed Assets	0.09	0.01
	<b>Total</b>	<b>0.09</b>	<b>0.01</b>
<b>12</b>	<b>OTHER EXPENSES</b>		
		<b>31/03/2013</b>	<b>31/03/2012</b>
	Audit Fee	0.06	0.06
	Filing Fees	0.03	0.00
	Bank Charges	0.00	0.01
	Legal & Professional Fee	0.06	0.00
	<b>Total</b>	<b>0.15</b>	<b>0.07</b>

13 Additional information pursuant to provision of part IV of schedule VI to the Companies Act, 1956 is as per Annexure 1.

As per our report of even date attached  
For S.G. Kabra & Co.  
Chartered Accountants.  
FR No. 104507W

S.G.Kabra  
Partner  
M. No. 38867

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

For and on Behalf of the Board

Ramautar Jhawar  
Director

Mahesh S.Jhawar  
Director

**Annexure 1( Refer Note No.13 of Notes on Financial Statements)  
Statement in Pursuance to part IV of Schedule VI of the Companies Act,1956**

**Balance Sheet Abstract and Company's General Business Profile.**

<b>I Registration Details.</b>			
Registration No.	14919	State Code	11
Balance Sheet Date	31-03-2013		
		<b>(Rs. In Lacs)</b>	
	<b>For the year ended 31/03/2013</b>	<b>For the year ended 31/03/2012</b>	
<b>II. Capital Raised during the year</b>			
Public Issue	Nil	Nil	
Bonus Issue	Nil	Nil	
Right Issue	Nil	Nil	
Private Placement / Others	Nil	Nil	
<b>III. Position of Mobilisation and Deployment of Funds.</b>			
Total Liabilities	14.12	14.64	
Total Assets	14.12	14.64	
<b>Sources of Funds</b>			
Paid-Up-Capital	3.00	3.00	
Reserves & Surplus	10.92	10.85	
Non-Current liabilities	0.03	0.57	
Current liabilities	0.17	0.22	
<b>Application of Funds</b>			
Net Fixed Assets	0.00	0.09	
Non Current Assets	0.52	1.03	
Current Assets	13.60	13.52	
<b>IV. Performance of Company</b>			
Turnover	1.36	1.50	
Total Expenditure	1.26	1.27	
Profit before Tax	0.10	0.23	
Profit after Tax	0.07	0.16	
Earning per Share ( Rs.)	2.33	5.19	
<b>V. Generic Names of Principal product / services of Co. Item No. N.A.</b>			

**Signatures to Notes**

As per our report of even date attached

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

S. G. Kabra  
Partner  
M. No. 38867  
Place : Mumbai  
Date : 30<sup>th</sup> May 2013

For and on behalf of the Board

Ramautar S. Jhawar  
Director

Mahesh S Jhawar  
Director

**DIRECTORS' REPORT**

To  
The Members,  
**Dhanesh Fabrics Pvt. Ltd.**

Your Directors present herewith Fourteenth Annual Report and the audited accounts of the Company for the year ended on 31<sup>st</sup> March, 2013.

**FINANCIAL RESULT :**

	<b>Year Ended 31/03/2013</b>	<b>(Rs. in Lacs) Year Ended 31/03/2012</b>
Revenue from operation	712.33	354.94
Profit Before Tax	5.39	2.89
Less Current Tax	1.63	1.07
Net Profit for the year	3.76	1.82
Add Balance Brought from Previous Year	10.26	8.44
Balance Carried to Balance Sheet	14.02	10.26

**DIVIDEND:**

With a view to conserve resources your Directors do not recommend any dividend for the year under review.

**DIRECTORS:**

There were no changes in the Directorship of the Company during the year under review.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm that:

- \* The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- \* The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company and of the profit for the year ended 31<sup>st</sup> March 2013.
- \* Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- \* The Annual Accounts have been prepared on a going concern basis.

**AUDITORS :**

M/s S.G.Kabra & Co. Chartered Accountants would retire as Auditors of the Company and are being eligible for re-appointment. It is recommended that they be re-appointed and their remuneration be fixed.

**AUDITORS' REPORT:**

Observation made in the Auditors' Report read with relevant Notes in the Notes on Accounts are self explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**FIXED DEPOSITS:**

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 and rules made there under.

**PARTICULARS AS PER SECTION 217 (2A) OF COMPANIES ACT, 1956**

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs.24,00,000/- or more Per annum, if employed throughout the year, or Rs.2,00,000/- or more per month, in case employed for part of the year. Hence there are no particulars to be annexed to this report as required under section 217 (2A) of the Companies Act, 1956 and the rules made there under.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO:**

There was no foreign exchange earnings or outgo during the year 2012-2013.

**CONSERVATION OF ENERGY :**

- |    |  |                |
|----|--|----------------|
| 1. | Energy Conservation measures taken.  | Nil            |
| 2. | Additional Investment & Proposals, if any, being implemented for reduction of consumption.   | None           |
| 3. | Impact of the measure at (1) and (2) above for Reduction of energy consumption and consequent Impact on the cost of production of goods. | Not Applicable |

**TECHNOLOGY ABSORPTION:**

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

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank All associates for their co-operation.

For and on behalf of the Board

Vinod S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

Mahesh S. Jhawar  
Director



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**Dhanesh Fabrics Pvt. Ltd.**

**Report on the Financial Statements :**

We have audited the accompanying Financial Statements of Dhanesh Fabrics Pvt. Ltd. ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements :**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March, 31<sup>st</sup> 2013 ;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

**Report on other Legal and regulatory Requirements :**

1. The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act is not applicable to the Company.
2. As required by section 227 (3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account
  - d) in our opinion Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

S.G.Kabra  
Partner  
M.No. 38867

Place : Mumbai.  
Date : 30<sup>th</sup> May 2013

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2013	AS AT 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1.00	1.00
(b) Reserves and surplus	2	14.02	10.26
Total		<b>15.02</b>	<b>11.26</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	0.00	25.00
(b) Long-term tax provisions	4	2.51	0.89
Total		<b>2.51</b>	<b>25.89</b>
<b>3 Current liabilities</b>			
(a) Trade payable	5	163.38	113.23
(c) Other current liabilities	6	1.86	1.11
Total		<b>165.24</b>	<b>114.34</b>
<b>TOTAL</b>		<b>182.77</b>	<b>151.49</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed Assets			
i) Tangible Asset	7	5.22	0.00
ii) Capital Work-in-Progress		0.00	0.00
(b) Long-term loans and advances	8	3.17	1.11
<b>TOTAL</b>		<b>8.39</b>	<b>1.11</b>
<b>2 Current assets</b>			
(a) Inventories	9	81.72	60.33
(b) Trade Receivable	10	90.36	77.17
(c) Cash and Cash Equivalents	11	2.30	3.66
(d) Short-term loans and advances	12	0.00	9.20
(e) Other Current Assets	13	0.00	0.02
Total		<b>174.38</b>	<b>150.38</b>
<b>TOTAL</b>		<b>182.77</b>	<b>151.49</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 22

