

# **Dhanlaxmi**

## **Fabrics Limited**

**(CIN: L17120MH1992PLC068861)**

**24<sup>th</sup>**

**Annual Report**

**2015 - 16**

**BOARD OF DIRECTORS**

NAME	DESIGNATION	DIN
Shri Ramautar S. Jhavar	- Chairman :	00002907
Shri Vinod S. Jhavar	- Managing Director :	00002903
Shri Mahesh S. Jhavar	- Director :	00002908
Shri N. C. Sharma	- Director :	00003178
Shri Durgesh Kabra	- Director :	00017670
Smt Jayashree Iyer	- Women Director :	01520083

**AUDITORS**

S. G. Kabra &amp; Co.

Chartered Accountants

**BANKERS**

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

**LISTING**

Bombay Stock Exchange,  
Dalal Strreet, Fort, Mumbai-400001.

**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@dlf.net.in](mailto:info@dlf.net.in)

**CORPORATE OFFICE**

285,Princess Street, Jhavar House, 1<sup>st</sup> Floor, Mumbai – 400 002.  
Tel No. : 091-022-66228033 \* Fax No. 091-022-22089558

## INDEX

<b>CONTENTS</b>	<b>Page</b>
Notice	5
Directors' Report	14
Management Discussion and Analysis Report	37
Corporate Governance Report	39
Auditors' Report	50
Balance Sheet	56
Statement of Profit & Loss Account	57
Cash Flow Statement	58
Significant Accounting Policy	59
Notes to Accounts	61
<b>CONSOLIDATED ACCOUNTS</b>	
Auditors' Report	71
Balance Sheet	75
Statement of Profit & Loss Account	76
Cash Flow Statement	77
Significant Accounting Policy	78
Notes to Accounts	79

**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Dhanlaxmi Fabrics Limited (CIN: L17120MH1992PLC068861) will be held at the Registered office of the company at Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra on Saturday, 24<sup>th</sup> September, 2016 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, 2016, and the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.**
2. **Appointment of Shri. Ramautar Sohanlal Jhawar as a Director who retires by rotation.**
3. **Re-Appointment of Auditors**

“**Resolved that** pursuant to the provisions of section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. S.G. Kabra & Co., Chartered Accountants (Firm Registration No.104507W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

4. **To increase Borrowing Powers of the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013 upto Rs. 100 Crores and to consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.**

“**Resolved That** in suppression of earlier resolution passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of 100 Crores (Rupees hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

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

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

“**Resolved that** pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act (earlier in force), consent of the

Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favor of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to the debenture/ bonds issued or proposed to be issued, loan and /or other credit facilities availed or proposed to be availed together with interest thereon and such other costs, charges, expenses and other moneys payable by the Company as per the terms and conditions of the issue of bonds/debentures issued/ proposed to be issued or the loan agreement and/or other documents pertaining to credit facilities entered into or proposed to be entered into by the Company, within the overall borrowing limits fixed pursuant to Section 180(1)(c) of the Companies Act, 2013."

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

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

**"Resolved that** pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013, if any, and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and other necessary approvals, if any, and to the extent required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any of its duly authorized committees or one or more Directors) at its discretion to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of Company's paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed an aggregate amount of Rs. 100 Crores."

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

**7. Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013 and to consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.**

**"Resolved that** subject to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Incorporation) Rules 2014, including any statutory modification(s) or re-enactment thereof for the time in force, and subject to the approval(s) of the Registrar of Companies, and such other authorities, as may be applicable in this regards, and subject to such terms, conditions, amendments or modifications as may be required or suggested by such appropriate authorities which terms, conditions, amendments or modifications the Board of Directors of the Company is authorized to accept, as it may deem , the existing Articles of Association of the Company be and are hereby replaced with a new set of Articles of Association of the Company, in place of and in substitution and to the entire exclusion of the existing Articles of Association of the Company."

“**Resolved further that** for the purpose of giving effect to the aforesaid resolution, any of the Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such other acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to requisite forms/applications / reports, etc. with the statutory authorities.”

**8. Approval of Related Party Transactions and to consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.**

“**Resolved That** in continuation of earlier resolution passed in this behalf and pursuant to the provisions of Section 188 if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with the ‘related party’ as defined in the Act and Regulation 2(zb) of the Listing Regulation and mentioned in below table, relating to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate or promoter group Company, making of loans to, and/or giving of guarantees or providing security and/or making of investments and the purchase from and/or sale to it of any securities by the Company, or any combination thereof, etc on such terms and conditions as the Board in its absolute discretion may deem fit provided however that the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into and remaining outstanding at any time shall not exceed Rs.50 Crores with each related parties respectively during any financial year.”

Sr. No.	Name of Related Parties	Nature of Relationship	Nature of transaction	Amount
1	M/s. Dhanesh Fabrics Pvt Ltd	Subsidiary Company	Sale, Purchase & Processing of Fabric & Yarn & lease rent payment	Up to Rs.50 Crores with each related parties' ongoing basis.
2	M/s. DFL Fabrics Pvt Ltd			
3	M/s. Western Chlorides & Chemicals Pvt Ltd			
4	M/s. Dhalaxmi Cotex Ltd	Group Company	Share Trading & To give and take loans	
5	M/s. Sohanlal Export Fabrics Pvt Ltd			
6	M/s. Dhanlaxmi Export Fabric LLP			
7	M/s. Promtech Impex Pvt Ltd			
8	M/s. MR Share Broking Pvt Ltd			
9	M/s. VRM Share Broking Pvt Ltd			

For and on behalf Of the Board of Directors

Place: Mumbai  
Date: 9<sup>th</sup> August, 2016

**Sd/-**  
Ramautar S. Jhawar  
Chairman

**IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. Proxies in order to be effective must be received at the company's registered office at Manpada Road, Bhopar Village, Dombivli (East), Thane - 421204 not less than forty eight hours before the meeting.
2. As per section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Monday 19th September, 2016 to Friday 23rd September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
3. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed M/s. Big Share Services Private Limited at E 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400072
4. Members are requested to notify immediately any change in their address :
  - a. To their Depository Participants in respect of their electronic share accounts , and
  - b. To the share transfer agent M/s. Big Share Services Private Limited at E 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400072 email – [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
5. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance of the Meeting Hall.
6. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. Members are requested to bring the copy of the Annual Report sent to them.
8. Information required to be furnished under cl. 49 of the Listing Agreement As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed are given below:

<b>Name</b>	Mr.Ramautar S. Jhawar
<b>Date of Birth</b>	3 <sup>rd</sup> November, 1956
<b>Qualifications</b>	B.COM
<b>PAN</b>	AABPJ8706F
<b>DIN</b>	00002907
<b>Directorship in other Companies</b>	<ol style="list-style-type: none"> <li>1. Dhanlaxmi Cotex Ltd.</li> <li>2. Sohanlal Export Fabrics Pvt.Ltd.</li> <li>3. Dhanlaxmi Export Fabrics LLP</li> <li>4. Western Chlorides and Chemical Pvt. Ltd.</li> <li>5. Dhanlaxmi Fabrics Ltd.</li> <li>6. Jhawar Trade And Investments Private Ltd..</li> <li>7. Dhanesh Fabrics Pvt. Ltd.</li> <li>8. M R Share broking Pvt Ltd</li> <li>9. Semai Trading Pvt Ltd</li> <li>10. V R M Sharebroking Pvt Ltd</li> <li>11. DFL Fabrics Pvt Ltd</li> <li>12. Ramautar Trading Pvt Ltd</li> <li>13. Promtech Impex Pvt Ltd</li> <li>14. Jhawar Comodities Pvt Ltd</li> </ol>
<b>Brief Profile</b>	Promoter Director of the Company, having 40 years Experience in Textile & Finance Management
<b>Name of Companies in Committees of which holds membership/chairmanship</b>	One
<b>No. of shares held in Dhanlaxmi Fabrics Limited</b>	778408
<b>Promoter Group</b>	Yes
<b>Promoter Group Shareholdings</b>	6428506

## 9. NOTES ON E-VOTING

### 1. Voting through Electronic Means

In Terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies ( Management and Administration) Rules, 2014, read with SEBI Circular bearing No. CIR/CFD/POLICY CELL / 2 / 2014 DATED APRIL 17, 2014, and as per Listing Agreement (including any statutory modifications or re-enactment thereof for the time being in force) Company is providing its members the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying notice. Necessary arrangements have been made by the Company with CDSL to facilitate e-voting. Accordingly a member may exercise his vote by electronics means and the Company may pass any or all resolutions by electronics voting system. E-voting is optional and members shall have the option to vote either through e-voting or in person at the General Meeting

### 2. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday 21<sup>st</sup> September 2016 at 9.00 a.m. and ends on Friday 23<sup>rd</sup> September 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17<sup>th</sup> September 2016 may cast their vote electronically. The e-voting module shall be display by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.

- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant DHANLAXMI FABRICS LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
11. A copy of this notice has been placed on the website of the Company and the website of CDSL.
12. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 108/ 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.

For and on behalf Of the Board of Directors

Place: Mumbai  
Date: 9<sup>th</sup> August, 2016

**Sd/-**  
Ramautar S. Jhavar  
Chairman

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES, 2013****Item Nos. 4 & 5**

The members may kindly be informed that in the Extra-ordinary General Meetings of your Company held on 31st October, 2013, the shareholders had authorized the Board of Directors- to borrow monies up to Rs. 100 Crores under Section 293(1)(d) of the Companies Act, 1956, as well as- to secure the same by suitable mortgage/ charge on all or any of the moveable and / or immovable properties, regarded as disposal of the Company's undertakings under Section 293 (1)(a) of the Companies Act, 1956. However, as per the corresponding provisions of section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 which were notified on 12th September, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular no. 04/2014 dated 25th March, 2014, the Resolution(s) passed u/s 293 of the Companies Act, 1956 prior to 12.9.2013 with reference to borrowings (subject to the limits prescribed) and/ or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the new Act, for a period of 1 year from the date of notification of 180. Further, the provisions of the Companies 1956 Act required consent of the shareholders as an ordinary resolution for both borrowing and creation of security; however, the provisions of the 2013 Act stipulate consent of members by way of a Special Resolution.

Hence, in order to remain compliant with the relevant provisions on borrowings and creation of security under the 2013 Act beyond 24.09.2016, consent of the members is hereby requested by way of proposed Special Resolution(s).

The Board of Directors of your Company has approved this item in the Board Meeting held on 9<sup>th</sup> August, 2016 and recommends the Resolutions as set out in the accompanying Notice for the approval of members of the Company as Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company, if any.

**Item No. 6**

The Company has made investments and loans from time to time. In this regard, it is proposed to authorize the Board of Directors of the Company to invest into securities of any body corporate and/or make loan(s) and/or give any guarantee(s)/ provide any security(ies) in connection with loan(s) made up to Rs.100 Crores (Rupees Hundred Crores Only). The investments of funds etc. may require restructuring / conversion with the changed business environment.

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

investments along with company's existing loans or guarantee(s)/ security(ies) or investments shall be in excess of the limits prescribed under Section 186 aforesaid.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company, if any.

**Item No. 7**

With the enactment of the Companies Act, 2013, there are several articles in the Articles of Association ("AOA") of the Company which are based on the provisions of the Companies Act, 1956 and which require alteration/deletion. Hence it is proposed to adopt a new set of AOA to replace the existing AOA so that the same is in line with the provisions of the Companies Act, 2013. The Board of Directors recommends there solution for approval of members of the Company at item No. 7 as a special resolution.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

**Item No.8**

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

"Material Related Party Transaction" under Regulation 23(1) of listing Regulation means any transaction to be entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2015-16 is Rs. 103.03 Crores. Accordingly, any transaction(s) by the Company with a related party (except with its wholly owned subsidiaries) exceeding Rs. 10.30 Crores (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members is required for the same.

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report on the business operations and activities of the Company together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2016.

**Summarized Financial Results:****(Rs.in lacs)**

<b>Particulars</b>	<b>Year ended 31.03.2016</b>	<b>Year ended 31.03.2015</b>
Income from operations	<b>8837.10</b>	<b>7837.27</b>
Operating Profit	895.94	1051.77
Less : Interest	268.99	310.33
Less: Depreciation	484.94	488.47
Profit before tax	142.01	252.97
Less: Provision for tax	168.59	127.53
Add: /(Less) Deferred Tax Assets/(Liabilities)	88.94	63.05
Net Profit for the year	62.36	188.49

**Operations:**

For the financial year ended 31<sup>st</sup> March, 2016 the Revenue from operation of the Company is of Rs.8837.10 Lacs as compared to Rs.7837.27Lacs in Previous Year. The Net Profit of the Company for the year under review is of Rs.62.36 Lacs as compared to previous year Net Profit of Rs.188.49 Lacs.

**CONSOLIDATED FINANCIAL RESULTS:**

Net Sales of the Company were Rs. 10303.68 lacs as compared to Rs.9896.79 lacs in the previous year. The net Profit was Rs.101.99 lacs as compared to Rs.220.31lacs in the previous year.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016, prepared in accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements is provided in the Annual Report.

