



Dhanlaxmi

Fabrics Limited

**20th
Annual Report
2011 - 12**

BOARD OF DIRECTORS

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

AUDITORS

S. G. Kabra & Co.
 Chartered Accountants

BANKERS

ING Vysya Bank,
 AXIS Bank,
 ABN - AMRO Bank N.V.
 State Bank of India

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

285, Princess Street, Jhavar House, 2nd Floor, Mumbai - 400 002.
 Tel No. : 091-022-22008176/7 ❖ Fax No. 091-022-22089558

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NOTICE

NOTICE is hereby given that Twentieth Annual General Meeting of the members of **Dhanlaxmi Fabrics Limited** will be held at the Registered Office of the Company at Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra on Saturday, the 11th day of August 2012 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 31st March, 2012, and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Shri Mahesh S. Jhavar & Shri Mihir Mehta who retire by rotation and being eligible offers themselves for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to authorize the Board of Directors to fix their remuneration

SPECIAL BUSINESS:

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

“RESOLVED THAT as per the recommendations of the Remuneration Committee and pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such approval as may be necessary, Shri Vinod S. Jhavar be and is hereby re-appointed as a Managing Director of the Company for a period of 3 years with effect from 1st Nov 2012 upon the terms subject to the conditions as set out here under, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions including remuneration so as not exceed the limits specified in Schedule XIII to the Companies Act 1956 or any other amendments thereto, as may be agreed to between the Directors and Shri Vinod S. Jhavar”.

- a) Salary including dearness allowance Rs.1,00,000 per month
- b) Perquisites
 - i) Companies Contribution to Provident Fund
 - ii) Gratuity as per rules of the Company
 - iii) Provision for use of Company Car for official duties.
 - iv) Telephone at the residence including payment of Local/STD/ISD Calls
 - v) Payment of maintenance charges of society where he is residing, as per bills
 - vi) Reimbursement of medical expenses incurred for self and family without any ceiling.
 - vii) Reimbursement of Electricity charges
 - viii) Payment of Club fees/admission fees for two club.

“RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, remuneration payable to the Managing Director shall be Governed by Section II of part II of Schedule XIII to the Companies Act 1956 or any other statutory modifications thereof and the same shall be treated as the minimum remuneration payable to the said Managing Director”.

“RESOLVED FURTHER THAT Shri Ramautar S. Jhavar Director of the Company be and is hereby authorized to take such action and do all things as may be necessary or desirable to give effect to this resolution.”

Date: 30th May 2012
Place: Mumbai

For and on behalf Of the Board Of Directors

Ramautar S. Jhavar
Chairman

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. **Proxies in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty eight) hours before the time fixed for the holding the meeting**
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Compliance officer of the Company, so as to reach Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. Members are requested to notify any correction /change in their name /address including Pin Code number immediately to the Companies Registrar and Share Transfer Agents, Bigshare Services Pvt Ltd. At E-2/3, Ansa Industrial Estate, Saki vihar road, Sakinaka, Andheri (E), Mumbai 400072 in respect of their physical share folios and to their respective Depository Participant (DP) in respect of their electronics share accounts.
5. Members are requested to kindly mention their Folio Number in all their correspondence with the Company's Registrar in order to reply to their queries promptly.
6. Members are requested to bring their Copy of Annual Report along with the Attendance slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 4th August, 2012 to 11th August, 2012 (both days inclusive).
8. The relevant details as required under Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be re-appointed under item No.2 above are given below:

Name:	Shri. Mahesh S. Jhavar
Date of Birth	26 th April 1961
Qualifications:	B.Com
Expertise in specific functional areas:	Textile Marketing
Directorship in other Companies:	Dhanlaxmi Cottex Ltd., Dhanlaxmi Exports Fabrics Pvt Ltd. Sohanlal Jhavar Exports Fabrics Pvt. Ltd., Jhavar Commodities Pvt. Ltd., Somai Investment Pvt. Ltd., Ramautar Finance Pvt. Ltd. Jhavar Trade & Investment Pvt. Ltd., MR Share Broking Pvt. Ltd., VRM Share Broking Pvt. Ltd. Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd., DFL Fabrics Pvt. Ltd.
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics	39100

Name:	Shri. Mihir Mehta
Date of Birth	7 th April 1959
Qualifications:	B.Com, BAM from Jamanalal Bajaj Institute & MEP from IIM Ahmedabad
Expertise in specific functional areas:	Textile Management & Marketing
Directorship in other Companies:	New Mahalaxmi Silk Mills Pvt. Ltd., Heena Infos Ltd., Synthetics & Art Silk Mills Association Ltd.
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics Limited	NIL

9. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956:

Item No.4

Shri Vinod S. Jhavar was appointed as the Managing Director of the Company within the meaning of Section 2(26) of the Companies Act, 1956 with effects from 1st November 1998.

The Board of Directors of the Company at their meeting held on 30th May 2012 re-appointed Shri Vinod S. Jhavar as a Managing Director of the Company for a period of 3 Years with effect from 1st November 2012 to 31st October 2015 on terms and conditions as stated in the resolution.

The appointment of Shri Vinod S. Jhavar as Managing Director of the Company would require the consent of the shareholders of the Company pursuant to Section 269, 309,311 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as " the said act") and subject to the limits let down in Schedule XIII to the said act.

The resolution is therefore, recommended for your approval.

Shri Vinod S. Jhavar is concerned or interested in the resolution given under item No.4 of the Notice for his re-appointment as Managing Director. Shri Ramautar S. Jhavar and Shri Mahesh S. Jhavar are also interested concerned in the said resolution.

For and on behalf of the Board

Date: 30th May 2012
Place: Mumbai

Ramautar S. Jhavar
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their twentieth Annual Report on the business operations and activities of the Company together with the audited accounts for the Financial year ended 31st March 2012.

Summarised Financial Results:

Particulars	(Rs.in lacs)	
	Year ended 31.3.2012	Year ended 31.3.2011
Income from operations	4522.22	5103.77
Operating Profit	573.41	773.64
Less : Interest	75.16	108.56
Less: Depreciation	478.06	466.57
Profit before tax	20.19	198.51
Less: Provision for tax	76.73	123.61
Profit after tax	(56.54)	74.90
Add: Deferred tax Assests	0.00	0.00
Add: Income Tax for earlier year	72.26	63.48
Net Profit for the year	0.16	4.56
Add: Balance brought forward	15.88	142.94
Balance carried to balance sheet	1558.78	1415.84
	1574.66	1558.78

Operations:

For the financial year ended 31st March 2012 the Revenue from operation of the Company decreased marginally to Rs 4522..22 Lacs as compared to Rs.5103.77 Lacs in Previous Year. The Net Profit of the Company for the year under review is of Rs.15.88 Lacs as compared to previous year Net Profit of Rs. 142.94 Lacs.