As per our report of even date attached,

For and on behalf of the Board,

For **S. G. Kabra & Co.**  
Chartered Accountants  
FR NO. 104507 W  
**S. G. Kabra**  
Partner  
M. No. 38867

**Vinod S. Jhawar**  
Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
<b>A CONTINUING OPERATIONS</b>			
1 (a) Revenue from operations	14	712.33	354.94
(b) Other income	15	0.00	0.01
<b>Total revenue</b>		<b>712.33</b>	<b>354.95</b>
<b>2 Expenses</b>			
(a) Purchases of stock-in-trade	16	595.86	254.19
(b) Changes in inventories of stock-in-trade	17	(21.39)	(6.54)
(c) Employee benefits expenses	18	21.36	16.00
(d) Finance costs	19	0.00	0.00
(e) Depreciation	20	0.26	0.00
(f) Other expenses	21	110.85	88.41
<b>Total expenses</b>		<b>706.94</b>	<b>352.06</b>
<b>3 Profit before tax</b>		<b>5.39</b>	<b>2.89</b>
<b>4 Tax expense:</b>			
(a) Current tax expense for current year		1.62	0.89
(b) Current tax expense for earlier year		0.01	0.18
<b>Net tax expense</b>		<b>1.63</b>	<b>1.07</b>
<b>5 Profit for the year</b>		<b>3.76</b>	<b>1.82</b>
<b>6 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted		<b>37.65</b>	<b>18.12</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 22		

As per our report of even date attached

For and on behalf of the Board,

For **S. G. Kabra & Co.**  
Chartered Accountants  
FR NO. 104507 W  
**S. G. Kabra**  
Partner  
M. No. 38867

**Vinod S. Jhawar**  
Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

**Significant Accounting Policies**

1. The Company follows accrual basis of accounting & recognising Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
2. In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
3. 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.
4. Additional information pursuant to provisions 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
  - i. Licensed Capacity Not Applicable
  - ii. Installed Capacity Not Applicable
  - iii. The Company did not have
    - (a) Any employee drawing aggregate remuneration.
      - i. Of Rs.24,00,000/-per annum or more in respect of employees employed throughout the year.
      - ii. At a rate equal to Rs.2,00,000/- per month or more in respect of employees employed for part of the year.
    - (b) Any Imports during the year
    - (c) Any Earnings / Expenditure in foreign currency.
    - (d) Any non-resident shareholders.
5. Contingent Liability: NIL
6. Figures for previous year have been regrouped / rearranged wherever necessary

**Notes on Financial Statement for the year ended 31<sup>st</sup> March-2013****(Rs. In Lacs)**

<b>Particulars</b>	<b>As At 31/03/2013</b>		<b>As At 31/03/2012</b>	
<b>1 SHARE CAPITAL</b>				
<b>Authorised</b>				
10000 Equity Shares of Rs. 10/- each (Previous year 10000 Equity Shares of Rs.10/-each)		1.00		1.00
<b>Issued,Subscribed &amp; Paid up</b>		<b>1.00</b>		<b>1.00</b>
10000 Equity Shares of Rs. 10/- each fully paid up in cash (Previous year 10000 Equity Shares of Rs.10/-each)				
1.1 The details of Shareholders holding more than 5 % Shares				
	No.of Shares	%	No.of Shares	%
Dhanlaxmi Fabrics Ltd. (Holding Company)	9999	99.99	9999	99.99
<b>2 RESERVES AND SURPLUS</b>				
<b>Profit &amp; Loss A/c</b>				
As per last Balance sheet		10.26		8.44
Add Profit for the year		3.76		1.82
<b>Total</b>		<b>14.02</b>		<b>10.26</b>
<b>3 LONG TERM BORROWINGS</b>				
(Unsecured Loan) Dhanlaxmi Fabrics Ltd.		0.00		25.00
<b>Total</b>		<b>0.00</b>		<b>25.00</b>
<b>4 LONG TERM TAX PROVISIONS</b>				
Provision for income tax		2.51		0.89
<b>Total</b>		<b>2.51</b>		<b>0.89</b>
<b>5 TRADE PAYABLE</b>				
Sundry creditors		163.38		113.23
<b>Total</b>		<b>163.38</b>		<b>113.23</b>
<b>6 OTHER CURRENT LIABILITIES</b>				
Salary payable -		1.71		0.96
T.D.S.on Contractors-		0.15		0.15
<b>Total</b>		<b>1.86</b>		<b>1.11</b>

Particulars	As at 31/03/2013	(Rs. In Lacs)
		As at 31/03/2012
<b>7 <u>FIXED ASSETS</u></b>		
<b>Motor Car</b>		
Gross Block	5.48	0.00
Less Depreciation	(0.26)	0.00
Net Block	<b>5.22</b>	<b>0.00</b>
<b>8 <u>LONG TERM LOAN AND ADVANCES</u></b>		
Advance Income Tax	2.90	1.00
T.D.S.Receivable	0.27	0.11
<b>Total</b>	<b>3.17</b>	<b>1.11</b>
<b>9 <u>INVENTORIES</u></b>		
Stock of cloth	81.72	60.33
<b>Total</b>	<b>81.72</b>	<b>60.33</b>
<b>10 <u>TRADE RECEIVABLES</u></b>		
More Than 6 Months	13.66	28.03
others	76.70	49.14
<b>Total</b>	<b>90.36</b>	<b>77.17</b>
<b>11 <u>CASH AND BANK BALANCES</u></b>		
Cash Balance	0.10	3.23
Balance with Bank	2.20	0.43
<b>Total</b>	<b>2.30</b>	<b>3.66</b>
<b>12 <u>SHORT TERM LOANS AND ADVANCES</u></b>		
Jagdishprasad Baheti-	0.00	9.20
<b>Total</b>	<b>0.00</b>	<b>9.20</b>
<b>13 <u>OTHER CURRENT ASSETS</u></b>		
Miscellaneous Expences to the Extent not written off		
Preliminary Expences	0.02	0.04
Less 1/5 Expences Written Off	(0.02)	(0.02)
<b>Total</b>	<b>0.00</b>	<b>0.02</b>
	<b>For the year ended</b>	
	<b>31/03/2013</b>	<b>31/03/2012</b>
<b>14 <u>REVENUE FROM OPERATIONS</u></b>		
Net Cloth sales	712.33	354.94
<b>Total</b>	<b>712.33</b>	<b>354.94</b>