**TRANSFER TO RESERVES:**

The Company not proposes to carry any amount to the General Reserves of the Company for the financial year ended 31<sup>st</sup> March, 2016 as per audited standalone financial statements.

**SUBSIDIARY COMPANIES:**

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

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

**STATE OF AFFAIRS OF THE COMPANY:**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule Part V of the SEBI (Listing obligation and Disclosures Requirements) Regulations 2015 with Stock Exchange in India is presented in separate Section forming part of the Annual Report.

**FUTURE OUTLOOK:**

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

Your Directors are hopeful for better future

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

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

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met 6 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**DIVIDEND**

With a view for the expansion plans, the Board does not recommend any dividend for the year 2015-2016

**DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 read with Listing obligation Disclosure Requirements Regulation Mr. Ramautar S. Jhavar Non Executive Directors of the Company is liable to retire at Annual General Meeting and offered himself for re-appointment.

**PERFORMANCE OF THE BOARD AND COMMITTEES:**

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

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

**MEETING OF INDEPENDENT DIRECTORS:**

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Clause 49 of the Listing Agreement, the Independent Directors of the Company , reviewed the performance of Non- independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non-executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on 31<sup>st</sup> March, 2016, the Board consists of 6 members. Out of which one is the Managing Director, one is Chairman of the Company Three are non Executive Director of the company and one is the women director of the company.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board and are stated in this Board report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to the Section 178 of the Companies Act, 2013, the Company has set up a Nomination and Remuneration Committee under the Chairmanship of the Independent Director Mr. N. C. Sharma, Mr. Durgesh Kabra and Mr. Ramautar S. Jhawar. are the members.

**The Gist of the Policy of the said committee:**

For Appointment of Independent Director (ID):

- a. Any person who is between the age of 25 years and below 75 years eligible to become Independent Director (ID);
- b. He has to fulfill the requirements as per section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement;
- c. Adhere to the code of conduct as per Schedule IV to the Companies Act, 2013;
- d. Strictly adhere to the Insider Trading Regulation of the SEBI and Insider Trading policy of the Company;
- e. Independent Director should have adequate knowledge and reasonably able to contribute to the growth of the Company and stakeholders;
- f. Independent Director should be able to devote time for the Board and other meetings of the company;
- g. Entitled for sitting fees and Reasonable conveyance to attend the meetings; and
- h. Able to review the policy, participate in the meeting with all the stakeholders of the company at the Annual General Meeting.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to Board.

M/s. Biyani Kabra & Associates – Chartered Accountants is the internal Auditor of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2016, 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 and loss 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, 2013 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 2016 on a 'going concern' basis.
- (v) The internal financial controls laid and have been followed by the company and that such controls are adequate and are operating effectively. Such controls means controls and policies and procedures adopted and adherence by the company for orderly and efficient conduct of the business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting records and timely preparation of financial statements and review its efficiency.
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**INDEPENDENT DIRECTORS DECLARATION:**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not a promoter of the Company or its holding, subsidiary or associate company;
2. They are not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. The independent Directors have /had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Director has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent. or more of the gross turnover of such firm;
  - (iii) Holds together with his relatives two percent. or more of the total voting power of the company; or
  - (iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five percent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent. or more of the total voting power of the company;
6. Independent Director possesses such qualifications as may be directed by the Board.  
The Company & the Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

**BOARD EVALUATION:**

SEBI (Listing obligation and Disclosures Requirements) Regulation 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluded the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results along with the evaluation done by the Nomination and Remuneration Committee.

**LISTING OF SHARES**

Equity Shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing Fees for the Year 2016-2017. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

**FIXED DEPOSIT**

As on 31<sup>st</sup> March, 2016 the Company held no deposit in any form, from anyone. There was no deposit held by the Company as on 31<sup>st</sup> March, 2016 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.

**AUDITORS**

At the Annual General Meeting held on September 20, 2014, M/s. S.G. Kabra & Co. Chartered Accountants, were appointed as auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S. G. Kabra & Co. Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**AUDITORS REPORT**

The Auditors have not made any qualification to the financial statement. Their reports on relevant notes on accounts are self-explanatory and do not call for any comments under section 134 of the companies Act, 2013.

**COST AUDIT**

The central govt. has prescribed the maintenance of Cost records under section 148 of the Companies Act 2013 for the year ended 31<sup>st</sup> March 2016

**SECRETARIAL AUDIT REPORT**

M/s. Ramesh Chandra Mishra & Associates, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for F.Y. 2015-16 is Annexed-II to this Board's Report.

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any, in staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

**RELATED PARTY TRANSACTIONS/CONTRACTS:**

Pursuant to the Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is Annexed III to this Board's Report.

The details of such related party transactions are available in the Notes to the Standalone financial statements section of the Annual Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

**EXTRACT OF ANNUAL RETURNS**

Pursuant to the Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return is Form MGT-9 is Annexed-IV in the Report.

**INSURANCE OF ASSETS**

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

**BANK AND FINANCIAL INSTITUTIONS**

Directors are thankful to their bankers for their continued support to the company.

**EMPLOYER/EMPLOYEE RELATIONS**

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

**HUMAN RESOURCES MANAGEMENT:**

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

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

As per provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is Annexed V to this Board's report.

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

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

**CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with a Certificate from M/s. Ramesh Chandra Mishra & Associates, regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchange forms part of this Report and Annexed-VI to this Board's Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**CEO AND CFO CERTIFICATION :**

As required under Regulations 17 (8) read with the Part B of Schedule II of the SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTING, PROHIBITION AND REDRESSAL ACT, 2013.)**

The Company has appointed health and safety committee for the purpose.

**RISK MANAGEMENT POLICY**

The company has developed Risk Management Policy mainly covering the following areas of concerns

1. License and policy of respective government all over the world in connection with export of goods and matter in connection with textiles and fabrics.
2. Mandatory compliance safeguards in accordance with Factories Act, 1948 and other applicable laws and Acts & certification of manufacturing factory located at Dombivali and Ichalkaranji.
3. Adequate policy in connection with foreign exchange management fluctuations thereof duly placed before the Board

**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 Of Directors

Place: Mumbai  
Date: 9<sup>th</sup> August, 2016

Ramautar S. Jhawar  
Chairman

## Annexure to the Director's Report

### ANNEXURE-I

#### Salient feature of Financial Statement of Subsidiary Companies

As at 31<sup>st</sup> March, 2016

Rupees in Lacs

Name of Subsidiary Company	Western Cholride & Chemicals Pvt. Ltd.	Dhanesh Fabrics Pvt. Ltd.	DFL Fabrics Pvt. Ltd.
Reporting Currency	INR	INR	INR
Rate	1.00	1.00	1.00
Capital	3.00	1.00	1.00
Reserve	11.39	31.18	98.20
Total Assets	14.57	193.79	338.52
Total Liabilities	14.57	193.79	338.52
Investments Other than Investment in Subsidiary	NIL	NIL	NIL
Turnover	1.61	1182.48	331.02
Profit before Taxation	0.20	8.97	49.17
Provision for Taxation	0.06	2.78	15.88
Profit After Taxation	0.14	6.21	33.29
Proposed Dividend	NIL	NIL	NIL
% of Shareholding	99.97	99.99	99.80

Place: Mumbai  
Date: 9<sup>th</sup> August, 2016

For and on behalf of the Board Of Directors

Ramautar S. Jhawar  
Chairman

## ANNEXURE-II

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**

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

To,  
**The Members,**  
**Dhanlaxmi Fabrics Limited**  
 Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhanlaxmi Fabrics Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and certain provisions of Companies Act, 1956 and rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
9. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions / events in pursuance of:

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998,

requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

Further based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the course and conduct of Secretarial Audit, I hereby report that in my opinion, the

Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like Labour Laws:

1. Labour Laws:

- a. All the Premises and Establishments have been registered with the Appropriate Authorities. Act, 1940.
- b. The Company has not employed any child labour/Bonded labour in any of its establishments.
- c. The Company is ensuring the compliance of PF/ESIC and other social security measures to the contract employees.
- d. Adequate safety measures were in place for woman workers.
- e. Adequate fire safety equipment's placed in the factory premises.

2. Environmental Laws

- a. The Company is not discharging the contaminated water at the public drains/rivers .
- b. The Company has efficient water treatment plants at its factory premises.
- c. The company has been disposing the hazardous waste as per applicable rules.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2016

For Ramesh Chandra Mishra & Association  
Ramesh Mishra  
FCS: 5477  
PCS: 3987

**Annexure III**  
**FORM NO. AOC -2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies**  
**(Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Name of the Company in which Directors are interested	Nature of Relationship	Nature of Transaction(s) entered during F. Y. 2015-2016	Amount in Rs.
1	Dhanesh Fabrics Pvt. Ltd.	Subsidiary	Processing charges received for dyeing, bleaching and printing of fabric.	11551763
2	Dhanesh Fabrics Pvt. Ltd.	Subsidiary	Sale of Fabric.	101943254
3	Dhanesh Fabrics Pvt. Ltd.	Subsidiary	Purchase of Fabric.	24774
4	DFL Fabrics Pvt. Ltd.	Subsidiary	Processing charges received for dyeing, bleaching and printing of fabric.	1511862
5	DFL Fabrics Pvt. Ltd.	Subsidiary	Sale of Fabric.	339145
6	DFL Fabrics Pvt. Ltd.	Subsidiary	Purchase of Fabric.	1648639
7	Western Chlorides & Chemicals Pvt. Ltd.	Subsidiary	Payment of lease rent for land taken on lease for Installation of Process House at Manpada Road, Bhopar Village, Dombivli (East).	60000
8	Promtech Impex Pvt. Ltd.	Group Company and Member	Unsecured Loan Taken	10500000

For and on behalf of the Board Of Directors

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

Ramautar S. Jhawar  
Chairman

**ANNEXURE - IV****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	L17120MH1992PLC068861
ii	Registration Date	01/10/1992
iii	Name of the Company	Dhanlaxmi Fabrics Ltd
iv	Category/Sub-category of the Company	Public Ltd Company
v	Address of the Registered office & contact details	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. Maharashtra
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400 072

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products /service	NIC Code of the Products/ervices	% to total turnover of the company
1	Processing of Fabric & Yarn	1313	34.88
2	Fabric Manufacturing & Trading	1311	64.41
3	Wind Power Generation		0.71

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

Sl No	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Dhanesh Fabrics Pvt Ltd	L17120MH2008PTC186271	Subsidiary	99.99	2(87)
2	DFI Fabrics Pvt Ltd	U51109MH2008PTC186271	Subsidiary	99.80	2(87)
3	Western Chlorides & Chemicals Pvt Ltd	U24100MH1970PTC014919	Subsidiary	99.99	2(87)
4	Dhalaxmi Cotex Ltd	L51100MH1987PLC042280	Associate	NIL	2(6)
5	Sohanlal Export Fabrics Pvt Ltd	U17100MH1987PTC052567	Associate	NIL	2(6)
6	Dhanlaxmi Export Fabric Pvt Ltd	U18101MH1991PTC062950	Associate	NIL	2(6)
7	Promtech Impex Pvt Ltd	U74140MH1992PTC259947	Associate	NIL	2(6)
8	MR Share Broking Pvt Ltd	U67120MH1999PTC122709	Associate	NIL	2(6)
9	VRM Share Broking Pvt Ltd	U67120MH2000PTC125421	Associate	NIL	2(6)

**DHANLAXMI FABRICS LTD**  
**A. Statement Showing Shareholding Pattern**

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015		No. of Shares held at the end of the year: 31/03/2016	
	Demat	Physical	Demat	Physical
(A) Shareholding of Promoter and Promoter Group				
<b>Indian</b>				
(a) INDIVIDUAL / HUF	2077481	428500	2505981	29.20
(b) Central / State government(s)				0.00
(c) BODIES CORPORATE	2642525	0	2642525	30.79
(d) FINANCIAL INSTITUTIONS / BANKS				0.00
(e) ANY OTHERS (Specify)				
(i) GROUP COMPANIES	1280000	0	1280000	14.92
(ii) TRUSTS				0.00
(iii) DIRECTORS RELATIVES				
<b>SUB TOTAL (A)(1) :</b>	<b>6000006</b>	<b>428500</b>	<b>6428506</b>	<b>74.91</b>
<b>Foreign</b>				
(a) BODIES CORPORATE				
(b) INDIVIDUAL				
(c) INSTITUTIONS				
(d) QUALIFIED FOREIGN INVESTOR				
(e) ANY OTHERS (Specify)				
<b>SUB TOTAL (A)(2) :</b>				
Total holding for promoters				
(A)=(A)(1) + (A)(2)	<b>6000006</b>	<b>428500</b>	<b>6428506</b>	<b>74.91</b>
<b>(B) Public shareholding</b>				
<b>Institutions</b>				
(a) Central / State government(s)				
(b) FINANCIAL INSTITUTIONS / BANKS				
(c) MUTUAL FUNDS / UTI				
(d) VENTURE CAPITAL FUNDS				
(e) INSURANCE COMPANIES				
(f) FI'S				
(g) FOREIGN VENTURE CAPITAL INVESTORS				
(h) QUALIFIED FOREIGN INVESTOR				
<b>SUB TOTAL (B)</b>				
<b>Total holding for public</b>				
(B)				
<b>Total holding for promoters + public</b>				
<b>(A)+(B)</b>	<b>6428506</b>	<b>1000</b>	<b>6428506</b>	<b>74.91</b>
<b>% Change</b>				<b>0.00</b>