Future Outlook

The Future of Indian Textile Industry is looking really bright. Your Directors are planning to boost the Ready Fabric sales of your Company with a Brand Name of "Dhanlaxmi fabrics" in local as well as export market. Steps has already been taken to strengthen the Marketing cell. The Export of Ready Fabrics worth Rs.63.27 lacs has already been done in the year under review.

Dividend

With a view to conserve resources the Board does not recommend any dividend for the year 2011-2012.

Directors

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

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

Directors Responsibility Statement

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

Auditors

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

Auditors Report

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

Fixed Deposit

As on 31.03.2012 the Company held no deposit in any form from anyone. There was no deposit held by the Company as on 31.03.2012 which was overdue or unclaimed by the depositors. For the present the board of directors have resolved not to accept any deposits from public, shareholders and others.

Corporate Governance

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

Particulars As Per Section 217 (2a) Of Companies Act, 1956:

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

Subsidiaries

The Balance Sheet as at 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date along with the Directors' and Auditors' Report and Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd., DLF Fabrics Private Limited Subsidiaries of the Company are attached to this report and shall be treated as forming part of the report.

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

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

Acknowledgements

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

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

For and on behalf of the Board

Place: Mumbai

Date: 30th May 2012

Ramautar S. Jhawar
Chairman

ANNEXURE-I TO DIRECTORS' REPORT**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

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

Conservation of Energy :

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

		Year Ended 31-03-2012	Year Ended 31-03-2011
A. Power and Fuel Consumption			
1. Electricity			
a) Purchased			
Unit	(Lacs)	44.73	45.23
Total Amount	(Rs. In Lacs)	288.10	264.61
Avg. Rate/Unit	(Rs.)	6.44	5.85
b) Own generation (Through D.G. Set)			
Unit	(Lacs)	0.48	0.53
Diesel Oil Consumed Ltrs.	(Lacs)	0.22	0.32
Total Amount	(Rs. In Lacs)	9.31	12.76
Avg. Rate per Ltr.	(Rs.)	43.26	39.88
2. Coal			
Quantity	(M. Tonn)	9729	11366
Total Amount	(Rs. In Lacs)	480.45	521.48
Avg Rate/M.Tonnes	(Rs.)	4938	4588
B. Consumption Per kg of Production			
Production	(Lac Kgs.)	25.23	29.50
Electricity	(Rs.)	11.42	8.97
Diesel Oil	(Rs.)	0.37	0.43
Coal	(Rs.)	19.04	12.68

Technology Absorption :

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

Foreign Exchange Earnings and Outgo:

	(Rs. In lacs)	
	2011-12	2010-11
Foreign Exchange Outgo	37.34	NIL
Foreign Exchange Earning	8.65	NIL

For and on behalf of the Board

Place: Mumbai
Date: 30th May 2012

Ramautar S. Jhawar
Chairman

MANAGEMENT DISCUSSION & 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.

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 termine of 1.25 MG in Dhule Maharashtra. Again in the year 2005-06 Company has installed 8 WTG of 0.25 MG each (total 2.00 MG) in Nettur Tamilnadu presently power generated through Wind is being sold to Maharashtra State Electricity Distribution Corporation and Tamilnadu Electricity Board. The Turnover and Profit figures of both the segments are shown separately in Notes to Accounts.

The geographical segment is India.

Outlook :

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

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

Risks and Concerns :

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

Internal Control Systems and their adequacy :

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

Discussions on financial performance with respect to operational performance :

Due to set back in export market and increase in input cost the Company's operational and Financial performance has shown a down trend.

(Rs.in Lacs)

	2011-12	2010-11
Turnover		
Processing Charges Fab /Yarn	2865.55	2839.66
Fabrics / Yarn /Garment Sale	1491.92	2105.01
Power Sale	148.46	159.10
Coal Trading Sale	16.29	0.00
Total	<u>4522.22</u>	<u>5103.77</u>
Profitability		
Net Profit after Taxation	15.88	142.94
Less: Profit on Sale of Fixed Asset	4.88	0.71
Less: Keyman Insurance Surrender Value	<u>0.00</u>	<u>79.02</u>
Net Profit by operation	<u>11.00</u>	<u>63.21</u>

Human Resource Development :

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

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

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

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

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

The constitution of the Board as on 31st March 2012 is given below:

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

* Other Directorships exclude directorships held in Private Limited Companies

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

B. Board Meetings:

The Board meetings are generally held at the Administrative 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.

Five Board Meetings were held during the year ended 31st March, 2012 i.e. on 13/05/2011, 12/08/2011, 28/09/2011/, 11/11/2011, 10/02/2012.

The table hereunder gives the attendance record of the Directors during the financial year 2011-12.

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ramautar S. Jhavar	5	5	Yes
Shri Vinod S. Jhavar	5	5	Yes
Shri Mahesh S. Jhavar	5	5	Yes
Shri N.C. Sharma	5	5	Yes
Shri Durgesh Kabra	5	2	No
Shri Mihir Mehta	5	3	No

B. Board Committees:

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

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

1. Audit Committee:

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

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

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

Attendance of Members at the Audit Committee Meetings:

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

During the financial year ended 31st March, 2012, Four (4) Audit Committee Meetings were held on i.e. on 13/05/2011, 12/08/2011/, 11/11/2011, 10/02/2012.

The table hereunder gives the attendance record of the Audit Committee Members during the Financial Year 2011-12.

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

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

2. Remuneration Committee:

As on 31st March 2012, the Remuneration Committee consists of Two (2) members, Shri N.C. Sharma and Shri Durgesh Kabra, all of them being Non-Executive Independent Directors. Shri N. C. Sharma is the Chairman of the Remuneration Committee.

a) Remuneration Policy:

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

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

b) Details of Remuneration to Executive Directors for the financial year ended 31st March 2012:

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

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

Name of Non-Executive Director	Equity Shares held (Number)	Sitting Fees
Shri Ramautar S. Jhawar	678087	0.27
Shri Mahesh S. Jhawar	39100	0.27
Shri N.C. Sharma	NIL	0.27
Shri Durgesh Kabra	NIL	0.15
Shri Mihir Mehta	NIL	0.19

During the year ended 31st March 2012, no meeting of the Remuneration Committee was held.