Particulars	(Rs. In Lacs)	
	31/03/2013	31/03/2012
<b>15 OTHER INCOME</b>		
Sundry Balance W/off	0.00	0.01
<b>Total</b>	<b>0.00</b>	<b>0.01</b>
<b>16 PURCHASE OF STOCK IN TRADE</b>		
Purchases of Cloth	595.86	254.19
<b>Total</b>	<b>595.86</b>	<b>254.19</b>
<b>17 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	60.33	53.79
Closing Stock	81.72	60.33
<b>Total</b>	<b>21.39</b>	<b>6.54</b>
<b>18 EMPLOYEE BENEFITS EXPENSES</b>		
Salary & Wages	21.35	15.99
Staff Welfare	0.01	0.01
<b>Total</b>	<b>21.36</b>	<b>16.00</b>
<b>19 FINANCE COST</b>		
Interest	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>20 DEPRECIATION</b>		
Provision for the year	0.26	0.00
<b>Total</b>	<b>0.26</b>	<b>0.00</b>
<b>21 OTHER EXPENSES</b>		
Processing Charges	99.93	77.04
Printing & Engraving Charges	1.04	1.02
Screen Charges	4.96	4.46
Transport Charges	0.96	1.67
Gray Checking Charges	0.77	0.42
Sampling Expenses	0.04	0.02
Insurance expenses	1.00	0.01
Trunck & Telephone Expenses	0.02	0.01
Travelling Expenses	0.15	0.03
Conveyance	0.71	0.64
Printing & Stationary	0.02	0.00
Bank Charges	0.02	0.00
Audit Fees	0.07	0.41
Tax Audit Fees	0.04	0.21
Filling Fees	0.05	0.07
Commision & Brokerage	0.92	1.32
Motor Car Exp.	0.00	0.04
Legal & professional fees	0.06	0.03
Postage & Telegram	0.02	0.00
Preliminary Expenses W/O	0.02	0.02
General Expenses	0.05	0.00
<b>Total</b>	<b>110.85</b>	<b>88.41</b>

22 Additional information pursuant to provision of part IV of schedule VI to the Companies Act, 1956 is as per Annexure 1

As per our report of even date attached  
For S.G. Kabra & Co.  
FR No. 104507W  
S.G.Kabra  
Partner  
M. No. 38867  
Place : Mumbai  
Date : 30<sup>th</sup> May 2013

For and on Behalf of the Board

Vinod S.Jhawar  
Director

Mahesh S.Jhawar  
Director



**Annexure 1 (Refer Note No.20 of Notes on Financial Statements)**

Statement In pursuance to part IV of Schedule Vi of the Companies Act,1956.

**Balance Sheet Abstract and Company's General Business Profile.****I Registration Details.**

Registration No.	120739	State Code	11
Balance Sheet Date	31-03-2013		

(Rs. in Lacs)

**II. Capital Raised during the year**

	For the year ended 31/03/2013	For the year ended 31/03/2012
Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement / Others	NIL	NIL

**III. Position of Mobilisation and Deployment of Funds.**

Total Liabilities	182.77	151.49
Total Assets	182.77	151.49

**Sources of Funds**

Paid-Up-Capital	1.00	1.00
Reserves & Surplus	14.02	10.26
Non Current Liabilities	2.51	25.89
Current Liabilities	165.24	114.34

**Application of Funds**

Net Fixed Assets	5.22	0.00
Non Current Assets	3.17	1.11
Current Assets	174.38	150.38

**IV. Performance of Company**

Turnover	712.33	354.95
Expenditure	706.94	352.06
Profit before Tax	5.39	2.89
Profit after Tax	3.76	1.82
Earning per Share ( Rs.)	37.65	18.12

**V. Generic Names of Principal product / services of Co.**

Item No. N.A.

**As per our report of even date attached****For S.G. Kabra & Co.****Chartered Accountants**

FR No. 104507W

**S.G. Kabra****Partner M. No.. 38867****For and On behalf of the board****Vinod S. Jhavar****Director****Place : Mumbai****Date : 30<sup>th</sup> May 2013****Mahesh S. Jhavar****Director**

**DIRECTORS' REPORT**

To  
The Members,  
**DFL Fabrics Pvt. Ltd.**

Your Directors present herewith Fifth Annual Report and the audited accounts of the Company for the Year ended 31<sup>st</sup> March, 2013.

<b>FINANCIAL RESULT :</b>	<b>Year Ended 31/03/2013</b>	<b>Year Ended 31/03/2012</b>	<b>( Rs. in Lacs)</b>
Revenue from operation	365.58	205.98	
Profit Before Tax	20.07	1.40	
Less Current Tax	6.21	0.45	
Net Profit for the year	13.86	0.95	
Balance Brought Forward From Previous year	7.03	6.08	
Balance Carried to Balance Sheet	20.89	7.03	

**DIVIDEND :**

With a view to conserve resources your Directors do not recommend any dividend for the year under review.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm that :

- \* The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- \* The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company and of the profit for the financial year ended 31<sup>st</sup> March 2013
- \* Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- \* The Annual Accounts have been prepared on a going concern basis.

**AUDITORS :**

M/s S.G.Kabra & Co. Chartered Accountants retire as Auditor of the Company and are being eligible for reappointment. It is recommended that they be reappointed and their remuneration be fixed.

**AUDITORS' REPORT:**

Observations made in the Auditors' Report read with relevant Notes in the Notes on Accounts, are self explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

**FIXED DEPOSITS:**

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 and rules made there under.

**PARTICULARS AS PER SECTION 217(2A) OF COMPANIES ACT, 1956 :**

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs.24,00,000/- or more per annum, if employed throughout the year, or Rs.2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under section 217(2A) of the Companies Act, 1956 and the rules made there under.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:**

There were no foreign exchange earnings or outgo during the year 2012-13

**CONSERVATION OF ENERGY:**

- |    |  |                |
|----|--|----------------|
| 1. | Energy Conservation measures taken.  | Nil            |
| 2. | Additional Investment & Proposals, if any, being implemented for reduction of consumption.   | None           |
| 3. | Impact of the measure at (1) and (2) above for Reduction of energy consumption and consequent Impact on the cost of production of goods. | Not Applicable |

**TECHNOLOGY ABSORPTION:**

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

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank all associates for their co-operation.