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015			No. of Shares held at the end of the year :31/03/2016					
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
(i) ANY OTHERS (Specify)									
(j) FOREIGN PORTFOLIO INVESTOR									
(k) ALTERNATE INVESTMENT FUND									
SUB TOTAL (B)(1) :									
<b>Non-institutions</b>									
(a) BODIES CORPORATE	1389813	173400	1563213	18.22	1430069	173400	1603469	18.69	0.47
(b) INDIVIDUAL									
(i) (CAPITAL UPTO TO Rs.1 Lakh)	265007	131360	396367	4.62	307828	129460	437288	5.10	0.48
(ii) (CAPITAL GREATER THAN Rs.1 Lakh)	148166	44000	192166	2.24	105615	0	105615	1.23	(1.01)
(c) ANY OTHERS (Specify)									
(i) TRUSTS									
(ii) CLEARING MEMBER	0	0	0	0.00	1907	0	1907	0.02	0.02
(iii) NON RESIDENT INDIANS (NRI)	848	0	848	0.01	4315	0	4315	0.05	0.04
(iv) DIRECTORS RELATIVES									
(v) EMPLOYEE									
(vi) OVERSEAS BODIES CORPORATES									
(vii) UNCLAIMED SUSPENSE ACCOUNT									
(d) QUALIFIED FOREIGN INVESTOR									
<b>SUB TOTAL (B)(2) :</b>	<b>1803834</b>	<b>348760</b>	<b>2152594</b>	<b>25.09</b>	<b>1849734</b>	<b>302860</b>	<b>2152594</b>	<b>25.09</b>	<b>(0.00)</b>
<b>Total Public Shareholding</b>									
<b>(B)=(B)(1) + (B)(2)</b>	<b>1803834</b>	<b>348760</b>	<b>2152594</b>	<b>25.09</b>	<b>1849734</b>	<b>302860</b>	<b>2152594</b>	<b>25.09</b>	<b>(0.00)</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
(a) SHARES HELD BY CUSTODIANS									
(i) Promoter and Promoter Group									
(ii) Public									
SUB TOTAL (C)(1) :									
(C)=(C)(1)									
<b>Grand Total (A) + (B) + (C)</b>	<b>7803840</b>	<b>777260</b>	<b>8581100</b>	<b>100.00</b>	<b>8277240</b>	<b>303860</b>	<b>8581100</b>	<b>100.00</b>	<b>0.00</b>

## NOTES :

1) NAME, NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE

**DHANLAXMI FABRICS LTD**  
**TOP TEN NON PROMOTERS MOVEMENT**

Sr.No	NAME	No. of Shares at Date the beginning /End of the year	Increase/Decrease in Reason- shareholding	Number of Shares	Percentage of total shares of the company
1	ESKAY NIRYAT PVT LTD	1,280,000 31-Mar-15	0Transfer	1,280,000	14.92
		1,280,000 31-Mar-16	0Transfer	1,280,000	14.92
2	CRB SHARE CUSTODIAN SERVICES LTD	125,000 31-Mar-15	0Transfer	125,000	1.46
		125,000 31-Mar-16	0Transfer	125,000	1.46
3	JIGNESH FABRICS PVT.LTD.	30,626 31-Mar-15	0Transfer	30,626	0.36
		19-Feb-16	44000 Transfer	74,626	0.87
		74,626 31-Mar-16	0Transfer	74,626	0.87
4	BABITA NARESH JAIN	59,318 31-Mar-15	0Transfer	59,318	0.69
		59,318 31-Mar-16	0Transfer	59,318	0.69
5	CRB CAPITAL MARKETS LTD	45,500 31-Mar-15	0Transfer	45,500	0.53
		45,500 31-Mar-16	0Transfer	45,500	0.53
6	SNEHALATHA SINGHI	38,559 31-Mar-15	0Transfer	38,559	0.45
		25-Mar-16	-1733 Transfer	36,826	0.43
		31-Mar-16	-565 Transfer	36,261	0.42
		36,261 31-Mar-16	0Transfer	36,261	0.42
7	HERMES TRAVEL AND CARGO PVT.LTD.	30,600 31-Mar-15	0Transfer	30,600	0.36
		30,600 31-Mar-16	0Transfer	30,600	0.36
8	DIPAK KANAYALAL SHAH	15,000 31-Mar-15	0Transfer	15,000	0.17
		1-May-15	-10 Transfer	14,990	0.17
		7-Aug-15	-2490 Transfer	12,500	0.15
		4-Sep-15	-2500 Transfer	10,000	0.12
		25-Sep-15	-10000 Transfer	0	0.00
		31-Mar-16	0 Transfer	0	0.00
9	RAM GOPAL RAMGARHIA HUF	13,200 31-Mar-15	0Transfer	13,200	0.15
		3-Jul-15	100 Transfer	13,300	0.16
		10-Jul-15	125 Transfer	13,425	0.16
		7-Aug-15	225 Transfer	13,650	0.16
		14-Aug-15	25 Transfer	13,675	0.16
		28-Aug-15	-300 Transfer	13,375	0.16

**DHANLAXMI FABRICS LTD**  
**TOP TEN NON PROMOTERS MOVEMENT**

Sr.No	NAME	No. of Shares at Date the beginning /End of the year	Increase/Decrease in Reason- shareholding	Number of Shares	Percentage of total shares of the company
		4-Sep-15	20Transfer	13,395	0.16
		11-Sep-15	-7749Transfer	5,646	0.07
		18-Sep-15	-1926Transfer	3,720	0.04
		25-Sep-15	-3245Transfer	475	0.01
		30-Sep-15	283Transfer	758	0.01
		9-Oct-15	450Transfer	1,208	0.01
		16-Oct-15	69Transfer	1,277	0.01
		30-Oct-15	542Transfer	1,819	0.02
		6-Nov-15	150Transfer	1,969	0.02
		22-Jan-16	25Transfer	1,994	0.02
		29-Jan-16	-1098Transfer	896	0.01
		5-Feb-16	100Transfer	996	0.01
		12-Feb-16	-996Transfer	0	0.00
		31-Mar-16	0Transfer	0	0.00
10	EDELWEISS BROKING LTD	12,360 31-Mar-15	0Transfer	12,360	0.14
		27-Nov-15	510Transfer	12,870	0.15
		4-Dec-15	-510Transfer	12,360	0.14
11	ANIL MANSUKHLAL KOTHARI	12,360 31-Mar-16	0Transfer	12,360	0.14
		10,036 31-Mar-15	0Transfer	10,036	0.12
		10,036 31-Mar-16	0Transfer	10,036	0.12
12	SANJAYKUMAR SARAWAGI	10,000 31-Mar-15	0Transfer	10,000	0.12
		10,000 31-Mar-16	0Transfer	10,000	0.12

**B. SHAREHOLDING OF PROMOTERS**

Sr.No	NAME	Shareholding at the beginning of the year 01/04/2015		Shareholding at the end of the year 31/03/2016	
		Number of Shares	%Shares of the Company	Number of Shares	%Shares of the Company
5	JHAWAR KAMLA R	200	0.0023	200	0.0023
6	JHAWAR LAXMI	300	0.0035	300	0.0035
7	JHAWAR JAMANA	500	0.0058	500	0.0058
8	VADANA V JHAWAR	11000	0.1282	0.0000	0.0000
9	VINOD S JHAWAR	11000	0.1282	0.0000	0.0000
10	LAXMI M JHAWAR	11000	0.1282	0.0000	0.0000
11	MAHESH JHAWAR	11000	0.1282	0.0000	0.0000
12	MAHESH S. JHAWAR	16400	0.1911	27400	0.3193
13	LALIT VINOD JHAWAR	26200	0.3053	26200	0.3053
14	VINOD JHAWAR HUF .	30000	0.3496	30000	0.3496
15	RAMAUTAR S JHAWAR	44300	0.5163	0.0000	0.0000
16	MAHESH JHAWAR HUF .	56700	0.6608	56700	0.6608
17	MUKUL VINOD JHAWAR	60000	0.6992	60000	0.6992
18	RAHUL MAHESH JHAWAR	70200	0.8181	70200	0.8181
19	LAXMI M. JHAWAR	96273	1.1219	107273	1.2501
20	RAMAUTAR S. JHAWAR	96700	1.1269	96700	1.1269
21	VANDANA VINOD JHAWAR	133200	1.5522	144200	1.6804
22	RAMAUTAR JHAWAR HUF .	136470	1.5904	136470	1.5904
23	RAMAVTAR S JHAWAR	143900	1.6769	0.0000	0.0000
24	SOHANLAL S JHAWAR	195300	2.2759	195300	2.2769
25	VINIT R JHAWAR	198800	2.3167	198800	2.3167
26	M R SHARE BROKING PVT LTD	200000	2.3307	200000	2.3307
27	V R M SHARE BROKING P. LTD.	200000	2.3307	200000	2.3307
28	KAMALA RAMAUTAR JHAWAR	287730	3.3531	287730	3.3531
29	DHANLAXMI COTEX LTD.	347079	4.0447	347079	4.0447
30	VINOD SOHANLAL JHAWAR	375300	4.3736	386300	4.5018
31	Dhanlaxmi Export Fabrics Pvt. Ltd.	438000	5.1042	438000	5.1042
32	RAMAUTAR S. JHAWAR	493508	5.7511	681708	7.9443
33	PROMTECH IMPEX PVT LTD	1280000	14.9165	1280000	14.9165
34	JHAWAR COMMODITIES PVT LTD	1457446	16.9844	1457446	16.9844
<b>TOTAL</b>		<b>6428506</b>	<b>74.9147</b>	<b>6428506</b>	<b>74.9147</b>

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**C . CHANGE IN PROMOTERS SHAREHOLDING**

	Shareholding at the beginning of the year 01/04/2015		Shareholding at the end of the year 31/03/2016	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares the company
At the beginning of the year	6428506		6428506	74.91
DECREASE 15/01/2016	195300	2.28	6233206	72.63
INCREASE 29/01/2016	195300	2.28	6428506	74.91
DECREASE 19/02/2016	11000	0.13	6417506	74.78
INCREASE 25/03/2016	7500	0.04	6425006	74.87
31/03/2016	3500	0.04	6428506	74.91

**D. SHAREHOLDING OF DIRECTORS' & KMP**

	Shareholding at the beginning of the year 01/04/2015		Shareholding at the end of the year 31/03/2016	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares the company
Ramautar S. Jhawar	778408	9.07	778408	9.07
Vinod S. Jhawar	386300	4.50	386300	4.50
Mahesh S. Jhawar	27400	0.32	27400	0.32
N. C. Sharma	-	-	-	-
Durgesh Kabra	-	-	-	-
Smt. Jayashree Iyer	-	-	-	-
TOTAL	1192108	13.89	1192108	13.89

**E. INDEBTEDNESS**

Rs in Lacs

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1757.18	45.40		1802.57
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	-	-		
<b>Total (i+ii+iii)</b>	1757.18	45.40		1802.57
<b>Change in Indebtedness during the financial year</b>				
Additions	NIL	109.03		109.03
Reduction	360.55	-		360.55
Net Change	-360.55	109.03		-251.52
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1396.63	154.43		1551.06
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>	1396.63	154.43		1551.06

**F. PENALTIES/PUNISHMENT / COMPOUNDING OF OFFENCES**

Type Companies	Section of the Description Act	Brief Punishment/ Compounding	Details of Penalty/ (RD/NCLT/Court) Compounding fees imposed	Authority (give details)	Appeal made if
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE V

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs in Lacs

Sl.No	Particulars of Remuneration	MD	WTD	Manager	Total Amount
	Name	Vinod Jhawar			
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	12.00			12.00
	b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit others (specify)				
5	others, (specify)				
	Total A	12.00			12.00
	Celling As Per The Act				

## B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors (a) Fee for attending board committee meetings (b) Commission (c ) Others, please specify <b>Total (1)</b>	N. C. Sharma 0.30  0.30	Jayashree Iyer 0.23  0.23		0.53   0.53
2	Other Non Executive Directors (a) Fee for attending board committee meetings (b) Commission (c) Others, please specify. <b>Total (2)</b>	R. S. Jhawar 0.30  0.30	M. S. Jhawar 0.30  0.30		0.60   0.60
	<b>Total (B)=(1+2)</b>	0.60	0.53		1.13
	<b>Total Managerial Remuneration</b>				<b>13.13</b>
	<b>Overall Cieling as per the Act.</b>				

**ANNEXURE VI****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, 2016, 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.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