3. Shareholders'/Investors' Grievance Committee:

As at 31st March, 2012, the Shareholders'/Investors' grievance Committee consists of Shri N. C. Sharma and Shri Durgesh Kabra, both of them being Non-Executive, Independent Directors. Shri N. C. Sharma is the Chairman of the Committee and acts as the Compliance Officer.

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

Meetings and Attendance:

Four Committee meetings were held during the year ended March 31, 2012.

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

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

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

Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31st March, 2012:

The total number of complaints received and replied to the satisfaction of the Shareholders during the year ended 31st March 2012 was One (1). There were no pending/unattended complaints as on 31st March 2012.

3. Management Committee:

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

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

Meetings and Attendance:

There were only Two Management Committee Meetings during the year ended 31st March, 2012.i.e on 1th October 2011, 24st March 2012 to review the halfyearly working of the Company.

Table hereunder gives the attendance record of the members.

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

D. General Body Meetings:

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

Year	Date	Venue/ Details of Special Resolution passed	Time
2009	19/09/2009	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. Special Resolution was passed.	1:00 P.M.
2010	25/09/2010	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204.No No Special Resolution was passed.	1.00 P.M
2011	24/09/2011	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. No Special Resolution was passed.	1.00 P.M.

Special Resolution:

1. In the Annual General Meeting held on 19th September, 2009 following Special Resolutions were passed:
As per the recommendation of the Remuneration Committee and pursuant to the provisions of Section 198, 269, 309 and 311 read with schedule XIII to the Companies Act 1956 and subject to such approvals as may be necessary Shri Vinod S. Jhavar be and is hereby reappointed as Managing Director of the Company for a period of 3 years with effect from 1st November 2009.

E. Disclosures:

- * There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Annexure to the Auditor's Report which form a part of the Auditors' Report for the year ended 31st March, 2012.
- * There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years period.
- * The Company has not established the non- mandatory requirement of whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.
- * The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and has framed the Remuneration Committee which is amongst the Non-Mandatory Requirements.

F. Means of Communication to the Shareholders:

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

G. Certificate on Corporate governance:

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

H. CEO Declaration:

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

I. General Shareholder Information :

- | | |
|---|--|
| 1. Date, time and venue of Annual General Meeting of Shareholders | 11 th August 2012, 1.00 p.m. Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. |
| 2. Financial Year | 2011-2012 |
| 3. Dates of book closures | 04 th August 2012 to 11 th August 2012 (both days Inclusive) |

4. Financial Calendar

(tentative and subject to change)

Financial reporting for quarter ended

June 30, 2012	:by August 15, 2012
September 30, 2012	:by November 15, 2012
December 31, 2012	:by February 15, 2013
March 31, 2013	:by May 15, 2013

Annual General Meeting

for year ended 31st March 2013 – September 30th, 2013.

- | | |
|-------------------------------|---|
| 5. Listing on stock exchanges | Bombay Stock Exchange Limited |
| 6. Stock Code | 521151 |
| 7. Listing fees | Paid for year 2011-2012 to The Stock Exchange, Mumbai |
| 8. Registered office | Manpada Road, Bhopar Village, Dombivli (East),
Thane- 421 204. Maharashtra |

9. Registrar and Share Transfer agents

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

10. Share Transfer System:

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

The total number of shares transferred in physical form during the year 2011-12 was 16500 shares.

11. Stock Market price data:

Monthly high and low at the Bombay Stock Exchange Limited Mumbai for financial year ended 31st March 2012:

Month	Volume	Dhanlaxmi Fabrics Limited.		BSE Sensex	
		High (Rs)	Low (Rs)	High	Low
April, 2011	33,636	19.80	15.75	19,811	18,976
May, 2011	975	18.55	16.00	19,254	17,786
June, 2011	225	21.00	17.60	18,873	17,314
July, 2011	398	20.00	18.00	19,132	18,132
August, 2011	12,024	18.00	17.30	18,440	15,766
September, 2011	463	18.15	15.80	17,212	15,801
October, 2011	2,652	16.90	13.90	17,908	15,745
November, 2011	12	15.00	14.55	17,702	15,479
January, 2012	1,606	15.75	10.35	17,259	15,358
February, 2012	3,109	16.38	11.40	18,524	17,062
March, 2012	7,133	15.95	11.30	18,041	16,921

12. Distribution of Shareholding as on 31st March 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholder	Amount (Rs.)	% of Total
1 - 5,000	767	80.49	1630580	1.90
5,001 - 10,000	70	7.35	625150	0.73
10,001 - 20,000	38	3.99	603350	0.70
20,001 - 30,000	15	1.57	387620	0.45
30,001 - 40,000	7	0.73	249520	0.29
40,001 - 50,000	9	0.94	422930	0.49
50,001 - 1,00,000	7	0.73	511280	0.60
1,00,001 - & Above	40	4.20	81380570	94.84
Total	953	100.00	85811000	100.00

13. Categories of Shareholding as on 31st March 2012

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	31	3.25	5973815	69.62
Mutual Fund	1	0.10	300000	3.50
Private Corporate Bodies	40	4.20	1766969	20.58
NRIs/OCBs	5	0.53	868	0.01
Indian Public	876	91.92	539448	6.29
Total	953	100.00	8581100	100.00

14. Dematerialisation of shares and liquidity

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

15. Plant Location:

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

16. Address for correspondence:

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

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

There are no outstanding convertible instruments as on date.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2012.

Ramautar S. Jhawar

Chairman

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, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

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

Ramesh Chandra Mishra
Company Secretary

Place: Mumbai
Date: 30th May, 2012

FCS No : 5477

CEO/CFO CERTIFICATION TO THE BOARD

I Certify that:-

- a. I have reviewed the financial statements and the cash flow statement for the year 2011 - 12 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 2011-2012 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 2011-12
 - Significant changes in accounting policies during the year 2011-12 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

For DHANLAXMI FABRICS LIMITED

Sd/-

Place: Mumbai
Date: 30th May, 2012

Vinod S. Jhawar
Managing Director

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

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

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

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

The provisions of this Code be read as under:

1. Honest & Ethical Conduct

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

2. Conflict Of Interest

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

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

3. Confidentiality Of Information

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

4. Insider Trading

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

5. Protection Of Assets

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

6. Shareholders

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

7. Equal Opportunities Employer

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

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

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

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

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

8. Safety, Health And Environment

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

9. Ethical Conduct

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

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

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

10. Transparency And Accountability

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

11. Political Non Alignment

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

12. Compliance With Applicable Laws, Rules And Regulations.

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

13. Reporting Concerns

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

14. Where To Seek Clarification

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

15. Waivers & Amendments Of The Code

The Company is committed to continuously reviewing and updating its policies and procedures and hence, the Code is subject to modifications to meet the future requirements. Once every year or upon revision of this code, every Director must acknowledge and execute an understanding of the code and an agreement to comply. New Directors will sign such a deed at the time when their directorship begins.