For and on behalf of the Board

Mahesh S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

Vinod S. Jhawar  
Director

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**DFL Fabrics Pvt. Ltd.**

**Report on the Financial Statements :**

We have audited the accompanying Financial Statements of DFL Fabrics Pvt. Ltd. ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements :**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March, 31<sup>st</sup> 2013 ;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

**Report on other Legal and regulatory Requirements :**

1. The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, is not applicable to the Company.
2. As required by section 227 (3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account
  - d) in our opinion Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Mumbai.  
Date : 30<sup>th</sup> May 2013

S.G.Kabra  
Partner  
M.No. 38867

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2013	AS AT 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1.00	1.00
(b) Reserves and surplus	2	20.89	7.03
Total		<b>21.89</b>	<b>8.03</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	0.00	0.00
(b) Long-term provisions	4	9.20	3.00
Total		<b>9.20</b>	<b>3.00</b>
<b>3 Current liabilities</b>			
(a) Trade payables	5	190.08	153.17
(b) Other current liabilities	6	0.05	8.10
Total		<b>190.13</b>	<b>161.27</b>
<b>TOTAL</b>		<b>221.22</b>	<b>172.30</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Long-term loans and advances	7	10.78	3.63
Total		<b>10.78</b>	<b>3.63</b>
<b>2 Current assets</b>			
(a) Inventories	8	21.36	37.77
(b) Trade receivables	9	65.73	24.52
(c) Cash and cash equivalents	10	3.08	5.08
(d) Short-term loans and advances	11	120.27	101.30
Total		<b>210.44</b>	<b>168.67</b>
<b>TOTAL</b>		<b>221.22</b>	<b>172.30</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 18		

As per our report of even date attached,

For **S. G. Kabra & Co.**  
Chartered Accountants  
FR NO. 104507 W  
**S. G. Kabra**  
Partner  
M. No. 38867

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board,

**Mahesh S. Jhawar**  
Director

**Vinod S. Jhawar**  
Director

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
<b>A CONTINUING OPERATIONS</b>			
1 (a) Revenue from operations	12	344.38	205.98
(b) Other income	13	21.20	0.00
<b>Total revenue</b>		<b>365.58</b>	<b>205.98</b>
<b>4 Expenses</b>			
(a) Purchases of stock-in-trade	14	246.56	152.37
(b) Changes in inventories of stock-in-trade	15	16.41	4.92
(c) Employee benefits expenses	16	3.66	2.98
(d) Other expenses	17	78.88	44.31
<b>Total expenses</b>		<b>345.51</b>	<b>204.58</b>
<b>5 Profit before tax</b>		<b>20.07</b>	<b>1.40</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		6.20	0.43
(b) Current tax relating to prior year		0.01	0.02
<b>Net tax expense</b>		<b>6.21</b>	<b>0.45</b>
<b>7 Profit for the year</b>		<b>13.86</b>	<b>0.95</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted		<b>138.60</b>	<b>9.56</b>
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements		1 to 18	

As per our report of even date attached,

**For S. G. Kabra & Co.**  
Chartered Accountants  
FR NO. 104507 W  
**S. G. Kabra**  
Partner  
M. No. 38867

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board,

**Mahesh S. Jhawar**  
Director

**Vinod S. Jhawar**  
Director

**Significant Accounting Policies**

1. The Company follows accrual basis of accounting & recognising Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
2. In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
3. 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.
4. Additional information pursuant to provisions 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
  - i. Licensed Capacity Not Applicable
  - ii. Installed Capacity Not Applicable
  - iii. The Company did not have
    - (a) Any employee drawing aggregate remuneration.
      - i. Of Rs.24,00,000/-per annum or more in respect of employees employed throughout the year.
      - ii. At a rate equal to Rs.2,00,000/- per month or more in respect of employees employed for part of the year.
    - (b) Any Imports during the year
    - (c) Any Earnings / Expenditure in foreign currency.
    - (d) Any non-resident shareholders.
5. Contingent Liability: NIL
6. Figures for previous year have been regrouped / rearranged wherever necessary



**Notes on Financial Statement for the year ended 31<sup>st</sup> March-2013**

Particulars	(Rs. In Lacs)	
	AS AT 31/03/2013	AS AT 31/03/2012
<b>1 <u>SHARE CAPITAL</u></b>		
<b>Authorised</b>		
10000 Equity Shares of Rs. 10/- each	1.00	1.00
(Previous year 10000 Equity Shares Rs.10/-each)		
<b>Issued,Subscribed &amp; Paid up</b>		
10000 Equity Shares of Rs. 10/- each fully paid up in cash	1.00	1.00
(Previous year 10000 Equity Shares of Rs.10/-each)		
 1.1 Details of Shareholders holding more than 5% Shares		
	No.of Shares	%
	No.of Shares	%
Dhanlaxmi Fabrics Ltd. (Holding Company)	9980	99.98
	9980	99.98
 <b>2 <u>RESERVES &amp; SURPLUS</u></b>		
<b>Profit &amp; Loss A/c</b>		
As per last Balance Sheet	7.03	6.08
Add Profit for the year	13.86	0.95
<b>Total</b>	<b>20.89</b>	<b>7.03</b>
 <b>3 <u>LONG TERM BORROWINGS</u></b>		
	<b>0.00</b>	<b>0.00</b>
 <b>4 <u>LONG TERM TAX PROVISIONS</u></b>		
Provision for income tax	9.20	3.00
<b>Total</b>	<b>9.20</b>	<b>3.00</b>
 <b>5 <u>TRADE PAYABLE</u></b>		
Sundry creditors	190.08	153.17
<b>Total</b>	<b>190.08</b>	<b>153.17</b>
 <b>6 <u>OTHER CURRENT LIABILITIES</u></b>		
Salary Payable	0.03	0.09
Service Tax Payable	0.00	0.01
TDS on Contractors	0.02	0.01
Adv.Received from customer	0.00	7.99
<b>Total</b>	<b>0.05</b>	<b>8.10</b>

Particulars	(Rs. In Lacs)	
	As at 31/03/2013	As at 31/03/2012
<b>7 <u>LONG TERM LOAN &amp; ADVANCES</u></b>		
Advance Income Tax	7.49	2.99
TDS Receivable	3.29	0.64
<b>Total</b>	<b>10.78</b>	<b>3.63</b>
<b>8 <u>INVENTORIES</u></b>		
Stock of cloth	21.36	37.77
<b>Total</b>	<b>21.36</b>	<b>37.77</b>
<b>9 <u>TRADE RECEIVABLES</u></b>		
More Than 6 Months	3.71	0.22
others	62.02	24.30
<b>Total</b>	<b>65.73</b>	<b>24.52</b>
<b>10 <u>CASH AND BANK BALANCES</u></b>		
Cash Balance	0.20	0.27
Balance with Bank	2.88	4.81
<b>Total</b>	<b>3.08</b>	<b>5.08</b>
<b>11 <u>SHORT TERM LOAN &amp; ADVANCES</u></b>		
Mahashakti Grains & Minerals (i) Pvt.Ltd.	50.00	100.00
Lord Venkatesh Yarn Pvt. Ltd.	65.00	0.00
Pratik Syntex Pvt. Ltd.	5.00	0.00
Loan to staff	0.27	1.30
<b>Total</b>	<b>120.27</b>	<b>101.30</b>
	<b>For the year ended</b>	
	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
<b>12 <u>REVENUE FROM OPERATIONS</u></b>		
Net Cloth sales	318.57	205.98
Job Wok Charges received	25.81	0.00
<b>Total</b>	<b>344.38</b>	<b>205.98</b>
<b>13 <u>OTHER INCOME</u></b>		
Interest Received	21.20	0.00
<b>Total</b>	<b>21.20</b>	<b>0.00</b>
<b>14 <u>PURCHASE OF STOCK IN TRADE</u></b>		
Purchases of Cloth	246.56	152.37
<b>Total</b>	<b>246.56</b>	<b>152.37</b>