Ramesh Chandra Mishra  
Company Secretary  
CP No. : 3987  
FCS No : 5477

**Annexure-VII**  
**To Directors Report**

**Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo:**

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

**Conservation of Energy :**

- |  |                         |
|--|-------------------------|
| 1. Energy conservation measures taken.   | Adequate Measures Taken |
| 2. Additional investment and proposals, if any, being implemented<br>For reduction of consumption:   | NIL                     |
| 3. Impact of measures at (1) and (2) above for reduction of energy<br>Consumption and consequent impact on the cost of production of<br>Goods. | Marginal                |
| 4. Total energy consumption any energy consumption per unit of<br>Production are as under:   |                         |

(Rs. in lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Powers and Fuel Consumption (Process Division Yarn + Fabrics)</b>		
1. Electricity a) Purchased		
Unit (Lacs)	41.60	41.78
Total Amount (Rs. In lacs)	333.12	321.46
Avg. Rate/Unit (Rs.)	8.01	7.69
b) Own generation (Through D.G.Set)		
Unit (Lacs)	0.11	0.14
Diesel Oil Consumed Ltrs (Lacs)	0.05	0.08
Total Amount (Rs. In Lacs)	2.78	5.03
Avg. Rate per Ltr (Rs.)	51.03	61.67
2. Coal		
Quantity (M.Tonnes)	9397	10657
Total Amount (Rs. In Lacs)	490.64	690.52
Avg Rate/M. tone (Rs.)	5221	6480
<b>B. Consumption Per Kg Of Production</b>		
Production (lac Kgs.)	27.43	23.79
Electricity (Rs.)	12.14	13.51
Diesel Oil (Rs.)	0.10	0.21
Coal (Rs.)	17.89	29.03
Total	30.13	42.75
<b>C. Weaving Division Power Consumption</b>		
1. Electricity Purchased		
Units (Lacs)	27.61	27.22
Total Amount (Rs in Lacs)	94.36	123.96
Avg. Rate/unit (Rs)	3.42	4.63
2. Production (Lac Mtrs)	44.17	37.52
3. Cost of Power per Mtrs (Rs)	2.14	3.30

**Technology Absorption:**

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

**Foreign Exchange Earnings and Otgo:**

**(Rs. In Lacs)**

	2015-2016	2014-2015
Foreign Exchange Outgo	55.26	13.41
Foreign Exchange Earnings	16.60	NIL

For and on behalf of the Board

Place: Mumbai  
Date: 30th May, 2016

Ramautar S. Jhawar  
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 1st 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.

In the liberalized post quota period, India has emerged as a major sourcing destination for buyers from all over the globe. As a measure of growing interest in the Indian textiles and clothing sector, a number of reputed houses opened their sourcing / liaison office in India. These include Marks and Spencer, Haggar Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International, Quest Apparel Inc., etc. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also proactively working towards enhancing their capacities to fulfil this increased demand.

### 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 MW in Dhule Maharashtra. Again in the year 2005-06 Company has installed 8 WTG of 0.25 MW each (total 2.00 MW) in NetturTamilnadu. 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:**

Inspite of the adverse effect of increase in input cost, your company has achieved growth of 12.76%% in turnover and 269.13% in operational profits in comparison to previous year.

	(Rs.in Lacs)	
	2015-16	2014-15
Turnover		
Processing Charges Fab /Yarn	3049.67	3600.55
Fabrics / Yarn /Garment Sale	5724.41	4113.27
Power Sale	63.02	123.45
Total	<b>8837.10</b>	<b>7837.27</b>
Profitability		
Net Profit after Taxation	62.36	188.49
Add. (Less): Loss /(Profit) on Sale of Fixed Asset	(117.01)	(7.50)
Extraordinary Expenses	555.26	0.00
Less: Income from house property	76.52	66.10
Net Profit by operation	<b>424.09</b>	<b>114.89</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.

For and on behalf of the Board Of Directors

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

Ramautar S. Jhawar  
Chairman

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Corporate Governance:

Dhanlaxmi Fabrics Management constantly strives towards improving systems and process that promote the values of transparency, professionalism, accountability and compliance. The Company remains firmly committed to this central theme and endeavors to improve these values on an on going basis. We have an obligation towards our stakeholders including shareholders, employees, customers, suppliers and communities to be honest, fair and forthright in our business activities.

Good corporate governance is the basis for decision making and control processes and comprises responsible, value-based management and monitoring focused on long-term success, goal-orientation and respect for the interest of our stakeholders.

Recent amendments of Companies Act 2013 are effective from October 1, 2014. The amended rules require Companies to get shareholder's approval for related party transactions, establish whistleblower mechanisms, elaborate disclosures on pay-packages and have atleast one Woman Director on their Boards. The SEBI has notified SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 on September 2, 2015 replacing earlier Listing Agreement (w.e.f. 1st December 2015). The amended norm is aligned with the provisions of the Companies Act, 2013 and is aimed to encourage Companies to adopt best practices on Corporate Governance.

### 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 2016 is given below:

Director	Non-Executive/ Independent*	Number of other		
		Director ships**	Committee Memberships*	Committee Chairman- ships***
Shri Ramautar S. Jhavar	Chairman, Non-Executive	1	-	-
Shri Vinod S. Jhavar	Managing Director, Executive	-	-	-
Shri Mahesh S. Jhavar	Non Executive	1	-	-
Shri N.C. Sharma	Non Executive, Independent	-	-	-
Shri Durgesh Kabra	Non-Executive, Independent	-	-	-
Smt. Jayashree Iyer	Non-Executive, Independent	-	-	-

\* 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.

Six Board Meetings were held during the year ended 31<sup>st</sup> March, 2016 i.e. on 27<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 5<sup>th</sup> November, 2015, 9<sup>th</sup> February, 2016, 16<sup>th</sup> February, 2016 and 11<sup>th</sup> March, 2016.

The table hereunder gives the attendance record of the Directors during the financial year 2015-16

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ramautar S. Jhavar	6	6	Yes
Shri Vinod S. Jhavar	6	6	Yes
Shri Mahesh S. Jhavar	6	6	Yes
Shri N.C. Sharma	6	6	Yes
Shri Durgesh Kabra	6	1	No
Smt. Jayashree Iyer	6	4	No

- The Board evaluated Each of Independent Directors participation in the Board and their vast Experience, Expertise and contribution to the Board and Company. Each and every related party transaction very well scrutinized and checks were made so that the Company is a beneficiary.
- During the Period the company received notices/Declarations from the Independent Directors as per Schedule IV and section 149 (6) of the Companies Act, 2013.
- The Chairman also set up a Whistleblower mechanism in line with the policy of the company and as per SEBI notification CIR/CFD/POLICY CELL/2/2014 read with section 177 of Companies Act, 2013.

**B. Board Committees:**

Currently, the Board has Five committees –Audit Committee, Stakeholder Relationship Committee Nomination & Remuneration Committee, Share Transfer Committee and Health & Safety 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:**

To oversee the Company's Financial Report process, internal control systems, reviewing the accounting policies and practices, and financial statements audited by the statutory auditors and

As required under Section 177 of the Companies Act, 2013, read with the provisions of Clause 49 of the Listing Agreement, the Board has constituted an Audit Committee.

The Present Audit Committee comprises of the following members:

Name of the Directors	Status of the Committee	Nature of Directorship
Shri. N.C. Sharma	Chairman	Non Executive & Independent Director
Shri. Durgesh Kabra	Member	Non Executive & Independent Director
Shri. Ramautar S. Jhavar	Member	Non Executive Director

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:

- i. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;
- ii. recommending the appointment and removal of the external Auditors, fixation of Audit fee and approval for payment of any other services;
- iii. reviewing with management the Annual financial Statements before submission to the Board;
- iv. reviewing with the management and external Auditors, the adequacy of internal control systems;
- v. reviewing the adequacy of Cost Audit function;
- vi. discussing with Cost Auditors any significant findings and follow up on such issues;
- vii. discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- viii. reviewing the Company's financial and risk management policies; and
- ix. 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 31st March, 2016, Four (4) Audit Committee Meetings were held on i.e. on 27<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 5<sup>th</sup> November, 2015 and 9<sup>th</sup> February, 2016.

The table hereunder gives the attendance record of the Audit Committee Members during the Financial Year 2015-16

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

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, 2017 and that necessary resolution for appointing them as Auditors be placed before the Shareholders.

#### **2. Nomination & Remuneration Committee:**

As on 31st March 2016, the Remuneration Committee consists of Three (3) members :

<b>Name of the Directors</b>	<b>Status of the Committee</b>	<b>Nature of Directorship</b>
Shri N.C. Sharma	Chairman	Non Executive & Independent Director
Shri. Durgesh Kabra	Member	Non Executive & Independent Director
Shri. Ramautar S. Jhawar	Member	Non Executive Director

#### **a) Remuneration Policy:**

The objects of Nomination and Remuneration Committee is to assess the remuneration payable to our Managing Director/Whole Time Directors, sitting fee payable to our Non-Executive Directors and remuneration payable to our Senior Executives. The Nomination and Remuneration Committee is duly constituted and the matters specified in accordance with Clause 49 of the Listing Agreement read with Regulation 19 of SEBI (LODR) Regulation 2015 and of Section 178 of the Companies Act, 2013

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, 2016:

Director	Salary & Perquisites	Performance Incentive / Bonus	Commission	Total
Shri Vinod S. Jhavar Managing Director	12.00 Lacs	NIL	NIL	12.00 Lacs

Name of Non-Executive Director	Equity Shares held (Number)	Sitting Fees (Rs. in Lacs)
Shri Ramautar S. Jhavar	778408	0.30
Shri Mahesh S. Jhavar	27400	0.30
Shri N.C. Sharma	NIL	0.30
Shri. Durgesh Kabra	NIL	-
Shmt. Jayshree Iyer	NIL	0.23

During the year ended 31<sup>st</sup> March 2016, no meeting of the Remuneration Committee was held.

### 3. Stakeholder Relationship Committee:

#### Brief description and Terms of Reference

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 Annual Report, non-receipt of dividends etc. and also recommends measures to improve the performance of investor services. The Committee performs such other functions as may be necessary or appropriate for the performance of duties.

The Stakeholder Relationship Committee is duly constituted and the matters specified in accordance with Clause 49 of the Listing Agreement read with Regulation 19 of SEBI (LODR) Regulation 2015 and of Section 178 of the Companies Act, 2013

As at 31<sup>st</sup> March, 2016, the Shareholder Relationship Committee consists of :

Name of the Directors	Status of the Committee	Nature of Directorship
Shri. Mahesh S. Jhavar	Chairman	Non Executive Director
Shri. N.C. Sharma	Member	Non Executive & Independent Director
Shri. Ramautar S. Jhavar	Member	Non Executive Director

#### Meetings and Attendance:

Four Committee meetings were held during the year ended 31<sup>st</sup> March, 2016. The attendance record of members is given in the table hereunder:

Name of the Shareholders'/ Investors'	No. of meetings held grievance committee members	No. of meetings attended
Shri. Mahesh S. Jhavar	4	4
Shri N. C.Sharma	4	4
Shri. Ramautar S. Jhavar	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, 2016:

The total number of complaints received and replied to the satisfaction of the Shareholders during the year ended 31<sup>st</sup> March, 2016 was none. There were no pending/unattended complaints as on 31<sup>st</sup> March, 2016.

#### 4. Share Transfer Committee:

The board has delegated the powers to a committee to approve transfer/transmission of shares and attend to all other Matters related thereto;

The present Share Transfer Committee consists of :

Name of the Directors	Status of the Committee	Nature of Directorship
Smt.Jayashree Iyer	Chairman	Non Executive & Independent Director
Shri.N.C. Sharma	Member	Non Executive & Independent Director
Shri.Vinod S. Jhavar	Member	Executive Director

#### 5.Health & Safety Committee:

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

The present Committee consists of :

Name of the Directors	Status of the Committee	Nature of Directorship
Smt. Jayashree Iyer	Chairman	Non Executive & Independent Director
Shri. N.C. Sharma	Member	Non Executive & Independent Director
Smt. Supriya Ankush Rane	Member	Staff Member

#### C.General Body Meetings:

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

Year	Date	Venue/ Details of Special Resolution passed	Time
2013	21/09/2013	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. Special Resolution was passed.	1.00 P.M
2014	20/09/2014	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. No Special Resolution was passed.	1.00 P.M.
2015	19/09/2015	ManpadaRoad,Bhopar Village, Dombivli (East), Thane-421 204 No Special Resolution was passed.	1.00 P.M.

#### DISCLOSURES :

##### 1 Related Party Disclosures :

The Company has not entered into any materially significant related party transactions with its Promoters,Directors, or Management. The Company had formulated and adopted a policy with related party transaction and same is displayed on the Company's website "www.dfl.net.in".

The details of such related party transactions are available in the Notes to the Standalone financial statements section of the Annual Report.

**2. COMPLIANCE BY THE COMPANY :**

The Company has complied with the requirement of regulatory authorities on matters related to capital market and no penalties/stricture have been imposed against the Company during the last three year.

**3. ACCOUNTING TREATMENT :**

The account treatments are in accordance with the applicable accounting standard. The company has not altered or adapted any new standard.