For Dhanlaxmi Fabrics Limited

Place: Mumbai
Date: 30th May, 2012

Vinod S. Jhwar

Managing Director

AUDITORS' REPORT

To
The member of
Dhanlaxmi Fabrics Ltd.

We have audited the attached Balance Sheet of Dhanlaxmi Fabrics Limited as at 31st March 2012, and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion in these financial statement based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4&5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- a. We have obtained all the information and explanation, 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 the law have been kept by the Company so far as it appears from our examination of books and records.
- c. The Balance Sheet ,Statement of Profit & Loss and Cash Flow Statement, dealt with by this report, are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Statement of the Profit & Loss and Cash Flow Statement, dealt with this report, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act,1956.
- e. On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act,1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon given the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2012,
 - ii) In the case of the Statement of Profit & Loss of the Profit for the year ended on that date, and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Mumbai.
Date : 30th May 2012.

ANNEXURE TO THE AUDITORS' REPORT
(Annexure referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets .

(b) The Company has phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified certain fixed assets during the year. Discrepancies noticed on such physical verification as compared to book records, which were not material, have been properly adjusted in the books of account.

(c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.
2. (a) The inventory, except material lying with third parties and in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedure for the physical verification of inventory followed by the management are in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. In respect of loans secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :-

(a) The Company has given unsecured loans to its two subsidiary companies M/s. DFL Fabrics Pvt. Ltd and M/s. Dhanesh Fabrics Pvt Ltd. In respect of the said loans, the maximum amount outstanding at any time during the year was 152.50 lacs and at the end of the year balance is Rs.25.00 lacs

(b) In respect of the loan taken and granted by the company, the loans are interest free and repayable on demand

(c) There is no overdue amount in respect of loan granted and taken by the company.

4. In our opinion and according to the information and explanations given to us, during the course of audit, there are adequate internal control procedures commensurate with size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register in pursuance of section 301 of the Act, have been so entered.

(b) In respect of transactions with parties with whom transactions exceeding the value of five lacs rupees have been entered during the financial year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in case of some transactions which we are unable to comment owing to the specialized nature of the items involved and absence of any comparable prices.
6. During the year, the Company has not accepted any deposits from the public.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the Cost Accounting records, maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth -Tax, Excise - Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities during the year.

b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Income-Tax, Sales Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
10. There are no accumulated losses of the Company at the end of the financial year. There are no cash losses during the financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted intercorporate advances / Loans on the security by way of pledge of share, debentures and other securities.
13. The Company does not fall with in the category of Chit Fund / Nidhis / Mutual Benefit Fund / Society and hence the related reporting requirements are not applicable.
14. In respect of the Company's dealing in shares and other securities, proper records have been maintained of the transaction and contracts and timely entries have been made there in. The shares, debentures and other securities held by the Company have been held by the Company in its own name except to the extent of the exemption granted under section 49 of the Act.
15. The Company has not given any guarantees against loans taken by others from banks and financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lenders.
17. According to information and explanation given to us and as per the books and records examined by us, as on the date of Balance Sheet, the funds raised by the Company on short term basis have not been applied for Long Term Investments. Long Term Funds have not been applied for Short Term Investments.
18. According to information and explanation given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures and accordingly no securities were required to be created in respect of debentures.
20. The company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

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

S. G. Kabra
Partner
M. No. 38867

Place : Mumbai
Date : 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2012	AS AT 31-03-2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds	1	858.11	858.11
(a) Share capital	2	2,572.50	2,556.62
(b) Reserves and surplus		3,430.61	3,414.73
Total			
2 Non-current liabilities	3	591.51	703.82
(a) Long-term borrowings	4	603.96	676.22
(b) Deferred tax liabilities (net)	5	17.02	0.00
(c) Other long-term liabilities	6	181.59	125.29
(d) Long-term provisions		1,394.08	1,505.33
Total			
3 Current liabilities	7	0.00	591.15
(a) Short-term borrowings	8	341.11	338.65
(b) Trade payables	9	37.25	54.88
(c) Other current liabilities	10	51.70	18.50
d) Short-term provisions		430.06	1,003.18
Total		5,254.75	5,923.24
	TOTAL		
B ASSETS			
1 Non-current assets	11		
(a) Fixed assets			
(i) Tangible assets		2636.25	2,753.24
(ii) Capital work-in-progress		370.52	469.73
(b) Non-current investments	12	67.08	67.08
(c) Long-term loans and advances	13	476.25	542.63
Total		3,550.10	3,832.68
2 Current assets			
(a) Inventories	14	263.88	351.98
(b) Trade receivables	15	1,060.84	1,170.19
(c) Cash and cash equivalents	16	234.74	21.25
(d) Short-term loans and advances	17	145.19	547.14
Total		1,704.65	2,090.56
	TOTAL	5,254.75	5,923.24

Significant Accounting Policies
Notes on Financial Statements

1 to 33

As per our report of even date attached,

For and on behalf of the Board,

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

Chartered Accountants

FR NO. 104507 W

S. G. Kabra

Partner

M. No. 38867

Ramautar S. Jhwar

Chairman

Vinod S. Jhwar

Managing Director

Mahesh S. Jhwar

Director

Place : Mumbai

Date : 30th May, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
A CONTINUING OPERATIONS			
1 Revenue from operations	18	4,522.22	5,103.77
2 Other income	19	25.41	145.60
3 Total revenue		4547.63	5249.37
4 Expenses			
(a) Cost of materials consumed	20	1,413.16	1,332.47
(b) Purchases of stock-in-trade	21	1,302.73	2,050.48
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	105.78	80.42
(d) Employee benefits expenses	23	407.30	328.78
(e) Finance costs	24	75.16	108.56
(f) Depreciation	25	478.06	466.57
(g) Other expenses	26	745.25	683.58
Total expenses		4,527.44	5,050.86
5 Profit before tax		20.19	198.51
6 Tax expense:			
(a) Current tax expense for current year		76.73	123.61
(b) Less- Deferred tax Credit		72.26	63.48
(C.) Less Current tax Credit relating to prior year		0.16	4.56
Net tax expense		4.31	55.57
7 Profit for the year		15.88	142.94
8 Earnings per Equity share of face value of Rs.10/- each			
(a) Basic and Diluted in Rs.	27	0.19	1.67
9 Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per our report of even date attached