Particulars	(Rs. In Lacs)	
	For the year ended 31/03/2013	31/03/2012
<b>15 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	37.77	42.69
Closing Stock	21.36	37.77
<b>Total</b>	<b>(16.41)</b>	<b>(4.92)</b>
<b>16 EMPLOYEE BENEFITS EXPENSES</b>		
salary & Wages	3.65	2.94
Staff Welfare	0.01	0.04
<b>Total</b>	<b>3.66</b>	<b>2.98</b>
<b>17 OTHER EXPENSES</b>		
Processing Charges	71.56	34.88
Transport Charges	2.77	1.70
Gray Checking Charges	0.17	0.42
Sampling Expenses	0.23	0.54
Insurance	0.13	0.44
Electricity Charges	0.09	0.27
Repairs & Maintenance	0.61	0.46
Weaving Job Work Charges	0.00	0.98
Trunck & Telephone Expenses	0.32	0.50
Travelling Expenses	1.54	0.92
Conveyance	0.04	0.10
Bank Charges	0.03	0.01
Audit Fees	0.07	0.41
Tax Audit Fees	0.04	0.21
Commision & Brokerage	0.01	0.01
Motor Car Expenses	1.08	0.99
Sales Promotion	0.00	0.04
Printing Stationary	0.03	0.02
General Exp.	0.08	1.41
Filling Fees	0.02	0.00
Legal & Professional Charges	0.06	0.00
<b>Total</b>	<b>78.88</b>	<b>44.31</b>

18 Additional information pursuant to provision of part IV of schedule VI to the Companies Act 1956 is as per Annexure 1.

As per our report of even date attached  
For S.G. Kabra & Co.  
Chartered Accountants.  
FR No. 104507W

S.G.Kabra  
Partner  
M. No. 38867

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

For and on Behalf of the Board

Mahesh S.Jhawar  
Director

Vinod S.Jhawar  
Director

**Annexure 1 (Refer Note No. 18 of Notes on Financial Statements)**

Statement in pursuance to part IV of Schedule VI of the Companies Act, 1956.

**Balance Sheet Abstract and Company's General Business Profile.****I Registration Details.**

Registration No.	186271	State Code 11
Balance Sheet Date	31-03-2013	

		(Rs. In Lacs)
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31/03/2013</b>	<b>31/03/2012</b>

**II. Capital Raised during the year**

Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement / Others	NIL	NIL

**III. Position of Mobilisation and Deployment of Funds.**

Total Liabilities	212.22	172.30
Total Assets	212.22	172.30

**Sources of Funds**

Paid-Up-Capital	1.00	1.00
Reserves & Surplus	20.89	7.03
Non Current Liabilities	9.20	0.03
Current Liabilities	190.13	161.27

**Application of Funds**

Non Current Assets	10.78	3.63
Current Assets	210.44	168.67

**IV. Performance of Company**

Turnover	365.58	205.98
Expenditure	345.51	0.00
Profit before Tax	20.07	1.40
Profit after Tax	13.86	0.95
Earning per Share ( Rs.)	138.60	9.56

**V. Generic Names of Principal product / services of Co.**

Item No. N.A.

As per our report of even date attached

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

For and On behalf of the board

S.G. Kabra  
Partner M. No.. 38867

Mahesh S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

Vinod S. Jhawar  
Director

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Dhanlaxmi Fabrics Ltd.

#### Report on the Consolidated Financial Statements :

We have audited the accompanying financial statements of Dhanlaxmi Fabrics Ltd. ("the Company"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management Responsibility for the Financial Statements :

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, Consolidated financial performance and Consolidated cash flows of the Group Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditors Responsibility :

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March, 31, 2013 ;
- b) in the case of the Consolidated Statement of Profit and Loss of the profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### **Other Matters :**

Financial Statements of Dhanlaxmi Fabrics Ltd. and all others subsidiaries which reflect the total assets (net) of Rs. 6541.83 Lacs as at March 31, 2013, total revenue (net) Rs. 6881.88 Lacs and net cash flows amounting to Rs. 209.64 Lacs for the year ended on that date, have been audited by us.

Our opinion is not qualified in respect of other matters.

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

Place : Mumbai.  
Date : 30<sup>th</sup> May 2013

S.G.Kabra  
Partner  
M.No. 38867

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2013	AS AT 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	2,744.00	2,600.64
Total		<b>3,602.11</b>	<b>3,658.75</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	417.64	591.51
(b) Deferred tax liabilities (net)	4	490.30	603.96
(c) Other long-term liabilities	5	21.52	17.02
(d) Long-term provisions	6	359.67	185.48
Total		<b>1,289.13</b>	<b>1,397.97</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	325.03	0.00
(b) Trade payables	8	1146.85	607.51
(c) Other current liabilities	9	100.88	47.26
(d) Short-term provisions	10	77.83	51.70
Total		<b>1650.59</b>	<b>706.47</b>
<b>TOTAL</b>		<b>6541.83</b>	<b>5,563.19</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,180.30	2,636.35
(iii) Capital work-in-progress		885.29	370.52
(b) Non-current investments	12	62.08	62.08
(c) Long-term loans and advances	13	652.55	457.02
Total		<b>3,780.22</b>	<b>3,525.97</b>
<b>2 Current assets</b>			
(a) Inventories	14	318.57	361.98
(b) Trade receivables	15	2,144.78	1,162.53
(c) Cash and cash equivalents	16	34.68	244.32
(d) Short-term loans and advances	17	263.58	268.39
Total		<b>2,761.61</b>	<b>2,037.22</b>
<b>TOTAL</b>		<b>6,541.83</b>	<b>5,563.19</b>