**4. RISK MANAGEMENT FRAMEWORK :**

The Company has well-defined risk management framework in place. The Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

**5. VIGIL MECHANISM / WHISTLE BLOWER :**

The Company has implemented a vigil mechanism named Whistle Blower Policy to deal with instace of fraud and mismanagement. The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. All personnel have affirmed that they have not been denied access to the Chairman of the Audit Committee.

**6. NON-MANDATORY REQUIRMENTS :**

Shareholder's Rights : The Quarterly financial results are punlished in Two leading newspapers and also displayed on the Company's website 'www.dfl.net.in'

**7. PREVENTION OF INSIDER TRADING :**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prevention of insider Trading) Regulation, 2015 and the same is available on the Company's website 'www.dfl.net.in' The policy also includes practices and procedures for fair disclosures of unpublished pricesensitive information, initial and continual disclosures.

**8. CODE OF CONDUCT :**

In accordance with Regulation 26 (3) of the SEBI (Listing obligations and Disclousure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for Board of Director and Senior Management. The Code is available on the Company's website : 'www.dfl.net.in'.

All members of the Board of Directors and Senior Management personnel have affirmed compliance to the Code as 31st March, 2016. A declaration to this effect signed by the Managing Directoris annexed to this Report.

**9. CEO AND CFO CERTIFIATION :**

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

**I. General Shareholder Information :**

- |   |   |
|---|---|
| 1. Date, time and venue of Annual General Meeting of Shareholders | 24 <sup>th</sup> September 2016, 1.00 p.m. at Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204.  |
| 2. Financial Year   | 2015-2016   |
| 3. Dates of book closures   | 19 <sup>th</sup> September, 2016 to 23 <sup>rd</sup> September 2016(both days Inclusive)  |
| 4. Financial Calendar<br>(tentative and subject to change)        | <p><b>Financial reporting for quarter ended</b></p> <p>June 30, 2016 : by August 14, 2016</p> <p>September 30,2016 : by November 14, 2016</p> <p>December 31,2016 : by February 14, 2017</p> <p>March 31, 2017 : by May 30, 2017</p> <p>Annual General Meeting<br/>for year ended 31<sup>st</sup> March 2017 – September 30<sup>th</sup>, 2017.</p> |
| 5. Listing on stock exchanges                                     | Bombay Stock Exchange Limited   |
| 6. Stock Code   | 521151  |
| 7. Listing fees   | Paid for year 2016-2017 to The Bombay 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<br>E-2/3, Ansa Industrial Estate,<br>Sakivihar Road, Saki Naka, Andheri (E),<br>Mumbai 400 072<br>Tel No.:091-022-8473474 / 28470653<br>28473747 / 40430200<br>Fax No: 091-022-28475207<br>E-mail: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>   |

**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.

4734.00 Share transferred in physical form during the year 2015-16.

**11. Dematerialization 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.

**12. Plant Location:****1. Process House:**

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

**2. Weaving Unit :**

Parvati Industrial Estate, Plot No. B-2/3/4/5, Yadrav, Taluka Shirol, Dist. Kolhapur, Maharashtra.

**13. 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

**14. 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

Sd/-

Ramautar S. Jhavar

Chairman

Place : Mumbai

Date : 30<sup>th</sup> May, 2016.

**CEO/CFO CERTIFICATION TO THE BOARD**

I Certify that:-

- a. I have reviewed the financial statements and the cash flow statement for the year 2015- 16 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 2015-2016 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 2015-16
  - Significant changes in accounting policies during the year 2015-16 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/-

Vinod S. Jhavar

Managing Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2016

## 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.

**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, 2016

Vinod S. Jhavar  
Managing Director

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
DHANLAXMI FABRICS LIMITED

### **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **DHANLAXMI FABRICS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b). in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c.) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d). in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e). On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f). With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 29 Contingent Liabilities to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place : Mumbai  
Date: 30<sup>th</sup> May, 2016

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) .**

We have audited the internal financial controls over financial reporting of **DHANLAXMI FABRICS LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Mumbai  
Date: 30<sup>th</sup> May,2016

### “Annexure B” to the Independent Auditors’ Report

**(Referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements of our report of even date to the members of DHANLAXMI FABRICS LIMITED for the year ended 31st March, 2016)**

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) All the fixed assets were physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of the Land in the immovable property are not held in the name of the company.
- ii) The management has conducted the physical verification of inventory at reasonable intervals. We are informed that no material discrepancies were noticed on physical verification of the inventory
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a) to (c) of the Order is not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules prescribed by the Central Government under sub section 1 of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and cost records have been maintained.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates (FY)	Forum where disputes is pending
Income Tax Act, 1961	Income Tax Assessment	90,54,500/-	2009-2010	Commissioner of Income Tax (Appeal)
	Income Tax Assessment	5,61,160/-	2010-2011	Commissioner of Income Tax (Appeal)
	Income Tax Assessment	95,180/-	2011-2012	Commissioner of Income Tax (Appeal)

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

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

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

Place : Mumbai  
Date: 30<sup>th</sup> May, 2016

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2016	AS AT 31-03-2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' fund</b>			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	3,091.05	3,028.69
<b>Total</b>		<b>3,949.16</b>	<b>3,886.80</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	1,551.06	1,802.57
(b) Deferred tax liabilities (net)	4	453.20	542.14
(c) Other long-term liabilities	5	18.53	34.68
(d) Long-term provisions	6	715.58	546.70
<b>Total</b>		<b>2,738.37</b>	<b>2,926.09</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	956.17	400.88
(b) Trade payables	8	644.81	1,339.96
(c) Other current liabilities	9	77.87	56.03
(d) Short-term provisions	10	49.59	89.22
<b>Total</b>		<b>1,728.44</b>	<b>1,886.09</b>
<b>TOTAL</b>		<b>8,415.97</b>	<b>8,698.98</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,858.79	3,419.76
(ii) Capital work-in-progress		1,356.20	755.81
(b) Non-current investments	12	67.08	67.08
(c) Long-term loans and advances	13	1,127.37	822.09
<b>Total</b>		<b>5,409.44</b>	<b>5,064.74</b>
<b>2 Current assets</b>			
(a) Inventories	14	1,238.53	1,412.88
(b) Trade receivables	15	1,510.31	2,065.24
(c) Cash and cash equivalents	16	57.89	51.06
(d) Short term loans and advances	17	199.80	105.06
<b>Total</b>		<b>3,006.53</b>	<b>3,634.24</b>
<b>TOTAL</b>		<b>8,415.97</b>	<b>8,698.98</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 32		

As per our report of even date attached,

For and on behalf of the Board,

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

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

**Ramautar S. Jhwar**  
Chairman

**Vinod S. Jhwar**  
Managing Director

**Mahesh S. Jhwar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2016	FOR THE YEAR ENDED 31-03-2015
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	18	8,837.10	7,837.27
2 Other income	19	392.25	128.42
<b>3 Total revenue</b>		<b>9,229.35</b>	<b>7,965.69</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	3,118.00	3,452.14
(b) Purchases of stock-in-trade	21	2,587.15	2,237.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	287.44	(431.66)
(d) Employee benefits expenses	23	668.08	632.58
(e) Finance costs	24	268.99	310.33
(f) Depreciation	25	484.94	488.47
(g) Other expenses	26	1,117.48	1,023.86
(h) Extra Ordinary expences (Doubtful debts on A/c of National Spot Exchange Scam W/off)	27	555.26	0.00
<b>Total expenses</b>		<b>9,087.34</b>	<b>7,712.72</b>
<b>5 Profit before tax</b>		<b>142.01</b>	<b>252.97</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		168.59	127.53
(b) Less- Deferred tax Credit		88.94	63.05
<b>Net tax expense</b>		<b>79.65</b>	<b>64.48</b>
<b>7 Profit for the year</b>		<b>62.36</b>	<b>188.49</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.	28	<b>0.73</b>	<b>2.20</b>
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 32		

As per our report of even date attached

For and on behalf of the Board,

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

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

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Rs. in Lacs)

Particulars	For the year ended 31/03/2016	For the year ended 31/03/2015
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	142.01	252.97
<i>Adjustments for:</i>		
Depreciation and amortisation	484.94	488.47
(Profit) / loss on sale / write off of assets	(117.01)	(7.50)
Finance costs	268.99	310.33
Interest income	(197.78)	(34.86)
Rental Income from Investment Property	(76.52)	(66.10)
Operating profit / (loss) before working capital changes	<u>504.63</u>	<u>943.31</u>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	174.35	(122.86)
Trade and other receivables	460.19	73.72
Other non-current assets	(305.27)	(99.99)
Trade and other Payables	(712.94)	(192.46)
Cash generated from operations	<u>(383.67)</u>	<u>(341.59)</u>
Net income tax (paid) / refunds	<u>(168.59)</u>	<u>(127.53)</u>
<b>Net cash flow from / (used in) operating activities (A)</b>	<b><u>(47.63)</u></b>	<b><u>474.19</u></b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(524.37)	(37.25)
Sale of fixed assets	117.01	7.50
Interest received	1 97.78	34.86
Rental income from investment properties	76.52	66.10
Long Term Liabilities	0.00	0.00
Long term Provisions	168.88	127.53
<b>Net cash flow from / (used in) investing activities (B)</b>	<b><u>35.82</u></b>	<b><u>198.74</u></b>
<b>C. Cash flow from financing activities</b>		
Issue of Equity Shares	0.00	0.00
Capital subsidy received	0.00	159.33
Repayment of long-term borrowings	(267.66)	(197.77)
Net increase / (decrease) in working capital borrowings	555.29	(337.96)
Finance cost	(268.99)	(310.33)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b><u>18.64</u></b>	<b><u>(686.73)</u></b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b><u>6.83</u></b>	<b><u>(13.80)</u></b>
Cash and cash equivalents at the beginning of the year	51.06	64.86
Cash and cash equivalents at the end of the year	57.89	51.06
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b><u>6.83</u></b>	<b><u>(13.80)</u></b>

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****Jhawar****Partner****Director**

Place : Mumbai

Date : 30<sup>th</sup> May, 2016**Ramautar S.Jhawar****Chairman**

M. No. 38867

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

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### A) Basis of Preparation of Financial Statements

The Company follows accrual basis of accounting & recognizes Income & Expenditure on accrual basis except the TUF Subsidy interest receivable from Govt. from the year 2013-2014 has been accounted on cash basis as and when received. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

### B) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made 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 II of the Companies Act, 2013 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 transaction is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities where they relatetoaquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

### H) Investments

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

**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 Deferred Tax**

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

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

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 2016**

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

	Rs. in Lacs	
	As at 31/03/2016	As at 31/03/2015
<b>1 SHARE CAPITAL</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

	As at 31/03/2016		As at 31/03/2015	
	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi Export Fabrics LLP	4,38,000	5.10	4,38,000	5.10
Ramautar Sohanlal Jhawar	7,78,408	9.07	7,78,408	9.07

	As at 31/03/2016	As at 31/03/2015
<b>2 RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>	108.46	108.46
<b>Equity Share Premium reserve</b>	896.00	896.00
<b>Profit &amp; Loss A/c</b>		
As per last Balance sheet	2,024.23	1,874.29
Less : WDV as on 31-03-2014 of fixed assets having NIL usefull life as per schedule II of Companies Act, 2013.	-	(38.55)
Add : Profit for the year	62.36	188.49
<b>Total</b>	<b>2,086.59</b>	<b>2,024.23</b>
	<b>TOTAL</b>	<b>3,091.05</b>
		<b>3028.69</b>

**3 LONG TERM BORROWINGS**

(Rs. in Lacs)

	As at 31/03/2016	As at 31/03/2015
<b>Secured Loans</b>		
Term Loan from Kotak Mahindra Bank	249.19	412.61
Term Loan from The Shamrao Vithal Co-Op. Bank	1,147.44	1,344.56
<b>Unsecured Loans</b>		
From Promtech Impex Pvt Ltd	154.43	45.40
<b>Total</b>	<b>1,551.06</b>	<b>1,802.57</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 directors and corporate guarantee of M/s. Western Chlorides and Chemicals Pvt Ltd subsidiary of the company.

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

3.3 Repayment schedule of Bank Term Loan.

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

**4 DEFERRED TAX LIABILITIES (NET)**

As at 31/03/2016

As at 31/03/2015

**Deferred Tax Liabilities**

At Beginning of the year	542.14	623.70
Deferred Tax Liability / (Assets) for the year	(88.94)	(63.05)
Deferred Tax Assets on retained earning amount debited to previous year surplus	0.00	(18.51)
At closing of the year	<b>453.20</b>	<b>542.14</b>

**5. OTHER LONG TERM LIABILITIES**

As at 31/03/2016

As at 31/03/2015

Deposits received from Licensee	<b>18.53</b>	<b>34.68</b>
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5.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No. 402 to 406 at Kailas Corporate Lounge Vikroli Mumbai and 2nd Floor of Building I at Raj Laxmi Park, Kalher Bhiwandi given on rent to them.