For and on behalf of the Board,

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

S. G. Kabra
Partner
M. No. 38867

Ramautar S. Jhawar
Chairman

Vinod S. Jhawar
Managing Director

Mahesh S. Jhawar
Director

Place : Mumbai
Date : 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

(Rupees in Lacks)

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	20.19	198.51
<i>Adjustments for:</i>		
Depreciation and amortisation	478.06	466.57
(Profit) / loss on sale / write off of assets	-4.88	-0.71
Finance costs	75.16	108.56
Interest income	-7.88	-24.21
Rental Income from Investment Property	-7.27	0.00
Operating profit / (loss) before working capital changes	553.38	748.72
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	88.10	65.38
Trade and othe receivables	511.30	-319.37
Other non-current assets	66.38	-65.28
Trade and other Payables	18.02	-470.68
Cash generated from operations	683.80	-789.95
Net income tax (paid) / refunds	-76.57	-119.06
Net cash flow from / (used in) operating activities (A)	1,160.61	-160.29
B. Cash flow from investing activities		
Purchase of fixed assets	-369.98	-44.65
Sale of fixed assets	113.01	325.94
Interest received	7.88	24.21
Rental income from investment properties	7.27	0.00
Long Term Liabilities	17.02	0.00
Long term Provisions	56.30	-34.51
Net cash flow from / (used in) investing activities (B)	-168.50	270.99
C. Cash flow from financing activities		
Repayment of long-term borrowings	-112.31	-378.10
Net increase / (decrease) in working capital borrowings	-591.15	376.88
Finance cost	-75.16	-108.56
Net cash flow from / (used in) financing activities (C)	-778.62	-109.78
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	213.49	0.92
Cash and cash equivalents at the beginning of the year	21.25	20.33
Cash and cash equivalents at the end of the year	234.74	21.25
Net increase / (decrease) in Cash and cash equivalents	213.49	0.92

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

In terms of our report attached.

For S.G.KABRA & Co.

Chartered Accountants

FR NO. 104507 W

S.G.Kabra**Partner**

M. No. 38867

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

Place : Mumbai

Date : 30th May, 2012

For and on behalf of the board

1. SIGNIFICANT ACCOUNTING POLICIES:**A) Basis of Preparation of Financial Statements**

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

B) Use of Estimates

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

C) On Fixed Assets

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

D) Leased Assets

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

E) Depreciation

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

F) Impairment of Assets

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

G) Foreign Currency Transactions.

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or approximates the actual rate at the date of the transaction.

b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account.

H) Investments

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

I) Inventories

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

J) Revenue Recognition.

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

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

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

L) Employee Benefits.

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

M) Employee Retirement Benefits :

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

N) Provision for Current and 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 31ST MARCH 2012

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

1 SHARE CAPITAL	As at 31/03/2012	As at 31/03/2011
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares)	1500.00	1500.00

Issued, Subscribed and Paid up	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 31/03/2012		As at 31/03/2011	
	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics Pvt Ltd	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhawar	6,78,087	7.90	6,78,087	7.90

2 RESERVES & SURPLUS	As at 31/03/2012	As at 31/03/2011
General Reserve	65.00	65.00
Capital subsidy Reserve	36.84	36.84
Equity Share Premium reserve	896.00	896.00
Profit & Loss A/c	1558.78	1415.84
As per last Balance sheet	15.88	142.94
Add Profit for the year	1574.66	1558.78
Total	2572.50	2556.62
Total		

3 LONG TERM BORROWINGS

	As at 31/03/2012	As at 31/03/2011
Secured Loans		
Term Loan from ING Vysya Bank	558.11	670.42
Unsecured Loans		
From Promtech Impex Pvt Ltd	33.40	33.40
Total	591.51	703.82

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

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

3.3 Repayment schedule of Bank Term Loan.

Term Loan No.	2012-13	2013-14	2014-15	2015-16	2016-17
8853	66.72	66.72	15.08		
40415	85.38	85.38	85.38	78.28	
2925	16.40	16.40	16.40	16.40	9.57
Total	168.50	168.50	116.86	94.68	9.57

4 DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2012	As at 31/03/2011
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Deferred Tax Liabilities

At Beginning of the year	676.22	739.70
Less Deferred Tax Assets	72.26	63.48
At closing of the year	603.96	676.22

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

5. OTHER LONG TERM LIABILITIES

	As at 31/03/2012	As at 31/03/2011
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Deposits received from Licensee	17.02	0.00
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5.1 Security deposits received against Leave and Licencers Agreement entered with the following Licensee for office No.401 and 403 at Kailas Corporate Lounge given on rent to them.

1. John Keells Logistics Pvt Ltd	9.83	For 3 year
2. ITT Corporation India Pvt Ltd	7.19	For 5 year
Total	17.02	

6 LONG TERM PROVISIONS

	As at 31/03/2012	As at 31/03/2011
Provision for IT	181.59	125.29

6.1 Provision for IT for the year 2009-10 Rs.835446 for the year 2010-11 Rs.9650780 and for the year 2011-12 Rs.7672670 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	As at 31/03/2012	As at 31/03/2011
Cash credit from ING Vysya Bank	0.00	191.15
Working capital Demand loan from ING Vysya Bank	0.00	400.00
Total	0.00	591.15

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

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

8 TRADE PAYABLES

	As at 31/03/2012	As at 31/03/2011
Creditors	341.11	338.65

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

9 OTHER CURRENT LIABILITIES

	As at 31/03/2012	As at 31/03/2011
Charity Fund	1.06	1.81
Unclaimed Dividends	2.34	2.95
Statutory Liabilities	32.88	45.94
Advance received from customers	0.97	4.18
Total	37.25	54.88

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

10 SHORT TERM PROVISIONS

	As at 31 /03/2012	As at 31/03/2011
Provision for outstanding Expenses	51.70	18.50