Significant Accounting Policies

Notes on Financial Statements

1 to 26

As per our report of even date attached,

**For S. G. Kabra & Co.**

Chartered Accountants

FR NO. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board,

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013 (Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	18	6,765.16	5,083.14
2 Other income	19	116.72	26.92
<b>3 Total revenue</b>		<b>6,881.88</b>	<b>5110.06</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	2,080.92	1,413.16
(b) Purchases of stock-in-trade	21	2,436.93	1,709.29
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(7.42)	104.16
(d) Employee benefits expenses	23	530.59	427.47
(e) Finance costs	24	53.91	75.16
(f) Depreciation and amortisation expenses	25	476.38	478.07
(g) Other expenses	26	1,113.25	878.04
<b>Total expenses</b>		<b>6,684.56</b>	<b>5,085.35</b>
<b>5. Profit before tax</b>		<b>197.32</b>	<b>24.71</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		174.19	78.12
(b) Less- Deferred tax Credit		113.66	72.26
(c) Add Current tax relating to prior year		0.05	0.04
<b>Net tax expense</b>		<b>60.58</b>	<b>5.90</b>
<b>7 Profit for the year</b>		<b>136.74</b>	<b>18.81</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.		1.59	0.22
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 26		

As per our report of even date attached

For and on behalf of the Board,

**For S. G. Kabra & Co.**

Chartered Accountants  
FR NO. 104507W

**S. G. Kabra**

Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2013

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director



# CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31/03/2013	Rs. in Lacs For the year ended 31/03/2012
<b>Consolidated Cash Flow Statement for the year ended 31 March, 2013</b>		
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	197.32	24.71
<i>Adjustments for:</i>		
Depreciation and amortisation	476.38	478.07
(Profit) / loss on sale / write off of assets	4.61	(4.88)
Finance costs	53.91	75.16
Interest income	(28.69)	(8.65)
Rental Income from Investment Property	(47.30)	(7.27)
Operating profit / (loss) before working capital changes	656.23	557.14
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	43.41	86.48
Trade and other receivables	(977.44)	524.60
Other non-current assets	(195.53)	(22.22)
Trade and other Payables	619.09	70.48
Cash generated from operations	(510.47)	659.34
Net income tax (paid) / refunds	(174.24)	(78.16)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(28.48)</b>	<b>1,138.32</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(548.73)	(369.98)
Sale of fixed assets	9.01	113.01
Interest received	28.69	8.65
Rental income from investment properties	47.30	7.27
Long Term Liabilities	4.50	17.02
Long term Provisions	174.20	55.45
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-285.03</b>	<b>(168.58)</b>
<b>C. Cash flow from financing activities</b>		
Capital Subsidiary Recd.	6.62	0.00
Repayment of long-term borrowings	(173.87)	(112.31)
Net increase / (decrease) in working capital borrowings	325.03	(591.15)
Finance cost	(53.91)	(75.16)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>103.87</b>	<b>(778.62)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(209.64)</b>	<b>191.12</b>
Cash and cash equivalents at the beginning of the year	244.32	53.20
<b>Cash and cash equivalents at the end of the year</b>	<b>34.68</b>	<b>244.32</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>209.64</b>	<b>191.12</b>

As per our report of even date attached

**For S. G. Kabra & Co.**

Chartered Accountants  
FR NO. 104507W

For and on behalf of the Board,

**S. G. Kabra**

Partner  
M. No. 38867

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2013

# CONSOLIDATED FINANCIAL STATEMENTS

## Notes on Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2012

Rs. in Lacs

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

### 1. SHARE CAPITAL

As at 31/03/2012

As at 31/03/2011

#### Authorised Share Capital

1,50,00,000 Equity Shares of Rs. 10/- Each

1500.00

1500.00

(Previous Year 1,50,00,000 Equity Shares of Rs. 10/- Each )

#### Issued, Subscribed and Paid up

85,81,100 Equity Shares of Rs.10/- each

858.11

858.11

(Previous Year 85,81,100 Equity Shares of Rs. 10/- Each)

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

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

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

1.4 The details of Shareholders holding more than 5% Shares

	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics Pvt Ltd	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhawar	6,31,087	7.35	6,31,087	7.35

### 2. RESERVES & SURPLUS

As at 31/03/2013

As at 31/03/2012

#### General Reserve

75.62

75.62

#### Investment allowance Reserve

0.45

0.45

#### Capital subsidy Reserve

43.46

36.84

#### Equity Share Premium reserve

896.00

896.00

#### Profit & Loss A/c

As per last Balance sheet

1591.73

1572.92

Add Profit for the year

136.74

18.81

#### Total

1728.47

1591.73

Total

2744.00

2600.64

# CONSOLIDATED FINANCIAL STATEMENTS

## 3 LONG TERM BORROWINGS

	As at 31/03/2013	As at 31/03/2012
<b>Secured Loans</b>		
Term Loan from ING Vysya Bank	384.24	558.11
<b>Unsecured Loans</b>		
From Promtech Impex Pvt Ltd	33.40	33.40
<b>Total</b>	<b>417.64</b>	<b>591.51</b>

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

3.2 Unsecured loan received from M/s. Promtech Impex Pvt. Ltd. the associate company. Repayable on demand without any interest.

3.3 Repayment schedule of bank term loan.

Term Loan No.	2013-14	2014-15	2015-16	2016-17
<b>8853</b>	66.72	15.08		
<b>40415</b>	85.38	85.38	78.28	
<b>2925</b>	16.40	16.40	16.40	4.20
<b>Total</b>	<b>168.50</b>	<b>116.86</b>	<b>94.68</b>	<b>4.20</b>

## 4 DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2013	As at 31/03/2012
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	603.96	676.22
Less During the year	113.66	72.26
At closing of the year	490.30	603.96

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

## 5. OTHER LONG TERM LIABILITIES

	As at 31 /03/2013	As at 31/03/2012	
Deposits received from Licensee	21.52	17.02	
5.1 Security deposits received against Leave and Licencers Agreement entered with the following Licensee for office No.401 and 403 at Kailas Corporate Lounge Vikroli Mumbai and Commercial Galas in Raj Laxmi Park, Kalher Bhiwandi given on rent to them.			
1. John Keells Logistics Pvt Ltd	9.83	9.83	For 2 year
2. ITT Corporation India Pvt Ltd	7.19	7.19	For 4 year
3. Yukti Mercantile Pvt. Ltd.	4.50	0.00	For 4 year
<b>Total</b>	<b>21.52</b>	<b>17.02</b>	

# CONSOLIDATED FINANCIAL STATEMENTS

## 6 LONG TERM PROVISIONS

	As at 31/03/2013	As at 31/03/2012
Provision for IT	359.67	185.48

6.1 Provision for IT for the year from 2009-10 to 2012-13 has been made which will be written off after actual assessment of IT and difference will be appropriated by Debiting/ Crediting the P&L A/c in that year.