1. Yukti Mercantile Pvt Ltd	0.96
2. John Keells Logistics Pvt Ltd	0.87
3. Synergy Property Development Services Pvt Ltd	16.70
<b>Total</b>	<b>18.53</b>

(Rs. in Lacs)

As at 31/03/2016

As at 31/03/2015

**6 LONG TERM PROVISIONS**

Provision for IT	<b>715.58</b>	<b>546.70</b>
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- 6.1** Provision for IT for the Financial year 2010-11 to 2015-16 has been made which will be written off after actual assesment of IT and difference will be appropriated by Debiting/ Crediting the P&L A/c in that year.

**7 SHORT TERM BORROWINGS.****Secured Borrowing**

Cash credit from Kotak Mahindra Bank	484.23	8.32
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd.	471.94	392.56
<b>Total</b>	<b>956.17</b>	<b>400.88</b>

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

**8 TRADE PAYABLES**

Creditors	<b>644.81</b>	<b>1,339.95</b>
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- 8.1** Disclosure under Section 22 of the Micro, Small and medium enterprises Development Act 2006 could not be furnished as none of the suppliers of the company have provided the details of their registration under the said Act.

**9 OTHER CURRENT LIABILITIES**

Charity Fund	12.93	12.57
Unclaimed Dividends	0.00	0.37
Statutory Liabilities	62.07	39.50
Advance received from customers	2.87	3.59
<b>Total</b>	<b>77.87</b>	<b>56.03</b>

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

**10 SHORT TERM PROVISIONS**

Provision for outstanding Expenses	<b>49.59</b>	<b>89.22</b>
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**11 FIXED ASSETS**

(Rs. in Lacs)

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-04-2015	Addition during the year	Sold during the year	Total as at 31-03-2016	Upto 31-03-2015	Provided for the year	Adjusted during the year	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
1. Land	173.31	0.00	0.00	173.31	0.00	0.00	0.00	0.00	173.31	173.31
2. Building	640.94	0.00	0.00	640.94	244.98	20.16	0.00	265.14	375.80	395.96
3. Plant & Machinery	5166.09	27.42	0.00	5193.51	2804.16	424.51	27.22	3228.67	1964.84	2361.93
4. Electrical Installation	148.63	0.00	0.00	148.63	102.10	4.90	0.00	107.00	41.63	46.53
5. Pipe Fitting	34.62	0.00	0.00	34.62	31.81	0.15	0.00	31.96	2.66	2.81
6. Furniture & Fixture	108.56	0.00	0.00	108.56	95.85	4.59	0.00	100.44	8.12	12.71
7. Laboratory Equipment	25.71	0.00	0.00	25.71	19.27	2.63	0.00	21.90	3.81	6.44
8. Office Equipment	9.05	0.00	0.00	9.05	7.01	0.48	0.00	7.49	1.56	2.04
9. Air Conditioner	17.07	0.00	0.00	17.07	8.99	0.94	0.00	9.93	7.14	8.08
10. Computer	42.67	2.00	0.00	44.67	38.15	2.70	0.00	40.85	3.82	4.52
11. Motor Vehicle	82.43	0.00	0.00	82.43	56.83	7.92	0.00	64.75	17.68	25.60
12. Misc. Fixed Assets	48.47	5.54	0.00	54.01	22.36	6.43	0.00	28.79	25.22	26.11
13. House Property	222.23	0.00	0.00	222.23	22.47	3.37	0.00	25.84	196.39	199.76
<b>SUB-TOTAL</b>	<b>6719.78</b>	<b>34.96</b>	<b>0.00</b>	<b>6754.74</b>	<b>3453.98</b>	<b>478.78</b>	<b>0.00</b>	<b>3932.76</b>	<b>2821.98</b>	<b>3265.80</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	1000.00	521.00	1377.04	6.16	889.01	494.19	26.81	143.96
Sub Total	1531.00	0.00	1000.00	531.00	1377.04	6.16	889.01	494.19	36.81	153.96
<b>Total</b>	<b>8250.78</b>	<b>34.96</b>	<b>1000.00</b>	<b>7285.74</b>	<b>4831.02</b>	<b>484.94</b>	<b>889.01</b>	<b>4426.95</b>	<b>2858.79</b>	<b>3419.76</b>
<b>PREVIOUS YEAR</b>	<b>8400.08</b>	<b>37.25</b>	<b>186.55</b>	<b>8250.78</b>	<b>4369.77</b>	<b>488.47</b>	<b>27.22</b>	<b>4831.02</b>	<b>3419.76</b>	

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

**12 NON-CURRENT INVESTMENTS**

In equity shares of subsidiary companies

**As at 31/03/2016****As at 31/03/2015****1. Western Chlorides & Chemicals Pvt Ltd**

65.08

65.08

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

**2. Dhanesh Fabrics Pvt Ltd**

1.00

1.00

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

**3. DFL Fabrics Pvt Ltd**

1.00

1.00

9980 Equity Shares @ Rs.10/- each

**Total****67.08****67.08****13 LONG TERM LOANS & ADVANCES****As at 31/03/2016****As at 31/03/2015**

Balances with Excise dept.

38.68

38.68

Security Deposits

104.55

110.19

Interest Receivable under TUF Scheme

136.31

136.31

TDS Receivables

428.83

346.90

Advance tax Paid

270.00

190.00

IT paid under protest

For A.Y. 2010-11

100.00

0.00

For A.Y. 2011-12

45.00

0.00

For A.Y. 2012-13

4.00

0.00

**Total****1,127.37****822.09**

	As at 31/03/2016	(Rs. In Lacs) As at 31/03/2015
<b>14 INVENTORIES</b>		
Fabric	653.74	954.35
Yarn	347.95	208.81
Stock in Process	91.02	77.85
Dyes	51.10	74.46
Chemicals	42.84	42.21
Packing Material	7.76	5.16
Coal	4.18	4.09
Diesel	0.34	0.21
Stores & Spares	39.60	45.74
<b>Total</b>	<b>1,238.53</b>	<b>1,412.88</b>
<b>15 TRADE RECEIVABLES</b> (Unsecured and Considered Good)		
Over Six Months	200.64	768.02
Other	1,309.67	1,297.22
<b>Total</b>	<b>1,510.31</b>	<b>2,065.24</b>
<b>15.1 Trade receivables as at 31/03/2015 are inclusive of amount of Rs.55525606.62 which has been written off on 31-03-2016.</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	7.40	2.55
Balance with banks	1.61	0.18
Fixed deposits with banks	48.88	48.33
<b>Total</b>	<b>57.89</b>	<b>51.06</b>
<b>16.2 Fixed Deposit with Banks will be matured as under:-</b>		
Fixed Deposit value	Date of Maturity	
Rs. 270000	24/12/2018	
Rs. 6500	31/12/2018	
Rs. 346000	25/05/2019	
Rs. 10000	30/06/2013	
Rs. 1152000	22/04/2016	
Rs. 128000	20/04/2016	
Rs. 1350000	02/08/2017	
Rs. 920000	18/03/2017	
Rs. 175000	27/06/2018	
Rs. 160000	05/03/2016	
Rs. 10000	07/04/2016	
Rs. 35000	23/06/2017	
Rs. 30000	19/11/2017	
Rs. 100000	06/05/2016	
Rs. 20000	29/07/2019	
Rs. 175000	23/06/2017	
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
Loan to staff	1.10	2.10
Prepaid Expenses	7.89	6.02
Advance to Suppliers	171.51	81.30
Other Loans & Advances	19.40	15.64
<b>Total</b>	<b>199.80</b>	<b>105.06</b>

	For the year ended As on 31/03/2016	(Rs. In Lacs) For the year ended As on 31/03/2015
<b>18 REVENUE FROM OPERATIONS</b>		
Process Charges of Fabrics	2641.92	3,141.70
Process Charges of Yarn	407.75	458.85
Weaving Job Work Income	138.81	95.42
Fabric Sales	5,553.05	4,004.14
Yarn Sales	32.55	13.71
Power sales	63.02	123.45
<b>Total</b>	<b>8,837.10</b>	<b>7,837.27</b>
<b>19 OTHER INCOME</b>		
Interest accrued on FD	5.15	4.79
Interest on IT refund	0.00	1.53
Other Interest	95.22	6.81
TUF Interest Subsidy	97.41	21.73
Duty Drawback	0.85	0.00
Profit & Loss on sale of Assets	117.01	7.50
Sundry balance W/off	0.00	19.96
Misc. Income	0.08	0.00
Dividend received	0.01	0.00
Rent from house property	76.52	66.10
<b>Total</b>	<b>392.25</b>	<b>128.42</b>
<b>20 COST OF RAW MATERIALS CONSUMED</b>		
Yarn	1418.07	1427.67
Dyes	278.92	394.97
Chemicals	560.58	566.82
Packing Material	210.28	196.32
Coal	490.64	690.52
Diesel	2.78	5.03
Store & Spares	156.73	173.81
<b>Total</b>	<b>3,118.00</b>	<b>3,452.14</b>
20.1 Store & spares Consumption		
Indigenous	146.82	157.40
Imported	9.91	13.41
<b>Total</b>	<b>156.73</b>	<b>170.81</b>
<b>21 PURCHASES OF STOCK IN TRADE</b>		
Fabric	2,587.15	2,237.00
<b>Total</b>	<b>2,587.15</b>	<b>2237.00</b>

	(Rs. in Lacs)	
	For the year ended 31/03/2016	For the year ended 31/03/2015
<b>22 CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Inventory ( At close)</b>		
Fabric	653.74	954.35
Work in Progress	91.02	77.85
<b>Total</b>	<b>744.76</b>	<b>1,032.20</b>
<b>Inventory ( At commencement)</b>		
Fabric	954.35	499.50
Work in Progress	77.85	101.04
<b>Total</b>	<b>1,032.20</b>	<b>600.54</b>
<b>Net Change</b>	<b>287.44</b>	<b>(431.66)</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Charges	460.14	426.24
Salary	197.77	195.68
Contribution to P.F & ESIC	4.61	4.73
Contribution to Gratuity Fund	2.96	3.63
Staff welfare Expenses	2.60	2.30
<b>Total</b>	<b>668.08</b>	<b>632.58</b>
<b>24 FINANCE COST</b>		
Interest on Working capital	60.36	52.51
Interest on Term Loan	197.30	232.74
Interest On Others	11.33	25.08
<b>Total</b>	<b>268.99</b>	<b>310.33</b>
24.1 The benefit of TUF subsidy on interest received has been accounted under Heading "Other Income" Note No. 19.		
<b>25 DEPRECIATION</b>		
Depreciation on Fixed Assets	<b>484.94</b>	<b>488.47</b>
<b>25.1 Depreciation provided on straight line method on triple shift basis as per schedule II of Companies Act 2013.</b>		
<b>26 OTHER EXPENSES</b>		
<b>26 (a) Manufacturing expenses</b>		
Electricity Charges	427.48	445.41
Water Expenses	171.89	205.91
Repairs to building	8.39	13.72
Repairs to Machinery	44.51	51.56
Job charges paid	187.48	135.00
Freight & forwarding expenses	25.84	21.56
Laboratory expenses	0.58	0.94
Insurance	13.00	12.37
Lease rent for factory land	0.60	0.60
Contribution to Hazardous waste	0.97	1.12
Analysis Charges	16.06	2.24
<b>Total</b>	<b>896.80</b>	<b>890.43</b>
<b>26(b) Selling &amp; distribution expenses</b>		
Sales promotion	1.25	9.21
Commission & brokerage	44.10	23.38
<b>Total</b>	<b>45.35</b>	<b>32.59</b>

(Rs. in Lacs)

	For the year ended	
	31/03/2016	31/03/2015
<b>26.(c) ADMINISTRATIVE EXPENSES</b>		
Property tax	7.25	9.67
Printing & stationery	9.01	7.01
Rent, Rates & Taxes	4.55	4.63
Travelling expenses	2.16	2.84
Postage & courier charges	2.25	1.25
Legal & professional fees	33.00	9.39
Advertisement charges	1.65	1.63
Repairs to others	7.93	8.01
Conveyance expenses	2.75	2.32
General expenses	5.55	6.64
Bank Loan processing fees & Stamp duty	0.00	1.40
Listing fees	2.25	1.12
Bank charges	1.86	1.12
Demate Charges	0.26	0.17
Vehicle expenses	8.70	7.56
Trunk & telephone	3.98	3.77
Auditor Remuneration	2.04	2.03
Medical expenses	0.00	0.21
Keyman Insurance Exp.	7.94	7.94
Directors remuneration	12.00	12.00
Sitting Fees	1.13	1.13
Real Estate Expenses	10.86	9.00
Sundry Balances W/off	42.94	0.00
Exchange Rate Fluctuation	0.15	0.00
<b>Total</b>	<b>175.33</b>	<b>100.84</b>
<b>Total 26(a)+26(b)+26(c.)</b>	<b>1,117.48</b>	<b>1,023.86</b>
<b>26.1 Payment to auditors</b>		
(a) Auditor		
Statutory audit Fees	0.89	0.74
Tax Audit Fee	1.15	1.04
(b) Cost Audit Fees	0.00	0.25
<b>Total</b>	<b>2.04</b>	<b>2.03</b>
<b>27 EXTRAORDINARY EXPENSES</b>		
Doubtful Debts on Account of National Spot Exchange Scam W/off	555.26	0.00
<b>28 EARNING PER SHARE(EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	62.36	188.49
(ii) Weighted average number of Equity shares in Lacs used as denominator for calculating EPS	85.811	85.811
(iii) Basic and Diluted Earnings per share	0.73	2.20
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>