11 FIXED ASSETS

(Rs. in Lacs)

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-04-2011	Addition during the year	Sold during the year	Total as at 31-03-2012	Upto 31-03-2011	Provided for the year	Adjusted during the year	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
1. Land	125.15	0.00	0.00	125.15	0.00	0.00	0.00	0.00	125.15	125.15
2. Building	416.18	0.00	0.00	416.18	182.11	13.90	0.00	196.01	220.17	234.07
3. Plant & Machinery	3249.21	133.45	32.15	3550.51	1678.29	278.15	25.23	1931.21	1419.30	1570.92
4. Electrical Installation	100.86	0.00	0.00	100.86	60.68	4.79	0.00	65.47	35.39	40.18
5. Pipe Fitting	34.62	0.00	0.00	34.62	20.91	3.58	0.00	24.49	10.13	13.71
6. Furniture & Fixture	104.29	0.00	0.00	104.29	51.95	6.60	0.00	58.55	45.74	52.34
7. Laboratory Equipment	24.10	1.61	0.00	25.71	8.22	1.15	0.00	9.37	16.34	15.88
8. Office Equipment	6.88	0.00	0.00	6.88	3.92	0.32	0.00	4.24	2.64	2.96
9. Air Conditioner	8.95	0.00	0.00	8.95	4.71	0.42	0.00	5.13	3.82	4.24
10. Computer	34.98	3.52	0.00	38.50	34.07	0.16	0.00	34.23	4.27	0.91
11. Motor Vehicle	63.20	9.18	4.61	67.77	28.53	6.09	2.61	32.01	35.76	34.67
12. Misc. Fixed Assets	28.79	0.00	0.00	28.79	8.68	1.37	0.00	10.05	18.74	20.11
13. House Property	0.00	222.23	0.00	222.23	0.00	4.26	0.00	4.26	217.97	0.00
SUB-TOTAL	4197.21	369.99	36.76	4530.44	2082.07	320.79	27.84	2375.02	2155.42	2115.14
Wind Power Division										
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00
2. Plant And Machinery	1521.00	0.00	0.00	1521.00	892.90	157.27	0.00	1050.17	470.83	628.10
Sub Total	1531.00	0.00	0.00	1531.00	892.90	157.27	0.00	1050.17	480.83	638.10
Total	5728.21	369.99	36.76	6061.44	2974.97	478.06	27.84	3425.19	2636.25	2753.24
PREVIOUS YEAR	5798.07	44.65	114.51	5728.21	2571.39	466.57	62.99	2974.97	2753.24	

Capital Work in Progress **370.52** (Previous Year 469.73)**12 NON-CURRENT INVESTMENTS**

In equity shares of subsidiary companies

As at 31/03/2012**As at 31/03/2011**

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

65.08

65.08

1.00

1.00

1.00

1.00

Total**67.08****67.08****13 LONG TERM LOANS & ADVANCES****As at 31/03/2012****As at 31/03/2011**

Balances with Excise dept.

58.54

67.75

Security Deposits

88.33

85.45

Interest Receivable under TUF Scheme

114.49

85.40

TDS Receivables

129.89

144.47

Advance tax Paid

60.00

46.56

Loans to subsidiary

25.00

113.00

Total**476.25****542.63**

	As at 31/03/2012	(Rs. In Lacs) As at 31/03/2011
13.1 Details of loans to subsidiary companies is as under		
Dhanesh Fabrics Pvt Ltd	25.00	29.50
DFL Fabrics Pvt Ltd	0.00	83.50
Total	25.00	113.00
14 INVENTORIES		
Fabric	58.65	158.15
Yarn	7.61	32.96
Stock in Process	69.30	50.22
Dyes	39.46	40.28
Chemicals	45.65	32.24
Packing Material	7.39	7.03
Coal	5.93	5.61
Diesel	0.40	0.35
Stores & Spares	29.49	25.14
Total	263.88	351.98
15 TRADE RECEIVABLES (Unsecured and Considered Good)		
Over Six Months	103.43	119.36
Other	957.41	1050.83
Total	1060.84	1170.19
16 CASH AND BANK BALANCES		
Cash on hand	2.80	3.14
Balance with banks	224.76	6.66
Fixed deposits with banks	7.18	11.45
Total	234.74	21.25
16.1 Balance with bank includes unclaimed dividend Rs. 2.34 Lacs as 31/03/2012 and Rs.2.95 as at 31/03/2011		
16.2 Fixed Deposit with Banks will be matured as under:-		
Fixed Deposit value	Date of Maturity	
Rs.96000	18/07/2017	
Rs.270000	24/12/2018	
Rs.6500	31/12/2018	
Rs.346000	25/05/2019	
17 SHORT TERM LOANS & ADVANCES		
Loan to staff	1.12	7.93
Prepaid Expenses	5.12	4.36
Advance to Suppliers	59.56	0.89
Others	79.39	533.96
Total	145.19	547.14
17.1 Other loans advances includes primarily Interest receivable on FD with Bank and advances given Advances against purchases.		

	(Rs. In Lacs)	
	For the year ended	
	31/03/2012	31/03/2011
18 REVENUE FROM OPERATIONS		
Process Charges of Fabrics	2355.95	2363.79
Process Charges of Yarn	509.60	475.87
Fabric Sales	1417.93	2081.67
Yarn Sales	3.80	23.34
Garment Sales	70.19	0.00
Power Sales	148.46	159.10
Trading Sales of Coal	16.29	0.00
Total	4522.22	5103.77
18.1 During the year Company has exported fabric worth Rs.62.37 Lacs to Bangladesh which is included in the fabric sales figures		
19 OTHER INCOME		
Interest accrued on FD	2.51	2.18
Interest on IT refund	5.32	2.35
Other Interest	0.05	19.68
Duty Drawback	0.94	0.00
Foreign exchange differences	3.91	0.00
Profit on sale of Assets	4.88	0.71
Sundry balance W/off	0.28	0.01
Misc. Income	0.25	0.00
Keymen Insurance surrender value	0.00	118.32
Carbon credit receipt	0.00	2.35
Rent from house property	7.27	0.00
Total	25.41	145.60
20 COST OF RAW MATERIALS CONSUMED		
Dyed	177.51	170.09
Chemicals	534.47	474.61
Packing Material	128.81	80.27
Coal	480.45	521.48
Diesel	9.31	12.76
Store & Spares	82.61	73.26
Total	1413.16	1332.47
20.1 Store & spares Consumption		
Indigenous	72.81	73.26
Imported	9.80	0.00
Total	82.61	73.26
21 PURCHASES OF STOCK IN TRADE		
Fabric	1271.18	1971.84
Yarn	15.47	78.64
Coal	16.08	0.00
Total	1302.73	2050.48