## 7 SHORT TERM BORROWINGS.

<b>Secured Borrowing</b>	<b>As at 31/03/2013</b>	<b>As at 31/03/2012</b>
Cash credit from ING Vysya Bank	125.03	0.00
Working capital Demand loan from ING Vysya Bank	200.00	0.00
<b>Total</b>	<b>325.03</b>	<b>0.00</b>

7.1 Secured by way of Hypothecation of stocks and book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.

7.2 The company has not availed the credit facility at the end of the year 2011-12 due to surplus of own funds.

## 8 TRADE PAYABLES

	As at 31/03/2013	As at 31/03/2012
Creditors	1146.85	607.51

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

## 9 OTHER CURRENT LIABILITIES

	As at 31/03/2013	As at 31/03/2012
Charity Fund	5.50	1.06
Unclaimed Dividends	2.34	2.34
Statutory Liabilities	54.71	34.90
advance received from customers	38.33	8.96
<b>Total</b>	<b>100.88</b>	<b>47.26</b>

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

## 10 SHORT TERM PROVISIONS

	As at 31 /03/2013	As at 31/03/2012
Provision for outstanding Expenses	77.83	51.70

# CONSOLIDATED FINANCIAL STATEMENTS

11 FIXED ASSETS											(Rs. in Lacs)
Description of the Assets	Gross Block at Cost				Depreciation				Net Block		
	As at 1-04-2012	Addition during the year	Sold during the year	Total as at 31-03-2013	Upto 31-03-2012	Provided for the year	Adjusted during the year	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012	
1. Land	125.15	0.00	0.00	125.15	0.00	0.00	0.00	0.00	125.15	125.15	
2. Building	419.40	0.00	0.00	419.40	199.14	13.99	0.00	213.13	206.27	220.26	
3. Plant & Machinery	3350.83	0.00	7.13	3343.70	1931.52	271.54	4.06	2199.00	1144.70	1419.31	
4. Electrical Installation	100.86	0.00	0.00	100.86	65.47	4.79	0.00	70.26	30.60	35.39	
5. Pipe Fitting	34.63	0.00	0.00	34.63	24.49	3.58	0.00	28.07	6.56	10.14	
6. Furniture & Fixture	104.57	0.00	0.00	104.57	58.83	6.60	0.00	65.43	39.14	45.74	
7. Laboratory Equipment	25.71	0.00	0.00	25.71	9.37	1.22	0.00	10.59	15.12	16.34	
8. Office Equipment	7.09	0.00	0.00	7.09	4.45	0.33	0.00	4.78	2.31	2.64	
9. Air Conditioner	8.94	0.00	0.00	8.94	5.13	0.42	0.00	5.55	3.39	3.81	
10. Computer	38.50	0.00	0.00	38.50	34.23	0.73	0.00	34.96	3.54	4.27	
11. Motor Vehicle	67.76	33.96	13.81	87.91	32.01	7.12	3.27	35.86	52.05	35.75	
12. Misc. Fixed Assets	29.02	0.00	0.00	29.02	10.27	1.37	0.00	11.64	17.38	18.75	
13. House Property	222.23	0.00	0.00	222.23	4.26	7.42	0.00	11.68	210.55	217.97	
<b>SUB-TOTAL</b>	<b>4534.69</b>	<b>33.96</b>	<b>20.94</b>	<b>4547.71</b>	<b>2379.17</b>	<b>319.11</b>	<b>7.33</b>	<b>2690.95</b>	<b>1856.76</b>	<b>2155.52</b>	
Wind Power Division											
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00	
2. Plant And Machinery	1521.00	0.00	0.00	1521.00	1050.17	157.27	0.00	1207.44	313.56	470.83	
<b>Sub Total</b>	<b>1531.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1531.00</b>	<b>1050.17</b>	<b>157.27</b>	<b>0.00</b>	<b>1207.44</b>	<b>323.56</b>	<b>480.83</b>	
<b>Total</b>	<b>6065.69</b>	<b>33.96</b>	<b>20.94</b>	<b>6078.71</b>	<b>3429.34</b>	<b>476.38</b>	<b>7.33</b>	<b>3898.39</b>	<b>2180.32</b>	<b>2636.35</b>	
PREVIOUS YEAR	5732.46	369.99	36.76	6065.69	2979.11	478.07	27.84	3429.34	2636.35		

Capital Work in Progress **Rs. 885.29 Lacs** (Previous Year Rs. 370.52 Lacs)

12 NON-CURRENT INVESTMENTS		
In equity shares of subsidiary companies	As at 31/03/2013	As at 31/03/2012
<b>1. Western Chlorides &amp; Chemicals Pvt Ltd</b>		
2999 Equity Shares @ Rs.2170/- Per Share, face	62.08	62.08
Value Rs.100/- Per shares (i.e at premium of Rs.2070 per share)		
<b>Total</b>	<b>62.08</b>	<b>62.08</b>