(Rs. in Lacs)

**29 CONTINGENT LIABILITIES**

	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Contingent Liabilities not provided for in respect of</b>		
1. Bank Guarantees	48.88	48.34
2. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66	74.66
3. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case pending before Tribunal	528.96	528.96

	For the year ended	
	31/03/2016	31/03/2015
<b>30 FOREIGN EXCHANGE EARNING AND OUTGO</b>		
a) Earning -Fabric Export to Bangladesh	16.60	Nil
b) Outgo - Import of Spares and Machinery	55.26	13.41

**31 RELATED PARTY DISCLOSURES****31(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

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

Nature of transaction				Rs. In Lacs
	Subsidiaries	Associates	Key Managerial Personnel	Total
Revenue from operation	1153.46	0.00	0.00	1153.46
Purchases	16.73	0.00	0.00	16.73
Expenditure on service	0.60	0.00	0.00	0.60
<b>Outstanding balance As at 31-03-2014</b>				
Receivables	114.30	0.00	0.00	114.30
Payables	0.00	154.43	0.00	154.43
<b>Manageral remuneration</b>	0.00	0.00	12.00	12.00

**32 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.

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

Particulars	Textile Division		Power Division		Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Segment Revenue	8774.08	7713.82	63.02	123.45	8837.10	7837.27
Other Income	275.24	128.42	117.01	0.00	392.25	128.42
<b>Total Income</b>	<b>9049.32</b>	<b>7842.24</b>	<b>180.03</b>	<b>123.45</b>	<b>9229.35</b>	<b>7965.69</b>
Operating Profit	315.23	477.26	96.67	86.04	411.90	563.30
Financial Cost	268.99	310.33	0.00	0.00	268.99	310.33
Taxes	7.71	68.48	71.94	-4.00	79.65	64.48
<b>Net Profit</b>	<b>38.53</b>	<b>98.45</b>	<b>24.73</b>	<b>90.04</b>	<b>63.26</b>	<b>188.49</b>
Segment Fixed Assets	4178.18	4021.61	36.81	153.96	4214.99	4175.57
Segment Long term Borrowing	1551.06	1802.58	0.00	0.00	1551.06	1802.58
Capital Employed	5723.70	5908.23	229.72	323.29	5953.42	6231.52
Depreciation	478.78	476.15	6.16	12.32	484.94	488.47

In terms of our report attached.

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

Chartered Accountants

FR No- 104507W

For and on behalf of the Board.

**S.G.Kabra****Partner**

Membership No.38867

**Ramautar S. Jhavar****Chairman****Vinod S. Jhavar****Managing Director****Mahesh S. Jhavar****Director**

Place : Mumbai

Date : 30<sup>th</sup> May, 2016

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF DHANLAXMI FABRICS LIMITED

##### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Dhanlaxmi Fabrics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries Western Chlorides & Chemicals Pvt Ltd, Dhanesh Fabrics Pvt Ltd, DFL Fabrics Pvt Ltd (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

##### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

##### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### Other Matters

We did not audit the financial statements / financial information of Western Chlorides & Chemicals Pvt Ltd, Dhanesh Fabrics Pvt Ltd, DFL Fabrics Pvt Ltd subsidiaries, whose financial statements / financial information reflect total assets of Rs.546.88 Lacs as at 31st March, 2016, total revenues of Rs.1515.11 Lacs and net cash flows amounting to Rs.40.27 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 39.64 Lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b). in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c.) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d). in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e). On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f). With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 Contingent Liabilities to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S. G. Kabra  
Partner  
M No : 038867

Place : Mumbai  
Date: 30<sup>th</sup> May 2016

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended as of March 31, 2016 ,we have audited the internal financial controls over financial reporting of Dhanlaxmi Fabrics Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. G. Kabra  
Partner  
M No : 038867

Place : Mumbai  
Date: 30<sup>th</sup> May 2016

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2016	AS AT 31-03-2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	3,231.81	3,129.82
Total		<b>4,089.92</b>	<b>3,987.93</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	1728.06	1802.58
(b) Deferred tax liabilities (net)	4	453.50	542.57
(c) Other long-term liabilities	5	18.53	34.68
(d) Long-term provisions	6	760.28	580.14
Total		<b>2,960.37</b>	<b>2,959.97</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	956.17	400.88
(b) Trade payables	8	802.96	1700.13
(c) Other current liabilities	9	97.96	58.20
(d) Short-term provisions	10	50.47	89.22
Total		<b>1907.56</b>	<b>2,248.43</b>
<b>TOTAL</b>		<b>8957.85</b>	<b>9,196.33</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	2870.91	3,434.29
(iii) Capital work-in-progress		1356.20	755.81
(b) Non-current investments	12	62.08	62.08
(c) Long-term loans and advances	13	1336.00	1,083.56
Total		<b>5,625.19</b>	<b>5,335.74</b>
<b>2 Current assets</b>			
(a) Inventories	14	1332.64	1461.41
(b) Trade receivables	15	1655.48	2,189.00
(c) Cash and cash equivalents	16	67.68	101.12
(d) Short-term loans and advances	17	276.86	109.06
Total		<b>3332.66</b>	<b>3,860.59</b>
<b>TOTAL</b>		<b>8957.85</b>	<b>9,196.33</b>

Significant Accounting Policies

Notes on Financial Statements 1 to 30

As per our report of even date attached,

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

Chartered Accountants

FR NO. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2016

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 2016 (Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2016	FOR THE YEAR ENDED 31-03-2015
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	18	10303.68	9,896.79
2 Other income	19	440.78	152.66
<b>3 Total revenue</b>		<b>10,744.46</b>	<b>10,049.45</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	3118.00	3,452.14
(b) Purchases of stock-in-trade	21	3867.20	4,022.98
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	273.82	(384.39)
(d) Employee benefits expenses	23	687.46	661.49
(e) Finance costs	24	280.55	310.33
(f) Depreciation and amortisation expenses	25	487.35	490.87
(g) Other expenses	26	1,274.45	1,197.01
(h) Extraordinary Expenses (Doutful Debts on Account of National Spot Exchange Scam W/off	27	555.26	0.00
<b>Total expenses</b>		<b>10544.09</b>	<b>9,750.43</b>
<b>5. Profit before tax</b>		<b>200.37</b>	<b>299.02</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		186.76	141.79
(b) Less Deferred tax Credit		89.07	63.08
(c) Add Current tax relating to prior year		0.69	0.00
<b>Net tax expense</b>		<b>98.38</b>	<b>78.71</b>
<b>7 Profit / (Loss) for the year</b>		<b>101.99</b>	<b>220.31</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.	28	1.19	2.57
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 30		

As per our report of even date attached

For and on behalf of the Board,

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

Chartered Accountants

FR NO. 104507W

**S. G. Kabra**

Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2016

**Ramautar S. Jhavar**  
Chairman

**Vinod S. Jhavar**  
Managing Director

**Mahesh S. Jhavar**  
Director

# CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2016		(Rs. in Lacs)	
Particulars	For the year ended 31/03/2016	For the year ended 31/03/2015	
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax	200.37		299.02
<i>Adjustments for:</i>			
Depreciation and amortisation	487.35		490.87
(Profit) / loss on sale / write off of assets	(117.01)		(7.50)
Finance costs	280.55		310.33
Interest income	(241.66)		(55.59)
Rental Income from Investment Property	(77.12)	332.11	(66.70)
Operating profit / (loss) before working capital changes	532.48		671.41
<i>Changes in working capital:</i>			970.43
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories	128.77		(75.59)
Trade and other receivables	596.23		151.24
Other non-current assets	(482.94)		(112.80)
Trade and other Payables	(896.17)		(320.48)
Cash generated from operations	(654.11)		(357.63)
Net income tax (paid) / refunds	(187.45)		(141.79)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(309.08)</b>		<b>471.01</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets	(524.36)		(37.24)
Sale of fixed assets	117.01		7.50
Interest received	241.66		55.59
Rental income from investment properties	77.12		66.70
Long Term Liabilities	0.00		0.00
Long term Provisions	180.14		142.36
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>91.57</b>		<b>234.91</b>
<b>C. Cash flow from financing activities</b>			
Issue of equity shares	0.00		0.00
Capital Subsidy Recd.	0.00		159.33
Repayment of long-term borrowings	(90.67)		(197.76)
Net increase / (decrease) in working capital borrowings	555.29		(337.96)
Finance cost	(280.55)		(310.33)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>184.07</b>		<b>(686.72)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(33.44)</b>		<b>19.20</b>
Cash and cash equivalents at the beginning of the year	101.12		81.92
<b>Cash and cash equivalents at the end of the year</b>	<b>67.68</b>		<b>101.12</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>(33.44)</b>		<b>19.20</b>
As per our report of even date attached			
<b>For S. G. Kabra &amp; Co.</b>		For and on behalf of the Board,	
Chartered Accountants			
FR NO. 104507W			
<b>S. G. Kabra</b>			
Partner			
M. No. 38867	<b>Ramautar S. Jhawar</b>	<b>Vinod S. Jhawar</b>	<b>Mahesh S. Jhawar</b>
	Chairman	Managing Director	Director
Place : Mumbai			
Date : 30 <sup>th</sup> May, 2016			

# CONSOLIDATED FINANCIAL STATEMENTS

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Preparation**

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

### **B. Use of Estimates**

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

### **C. Operating Cycle**

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

### **D. Principles of Consolidation**

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## Notes on Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(Rs. in Lacs)

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

### 1. SHARE CAPITAL

#### Authorised Share Capital

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

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

As at 31/03/2016

1500.00

As at 31/03/2015

1500.00

#### Issued, Subscribed and Paid up

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

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

858.11

858.11

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

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

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

1.4 The details of Shareholders holding more than 5% Shares

	As at 31/03/2016		As at 31/03/2015	
	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi Export Fabrics LLP	4,38,000	5.10	4,38,000	5.10
Ramautar Sohanlal Jhawar	7,78,408	8.79	7,78,408	7.90

### 2. RESERVES & SURPLUS

	As at 31/03/2016	As at 31/03/2015
<b>General Reserve</b>	119.08	119.08
<b>Investment allowance Reserve</b>	0.45	0.45
<b>Equity Share Premium reserve</b>	896.00	896.00
<b>Profit &amp; Loss A/c</b>		
As per last Balance sheet	2,114.29	1932.53
Less : WDV as on 31-03-2014 of fixed assets having NIL usefull life as per usefull life as per schedule II of Companies Act, 2013.	0.00	(38.55)
Add Profit for the year	101.99	220.31
<b>Total</b>	<b>2,216.28</b>	<b>2114.29</b>
<b>Total</b>	<b>3,231.81</b>	<b>3129.82</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## 3 LONG TERM BORROWINGS

	As at 31/03/2016	(Rs. in Lacs) As at 31/03/2015
<b>Secured Loans</b>		
Term Loan from Kotak Mahindra Bank	249.19	412.61
Term Loan from The Shamrao Vithal Co-op Bank	1,147.44	1344.57
<b>Unsecured Loans</b>		
From Promtech Impex Pvt Ltd	154.43	45.40
From Mahesh Jhawar	177.00	0.00
<b>Total</b>	<b>1,728.06</b>	<b>1802.58</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 loans received are repayable on demand.