	(Rs. in Lacs)	
	For the year ended	
	31/03/2012	31/03/2011
22 CHANGES IN INVENTORIES		
Inventory (At close)		
Fabric	58.65	158.15
Yarn	7.61	32.97
Work in Progress	69.30	50.22
Total	135.56	241.34
Inventory (At commencement)		
Fabric	158.15	212.81
Yarn	32.97	69.30
Work in Progress	50.22	39.65
Total	241.34	321.76
Net Change	-105.78	-80.42
23 EMPLOYEE BENEFIT EXPENSES		
Labour Charges	247.33	154.10
Salary	151.46	166.89
Contribution to P.F & ESIC	2.99	3.20
Contribution to Graduty Fund	3.59	2.95
Staff welfare Expenses	1.93	1.64
Total	407.30	328.78
24 FINANCE COST		
Interest on Working capital	23.62	43.14
Interest on Term Loan	51.54	65.42
(Net to TUF subsidy benefit accrual)		
Total	75.16	108.56
25 DEPRECIATION		
Depreciation on Fixed Assets	478.06	466.57
25.1 Depreciation provided on straight line method on triple shift basis		
26 OTHER EXPENSES		
26 (a) Manufacturing expenses		
Electricity Charges	288.10	264.61
Water Expenses	195.61	189.40
Repairs to building	7.66	2.32
Repairs to Machinery	47.51	31.23
Job charges paid	65.33	64.18
Freight & forwarding expenses	14.56	11.25
Laboratory expenses	0.40	0.64
Insurance	9.29	5.83
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.57	0.90
Analysis Charges	0.81	0.79
Total	630.44	571.75
26(b) Selling & distribution expenses		
Sales promotion	0.17	7.39
Commitment & brockrage	17.97	23.88
Total	18.14	31.27

(Rs. in Lacs)

	For the year ended	
	31/03/2012	31/03/2011
26.(c) ADMINISTRATIVE EXPENSES		
Property tax	4.74	4.74
Printing & stationery	7.98	7.30
Rent, Rates & Taxes	1.77	2.09
Travelling expenses	7.06	1.18
Postage & courier charges	1.48	0.63
Legal & professional fees	14.71	4.50
Advertisement charges	1.60	1.47
Repairs to others	5.61	4.76
conveyance expenses	2.55	3.58
General expenses	6.95	6.63
Bank Loan processing fees & Stamp duty	0.45	5.21
Registration fee for carbon credit	0.00	0.88
Preferential issue expenses	0.00	1.15
Listing fees	0.28	0.17
Bank charges	0.21	0.31
Demate Charges	0.35	0.46
Vehicle expenses	6.32	4.74
Trunk & telephone	3.16	3.49
Auditor Remuneration	1.41	1.41
Medical expenses	7.52	3.80
Keyman expenses	7.94	7.94
Directors remuneration	13.44	13.44
Sitting Fees	1.14	0.68
Total	96.67	80.56
Total 26(a)+26(b)+26(c.)	745.25	683.58
26.1 Payment to auditors		
(a) Auditor		
Statutory audit Fees	0.55	0.55
Tax Audit Fee	0.77	0.77
(b) Cost Audit Fees	0.09	0.09
Total	1.41	1.41
27 EARNING PER SHARE(EPS)		
(i) Net Profit after tax as per statement of Profi & Loss Attributable to equity Shareholders	15.88	142.94
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	0.19	1.67
(iv) Face Value per Equity share	Rs.10/-	Rs.10/-

(Rs. in Lacs)

28 CONTINGENT LIABILITIES**As at 31st March 2012****Contingent Liabilities not provided for in respect of Rs. In Lacs**

1. Bank Guarantees	7.19
2. Property tax the year 2011-2012	4.74
3. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66
4. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case pending before hon'ble judge co-op court No.2 Kolhapur	528.96

For the year ended

31/03/2012 31/03/2011

29 FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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

Subsidiary Companies:-

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

Management Personnel and Relatives

1. Vinod S. Jhawar - Managing Director

30(b) Transactions during the year with related parties

Nature of transaction	Rs. In Lacs			Total
	Subsidiaries	Associates	Key Managerial Personnel	
Revenue from operation	369.15	0.00	0.00	369.15
Purchases	0.00	0.00	0.00	0.00
Expenditure on service	0.60	0.02	0.00	0.62
Outstanding balance As at 31-03-2012				
Receivables	129.37	0.00	0.00	129.37
Payables	0.00	33.42	0.00	33.42
Manageral remuneration	0.00	0.00	13.44	13.44

31 SEGMENT INFORMATION

The Company is currently organized into two business operating systems. Textile Processing and 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 operationa 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 are all located in india. Capital expenditure includes expenditure incurred during the year on acquisition of segment fixed assets. The company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, revenues are bifurcated based on sales in india and Outside india.

31(a) Primary Segment :

Particulars	Rs. In Lacs					
	Textile Division		Power Division		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue	4373.76	4944.67	148.46	159.10	4522.22	5103.77
Other Income	25.41	143.25	0.00	2.35	25.41	145.60
Total Income	4399.17	5087.92	148.46	161.45	4547.63	5249.37
Operating Profit	134.17	315.71	-38.82	-8.64	95.35	307.07
Financial Cost	74.59	95.83	0.57	12.73	75.16	108.56
Taxes	4.31	55.57	0.00	0.00	4.31	55.57
Net Profit	55.27	164.31	-39.39	-21.37	15.88	142.94
Segment Fixed Assets	2525.93	2584.88	480.83	638.10	3006.76	3222.98
Segment Long term Borrowing	591.51	703.82	0.00	30.00	591.51	733.82
Capital Employed	3721.17	4469.53	904.90	916.38	4626.07	5385.91
Depreciation	320.79	309.30	157.27	157.27	478.06	466.57

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

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

In terms of our report attached.

For and on behalf of the Board.

For S.G.KABRA & Co.