13 LONG TERM LOANS & ADVANCES		
	As at 31/03/2013	As at 31/03/2012
Balances with Excise dept.	39.60	58.54
Security Deposits	94.58	88.69
Interest Receivable under TUF Scheme	137.87	114.49
TDS Receivables	210.11	131.31
Advance tax Paid	170.39	63.99
<b>Total</b>	<b>652.55</b>	<b>457.02</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2013	(Rs. In Lacs) As at 31/03/2012
<b>14 INVENTORIES</b>		
Fabric	227.85	156.75
Yarn	0.00	7.61
Stock in Process	13.23	69.30
Dyes	32.18	39.46
Chemicals	30.47	45.65
Packing Material	1.57	7.39
Coal	3.56	5.93
Diesel	0.58	0.40
Stores & Spares	9.13	29.49
<b>Total</b>	<b>318.57</b>	<b>361.98</b>
<b>15 TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
Over Six Months	192.59	131.68
Other	1952.19	1030.85
<b>Total</b>	<b>2144.78</b>	<b>1162.53</b>
<b>16 CASH AND BANK BALANCES</b>		
Cash on hand	2.98	6.68
Balance with banks	11.62	230.46
Fixed deposits with banks	20.08	7.18
<b>Total</b>	<b>34.68</b>	<b>244.32</b>
16.1	Balance with bank includes unclaimed dividend.	
16.2	Fixed Deposit with Banks will be matured as under:-	
	Fixed Deposit value	Date of Maturity
	Rs.96000	18/07/2017
	Rs.270000	24/12/2018
	Rs.6500	31/12/2018
	Rs.346000	25/05/2019
	Rs.10000	28/06/2013
	Rs.1280000	19/03/2016
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
Loan to staff	1.46	2.42
Prepaid Expenses	56.35	5.12
Advance to Suppliers	120.83	59.56
Others	134.94	201.29
<b>Total</b>	<b>263.58</b>	<b>268.39</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. In Lacs)	
	For the year ended	
	31/03/2013	31/03/2012
<b>18 REVENUE FROM OPERATIONS</b>		
Process Charges of Fabrics	3063.29	2355.95
Process Charges of Yarn	859.52	509.60
Fabric Sales	2475.90	1978.85
Yarn Sales	37.37	3.80
Garment Sales	139.98	70.19
Power Sales	186.41	148.46
Trading Sales of Coal	2.69	16.29
<b>Total</b>	<b>6765.19</b>	<b>5083.14</b>
<b>19 OTHER INCOME</b>		
Interest occurred on FD	3.05	2.51
Interest on IT refund	1.79	5.32
Other Interest	23.85	0.82
Duty Drawback	1.06	0.94
Foreign exchange differences	4.64	3.91
Profit on sale of Assets	(4.61)	4.88
Sundry balance W/off	0.01	0.42
Misc. Income	0.17	0.25
Profit on Commodities & Share Trading	39.46	0.00
Rent from house property	47.30	7.87
<b>Total</b>	<b>116.72</b>	<b>26.92</b>
<b>20 COST OF RAW MATERIALS CONSUMED</b>		
Dyes	254.23	177.51
Chemicals	831.09	534.47
Packing Material	219.60	128.81
Coal	634.67	480.45
Diesel	4.72	9.31
Store & Spares	136.61	82.61
<b>Total</b>	<b>2080.92</b>	<b>1413.16</b>
20.1 Store & spares Consumption		
Indigenous	123.13	72.81
Imported	13.48	9.80
<b>Total</b>	<b>136.61</b>	<b>82.61</b>
<b>21 PURCHASES OF STOCK IN TRADE</b>		
Fabric	2433.06	1677.74
Yarn	1.22	15.47
Coal	2.65	16.08
<b>Total</b>	<b>2436.93</b>	<b>1709.29</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended	
	31/03/2013	31/03/2012
<b>22 CHANGES IN INVENTORIES</b>		
<b>Inventory ( At close)</b>		
Fabric	227.85	156.75
Yarn	0.00	7.61
Work in Progress	13.23	69.30
<b>Total</b>	<b>241.08</b>	<b>233.66</b>
<b>Inventory ( At commencement)</b>		
Fabric	156.75	245.63
Yarn	7.61	32.97
Work in Progress	69.30	50.22
<b>Total</b>	<b>233.66</b>	<b>337.82</b>
<b>Net Change</b>	<b>7.42</b>	<b>(104.16)</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Charges	335.36	247.33
Salary	186.61	171.58
Contribution to P.F & ESIC	2.89	2.99
Contribution to Graduty Fund	4.41	3.59
Staff welfare Expenses	1.32	1.98
<b>Total</b>	<b>530.59</b>	<b>427.47</b>
<b>24 FINANCE COST</b>		
Interest on Working capital	16.43	23.62
Interest on Term Loan	37.48	51.54
(Net to TUF subsidy benefit accrual)		
<b>Total</b>	<b>53.91</b>	<b>75.16</b>
<b>25 DEPRECIATION</b>		
Depreciation on Fixed Assets	476.38	478.07
<b>25.1 Depreciation provided on straight line method on triple shift basis</b>		
<b>26 OTHER EXPENSES</b>		
<b>26 (a) Manufacturing expenses</b>		
Electricity Charges	414.33	288.37
Water Expenses	204.76	195.61
Repairs to building	9.82	7.66
Repairs to Machinery	42.36	47.97
Job charges paid	261.06	184.55
Freight & forwarding expenses	25.48	17.93
Laboratory expenses	0.48	0.40
Insurance	11.83	10.73
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.75	0.57
Analysis Charges	0.68	0.81
<b>Total</b>	<b>972.15</b>	<b>755.20</b>
<b>26(b) Selling &amp; distribution expenses</b>		
Sales promotion	0.30	0.77
Commission & brockrage	20.94	19.30
<b>Total</b>	<b>21.24</b>	<b>20.07</b>



# CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

For the year ended

31/03/2013 31/03/2012

## 26.(c) Administrative expenses

Property tax	4.74	4.74
Printing & stationery	11.16	8.00
Rent, Rates & Taxes	2.62	1.77
Travelling expenses	5.71	8.01
Postage & courier charges	1.04	1.48
Legal & professional fees	6.86	14.74
Advertisement charges	1.39	1.60
Repairs to others	9.56	5.61
conveyance expenses	4.24	3.29
General expenses	10.07	8.43
Bank Loan processing fees & Stamp duty	22.39	0.45
Registration fee	0.15	0.00
Expenses on Demurger	1.50	0.00
Listing fees	0.28	0.28
Bank charges	0.69	0.23
Demate Charges	0.34	0.35
Vehicle expenses	7.83	7.35
Trunk & telephone	4.24	3.67
Auditor Remuneration	2.06	2.71
Medical expenses	0.24	7.52
Keyman expenses	7.94	7.94
Directors remuneration	13.44	13.44
Sitting Fees	1.35	1.14
Priliminary Expenses W/off	0.02	0.02
<b>Total</b>	<b>119.86</b>	<b>102.77</b>
<b>Total 26(a)+26(b)+26(c.)</b>	<b>1113.25</b>	<b>878.04</b>

# DHANLAXMI FABRICS LIMITED

Registered Office : Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204. (Maharashtra)

## PROXY

I/We .....  
.....  
district of ..... being a member/members  
of the above named company hereby appoint .....  
..... of ..... in the district  
of ..... or failing him  
..... of  
of ..... as my/ our proxy  
to attend and vote for me / us and on my/ our behalf at the 21<sup>st</sup> Annual General Meeting of the the company to be held on  
Saturday 21<sup>st</sup> September, 2013 at Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204 (Maharashtra)  
at 1.00 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2013.

Signed by the said .....

Reg. Folio No. .... No. of Share Held .....

Client I.D. .... D. P. I. D. No. ....

Note : The Companies Acts, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered  
Office the Company not less than FORTY EIGHT hours before the time for holding the meeting.

Affix  
One  
Rupee  
Revenue  
Stamp

# DHANLAXMI FABRICS LIMITED

Registered Office : Manpada Road, Bhopar Village, Dombivli (E), Thane 421 204. (Maharashtra)

## ATTENDANCE SLIP

I hereby record my presence at the 21<sup>ST</sup> Annual General Meeting of the Company held on Saturday 21<sup>st</sup> September  
2013 at Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204 (Maharashtra) at 1.00 p.m.

Name of the Shareholder(s) .....

Name of the Proxy or Company Representative (In Block Letters) .....

Reg. Folio No. .... No. of Share held .....

Client I.D. .... D. P. I.D.No. ....

Signature of the Shareholder(s) or

Proxy or Company Representative .....

Note : 1. A proxy attending on behalf of a Shareholder(s) should please write the name of the Shareholder(s) for whom he holds proxy.  
2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional  
copies of the same will not be made available at the Meeting.

**BOOK-POST**

If undelivered please return to :

**DHANLAXMI FABRICS LIMITED**

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

Dist. Thane, Maharashtra.