3.3 Repayment schedule of bank term loan.

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

## 4 DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2016	As at 31/03/2015
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	542.57	624.16
Add/ Less During the year	(89.07)	(63.07)
Less deferred tax Assets on retained earning amount debited to previous year surplus.	0.00	(18.52)
At closing of the year	453.50	542.57

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

## 5. OTHER LONG TERM LIABILITIES

	As at 31 /03/2016	As at 31/03/2015
Deposits received from Licensee	18.53	34.68

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

1. Yukti Mercantile Pvt. Ltd.	0.96
2. John Keelis Logistics Pvt. Ltd.	0.87
4. Synergy Property Development Services Pvt. Ltd.	16.70
<b>Total</b>	<b>18.53</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## 6 LONG TERM PROVISIONS

Provision for IT

As at 31/03/2016  
760.28

(Rs. in Lacs)  
As at 31/03/2015  
580.14

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

## 7 SHORT TERM BORROWINGS.

### Secured Borrowing

Cash credit from Kotak Mahindra Bank

484.23

8.32

Cash credit from The Shamrao Vithal Co-op Bank

471.94

392.56

**Total**

**956.17**

**400.88**

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

## 8 TRADE PAYABLES

Creditors

802.96

1,700.13

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

## 9 OTHER CURRENT LIABILITIES

Charity Fund

12.92

12.57

Unclaimed Dividends

0.00

0.37

Statutory Liabilities

62.46

41.67

Advance received from customers

22.58

3.59

**Total**

**97.96**

**58.20**

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

## 10 SHORT TERM PROVISIONS

Provision for outstanding Expenses

50.47

89.22

# CONSOLIDATED FINANCIAL STATEMENTS

11 FIXED ASSETS											(Rs. in Lacs)
Description of the Assets	Gross Block at Cost				Depreciation				Net Block		
	As at 1-04-2015	Addition during the year	Sold during the year	Total as at 31-03-2016	Upto 31-03-2015	Provided for the year	Adjusted during the year	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015	
1. Land	173.31	0.00	0.00	173.31	0.00	0.00	0.00	0.00	173.31	173.31	
2. Building	644.16	0.00	0.00	644.16	248.20	20.16	0.00	268.36	375.80	395.96	
3. Plant & Machinery	5166.40	27.42	0.00	5193.82	2804.47	424.51	0.00	3228.98	1964.84	2361.93	
4. Electrical Installation	148.63	0.00	0.00	148.63	102.10	4.90	0.00	107.00	41.63	46.53	
5. Pipe Fitting	34.62	0.00	0.00	34.62	31.81	0.15	0.00	31.96	2.66	2.81	
6. Furniture & Fixture	108.84	0.00	0.00	108.84	96.13	4.59	0.00	100.72	8.12	12.71	
7. Laboratory Equipment	25.71	0.00	0.00	25.71	19.27	2.63	0.00	21.90	3.81	6.44	
8. Office Equipment	9.26	0.00	0.00	9.26	7.22	0.48	0.00	7.70	1.56	2.04	
9. Air Conditioner	17.07	0.00	0.00	17.07	8.99	0.94	0.00	9.93	7.14	8.08	
10. Computer	42.67	2.00	0.00	44.67	38.15	2.70	0.00	40.85	3.82	4.52	
11. Motor Vehicle	100.32	0.00	0.00	100.32	60.19	10.33	0.00	70.52	29.80	40.13	
12. Misc. Fixed Assets	48.70	5.54	0.00	54.24	22.59	6.43	0.00	29.02	25.22	26.11	
13. House Property	222.23	0.00	0.00	222.23	22.47	3.37	0.00	25.84	196.39	199.76	
SUB-TOTAL	6741.92	34.96	0.00	6776.88	3461.59	481.19	0.00	3942.78	2834.10	3280.33	
Wind Power Division											
1. Land	0.00	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	1000.00	521.00	1377.04	6.16	889.01	494.19	26.81	143.96	
Sub Total	1531.00	0.00	1000.00	531.00	1377.04	6.16	889.01	494.19	36.81	153.96	
Total	<b>8272.92</b>	<b>34.96</b>	<b>1000.00</b>	<b>7307.88</b>	<b>4838.63</b>	<b>487.35</b>	<b>889.01</b>	<b>4436.97</b>	2870.91	3434.29	
PREVIOUS YEAR	8422.22	37.25	186.55	8272.92	4374.98	490.87	27.22	4838.63	3434.29		

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

12 NON-CURRENT INVESTMENTS		
In equity shares of subsidiary companies	As at 31/03/2016	As at 31/03/2015
<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 31/03/2016	As at 31/03/2015
Balances with Excise dept.	38.68	38.68
Security Deposits	104.90	110.54
Interest Receivable under TUF Scheme	136.31	136.31
TDS Receivables	440.13	356.17
Advance tax Paid	302.91	211.36
IT paid under protest		
For A.Y. 2010-11	100.00	0.00
For A.Y. 2011-12	45.00	0.00
For A.Y. 2012-13	4.00	0.00
Other Loans & Advances	164.07	230.50
<b>Total</b>	<b>1,336.00</b>	<b>1,083.56</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2016	(Rs. In Lacs) As at 31/03/2015
<b>14 INVENTORIES</b>		
Fabric	715.88	1,002.89
Yarn	347.95	208.81
Stock in Process	91.02	77.84
Dyes	51.11	74.47
Chemicals	42.85	42.22
Packing Material	7.75	5.16
Coal	4.18	4.08
Diesel	0.34	0.21
Stores & Spares	39.59	45.74
Stock of Shares	31.97	0.00
<b>Total</b>	<b>1,326.64</b>	<b>1,461.41</b>
<b>15 TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
Over Six Months	243.34	794.85
Other	1,412.54	1394.15
<b>Total</b>	<b>1,655.48</b>	<b>2189.00</b>
<b>16 CASH AND BANK BALANCES</b>		
Cash on hand	11.78	5.77
Balance with banks	7.02	47.01
Fixed deposits with banks	48.88	48.34
<b>Total</b>	<b>67.68</b>	<b>101.12</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. 270000	24/12/2018	
Rs. 6500	31/12/2018	
Rs. 346000	25/05/2019	
Rs. 10000	30/06/2013	
Rs. 1152000	22/04/2016	
Rs. 128000	20/04/2016	
Rs. 1350000	02/08/2017	
Rs. 920000	18/03/2017	
Rs. 175000	27/06/2018	
Rs. 160000	05/03/2016	
Rs. 10000	07/04/2016	
Rs. 35000	23/06/2017	
Rs. 30000	19/11/2017	
Rs. 100000	06/05/2016	
Rs. 20000	29/07/2019	
Rs. 175000	23/06/2017	
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
Loan to staff	1.17	2.34
Prepaid Expenses	7.89	6.03
Advance to Suppliers	171.51	81.30
Others	96.29	19.39
<b>Total</b>	<b>276.86</b>	<b>109.06</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. In Lacs)	
	For the year ended	
	31/03/2016	31/03/2015
<b>18 REVENUE FROM OPERATIONS</b>		
Process Charges of Fabrics	2,653.81	3171.95
Process Charges of Yarn	407.75	458.85
Weaving Job Work Income	138.81	95.42
Fabric Sales	7,007.74	6033.41
Yarn Sales	32.55	13.71
Power Sales	63.02	123.45
<b>Total</b>	<b>10,303.68</b>	<b>9896.79</b>
<b>19 OTHER INCOME</b>		
Interest accrued on FD	5.15	4.79
Interest on IT refund	0.00	1.53
Other Interest	139.10	27.53
Duty Drawback	0.85	0.00
Dividend Received	0.05	0.00
TUF Interest subsidy	97.41	21.73
Profit on sale of Assets	117.01	7.50
Sundry balance W/off	1.89	19.96
Misc. Income	0.51	2.92
Profit on Share Trading	1.69	0.00
Rent from house property	77.12	66.70
<b>Total</b>	<b>440.78</b>	<b>152.66</b>
<b>20 COST OF RAW MATERIALS CONSUMED</b>		
Yarn	1,418.07	1,427.67
Dyes	278.92	394.97
Chemicals	560.58	566.82
Packing Material	210.28	196.32
Coal	490.64	690.52
Diesel	2.78	5.03
Store & Spares	156.73	170.81
<b>Total</b>	<b>3,118.00</b>	<b>3,452.14</b>
20.1 Store & spares Consumption		
Indigenous	146.82	157.40
Imported	9.91	13.41
<b>Total</b>	<b>156.73</b>	<b>170.81</b>
<b>21 PURCHASES OF STOCK IN TRADE</b>		
Fabric	3,867.20	4,022.98
<b>Total</b>	<b>3,867.20</b>	<b>4,022.98</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in Lacs)	
	For the year ended	
	31/03/2016	31/03/2015
<b>22 CHANGES IN INVENTORIES</b>		
<b>Inventory ( At close)</b>		
Fabric	715.88	1,002.88
Work in Progress	91.02	77.84
<b>Total</b>	<b>806.90</b>	<b>1,080.72</b>
<b>Inventory ( At commencement)</b>		
Fabric	1,002.88	595.29
Work in Progress	77.84	101.04
<b>Total</b>	<b>1,080.72</b>	<b>696.33</b>
<b>Net Change</b>	<b>273.82</b>	<b>(384.39)</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Charges	460.14	426.24
Salary	217.13	224.48
Contribution to P.F & ESIC	4.61	4.73
Contribution to Graduty Fund	2.96	3.63
Staff welfare Expenses	2.62	2.41
<b>Total</b>	<b>687.46</b>	<b>661.49</b>
<b>24 FINANCE COST</b>		
Interest on Working capital	60.36	52.51
Interest on Term Loan	197.30	232.74
Interest on Others	22.89	25.08
<b>Total</b>	<b>280.55</b>	<b>310.33</b>
<b>25 DEPRECIATION</b>		
Depreciation on Fixed Assets	487.35	490.87
<b>25.1 Depreciation provided on straight line method on triple shift basis as per schedule II Companies Act 2013.</b>		
<b>26 OTHER EXPENSES</b>		
<b>26 (a) Manufacturing expenses</b>		
Electricity Charges	427.83	445.47
Water Expenses	171.89	205.91
Repairs to building	8.39	13.72
Repairs to Machinery	44.51	51.56
Job charges paid	322.73	291.86
Freight & forwarding expenses	30.50	25.88
Laboratory expenses	0.58	0.94
Insurance	14.27	13.52
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.97	1.13
Analysis Charges	16.06	2.24
<b>Total</b>	<b>1,038.33</b>	<b>1,052.83</b>
<b>26(b) Selling &amp; distribution expenses</b>		
Sales promotion	2.38	12.87
Commission & brokrage	53.40	24.93
<b>Total</b>	<b>55.78</b>	<b>37.80</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

For the year ended

31/03/2016 31/03/2015

## 26.(c) Administrative expenses

Property tax	7.25	9.67
Printing & stationery	9.01	7.01
Rent, Rates & Taxes	4.55	4.63
Travelling expenses	3.15	3.04
Postage & courier charges	2.32	1.27
Legal & professional fees	33.02	9.40
Advertisement charges	1.65	1.63
Repairs to others	8.01	9.33
Conveyance expenses	3.39	3.14
General expenses	6.03	7.00
Bank Loan processing fees & Stamp duty	5.12	1.40
Listing Fee	2.25	1.12
Bank charges	1.92	1.16
Demate Charges	0.27	0.17
Vehicle expenses	10.27	9.62
Trunk & telephone	4.29	4.20
Auditor Remuneration	2.67	2.31
Medical expenses	0.15	0.21
Keyman expenses	7.94	7.94
Directors remuneration	12.00	12.00
Sitting Fees	1.13	1.13
Real Estate Expenses	10.86	9.00
Sundry Balances W/off	42.94	0.00
Exchange Rate Fluctuation	0.15	0.00
<b>Total</b>	<b>180.34</b>	<b>106.38</b>
<b>Total 26(a)+26(b)+26(c.)</b>	<b>1,274.95</b>	<b>1,197.01</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

**For the year ended**  
**31/03/2016**                      **31/03/2015**

## 27 EXTRAORDINARY EXPENSES

Doubtful Debts on Account of National Spot Exchange	555.26	0.00
Scam W/off		

## 28 EARNING PER SHARE(EPS)

(i) Net Profit after tax as per statement of Profit & Loss	102.00	220.31
Attributable to equity Shareholders		
(ii) Weighted average number of Equity shares in lacs used as denominator for calculating EPS	85.811	85.811
(iii) Basic and Diluted Earnings per share	1.19	2.57
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>

## 29 CONTINGENT LIABILITIES

### Contingent Liabilities not provided for in respect of

1. Bank Guarantees	48.88	48.34
2. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66	74.66
3. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case pending before Tribunal	528.96	528.96

## 30 FOREIGN EXCHANGE EARNING AND OUTGO

a) Earning - Fabrics Export to Bangladesh	16.64	Nil
b) Outgo - Import of Spares and Machinery	55.26	13.41

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, 2016

**PROXY FORM**  
**DHANLAXMI FABRICS IIMITED**  
**CIN: L17120MH1992PLC068861**

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

**24<sup>th</sup> Annual General Meeting - 24<sup>th</sup> September, 2016**

Name of the Member : \_\_\_\_\_

Address of Member : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

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

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

(1) Name ..... Address.....

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

failing him/her

(2) Name ..... Address.....

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

failing him/her

(3) Name ..... Address.....

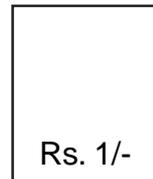
Email ID..... Signature.....

as my/our proxy to attend and vote for me/us and on my/our behalf at Annual General Meeting of the company to be held on 24<sup>th</sup> September 2016 at 1.00 p.m. at Manpada Road, Bhopar village, Dombivali (East) Thane-421204 or at any adjournment thereof in respect of such resolutions as are indicated below.

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

AS WITNESS my hand /our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signed by the said \_\_\_\_\_



Signature (s) of the Shareholder(s)

Name of the Proxy Holder \_\_\_\_\_ Signature \_\_\_\_\_

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

**ATTENDANCE SLIP**

**DHANLAXMI FABRICS LIMITED**

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

24<sup>th</sup> Annual General Meeting - 24<sup>th</sup> September, 2016

Name of the Member:

<b>DPID :</b>		<b>Client Id/Folio No.</b>	
---------------	--	----------------------------	--

<b>Number of Shares held</b>	
------------------------------	--

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

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company on 24<sup>th</sup> September 2016 at 1.00 p.m. at **Manpada Road, Bhopar Village, Dombivali (East), Thane-421204.**

.....  
Name of the member / proxy

.....  
Signature of the member / proxy

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

**BOOK-POST**

If undelivered please return to :

**DHANLAXMI FABRICS LIMITED**

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

Dist. Thane, Maharashtra.