Chartered Accountants

FR No- 104507W

S.G.Kabra

Partner

Membership No.38867

Place : Mumbai

Date :30th May 2012

Ramautar S. Jhawar
Chairman

Vinod S. Jhawar
Managing Director

Mahesh S. Jhawar
Director

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	68861	State Code 11
Balance Sheet Date	31-03-2012	
	For the year ended 31-03-2012	(Rs. in Lacs) For the year ended 31-03-2011

II Capital Raised during the year

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

III Position of Mobilisation and Deployment of Funds

Total Liabilities	5254.75	5923.24
Total Assets	5254.75	5923.24

Source of Funds

Paid-up-Capital	858.11	858.11
Reserves & Surplus	2572.49	2556.62
Non Current Liabilities	1394.08	1505.33
Current Liabilities	430.07	1003.18

Application of Funds

Net Fixed Asset	2636.25	2753.24
Capital Work In Progress	370.52	469.73
Net Current Assets	476.25	542.63
Investments	67.08	67.08
Current Assets	1704.65	2090.56

IV Performance of Company

Turnover	4547.63	5249.37
Total Expenditure	4527.44	5050.86
Profit (Loss) before Tax	20.19	198.51
Profit (Loss) after Tax	15.88	142.94
Earning per Share (Rs.)	0.19	1.67

V Generic Names of Principal product/services of Co.

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

For and on behalf of the Board,

As per our report of even date attached,

For S. G. Kabra & Co.

Chartered Accountants

FR No. 104507 W

S. G. Kabra

Partner

M. No. 38867

Ramautar S. Jhawar

Chairman

Vinod S. Jhawar

Managing Director

Mahesh S. Jhawar

Director

Place : Mumbai

Date : 30th August, 2012

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

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

Sr. No.	Subsidiary Company	Western Chlorides & Chemicals Pvt. Ltd.	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
1	Financial year of the Subsidiary Company ended on	31-03-2012	31-03-2012	31-03-2012
2	Year from which it become subsidiary Companies	01-12-1992	16-08-2007	07-02-2009
3	Country of Incorporation	India	India	India
4	(a) No. of Shares held by the Company & face value	2999 Equity Shares of Rs. 100/-	9999 Equity Shares of Rs.10/-	9980 Equity Shares of Rs.10/-
	(b) Extent of holding	99.99%	99.99%	99.80%
5	Net aggregate amount of subsidiary's Profit/ (Loss) so far as it concerns the members of the Holding Company.			
	a) Not dealt with in the accounts of the Holding Company.			
	For the financial year ended 31 st March, 2012	0.16	1.82	0.95
	For the Previous Financial Years, since it became the Holding Company's Subsidiary.	(0.38)	8.44	6.08
	b) Dealt with in the accounts of the Holding Company.			
	For the financial year ended 31 st March, 2012.	Nil	Nil	Nil
	For the Previous Financial Years, since it became the Holding Company's Subsidiary.	Nil	Nil	Nil

Directors' Report

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

Your Directors present herewith the 41th Annual Report and the audited accounts of the Company for the year ended 31st March , 2012.

FINANCIAL RESULTS :

	Year ended 31/03/2012	(Rs. In Lacs.) Year ended 31/03/2011
Profit/(Loss) before Depreciation	0.24	0.24
Less : Depreciation	0.01	0.01
Profit/(Loss) Before Tax	0.23	0.23
Less : Provision for Tax	0.07	0.07
Profit /(Loss) After Tax	0.16	0.16
Add: Balance brought forward from Previous year	(0.38)	(0.54)
Balance carried to Balance sheet	(0.22)	(0.38)

DIVIDEND :

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

DIRECTORS:

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

The Directors confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company as at 31st March 2012 and of the profit for the year ended on that date.
- Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.

AUDITORS :

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

AUDITORS' REPORT:

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

FIXED DEPOSITS:

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

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

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

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

There were no foreign exchange earnings or outgo during the year 2011-12.

CONSERVATION OF ENERGY :

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

TECHNOLOGY ABSORPTION:

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Ramautar S. Jhawar
Director

Place : Mumbai
Date : 30th May, 2012

Mahesh S. Jhawar
Director

Auditors' Report

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

We have audited the attached Balance Sheet of Western Chlorides & Chemicals Pvt. Ltd. as at 31st March 2012 and also the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion in these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act 1956, which is not applicable to the Company.

Further to our comments in the Annexure referred to above we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account, as required by the 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 & Loss dealt with by this report, are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Statement of Profit & Loss dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- e) On the basis of written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India .
 - i) In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2012.
 - ii) In the case of the Statement of Profit & Loss of the Profit for the year ended on that date.

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

S.G.Kabra
Partner
M. No. 38867

Place : Mumbai
Date : 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2012	AS AT 31-03-2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	3.00	3.00
(b) Reserves and surplus	2	10.85	10.69
Total		13.85	13.69
2 Non-Current liabilities			
Long Term Provisions	3	0.57	0.50
Total		0.57	0.50
2 Current liabilities			
Other current liabilities	4	0.23	0.17
Total		0.23	0.17
	TOTAL	14.65	14.36
B ASSETS			
1 Non-current assets			
(a) Fixed assets	5	0.10	0.11
(b) Long-term loans and advances	6	1.03	0.72
Total		1.13	0.83
2 Current assets			
(a) Inventories	7	0.84	12.85
(b) Short-term loans and advances	8	12.68	0.68
Total		13.52	13.53
	TOTAL	14.65	14.36
Significant Accounting Policies			
Notes on Financial Statements	1 to 13		

As per our report of even date attached,

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

For and on behalf of the Board,

Ramautar S. Jhawar
Chairman

Mahesh S. Jhawar
Director

Place : Mumbai
Date : 30th May, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
A CONTINUING OPERATIONS			
1 Revenue from operations			
Other income	9	1.50	1.36
Total revenue		1.50	1.36
2 Expenses			
(a) Employee benefits expenses	10	1.19	1.02
(b) Depreciation	11	0.01	0.01
(c) Other expenses	12	0.07	0.10
Total		1.27	1.13
3 Profit / (Loss) before tax		0.23	0.23
4 Current tax expense for current year		0.07	0.07
5 Profit / (Loss) for the year		0.16	0.16
6 Earnings per Equity share of face value of Rs.10/- each			
(a) Basic and Diluted in Rs.		5.30	5.30
Significant Accounting Policies			
Notes on Financial Statements	1 to 13		

As per our report of even date attached,

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

Place : Mumbai
Date : 30th May, 2012

For and on behalf of the Board,

Ramautar S. Jhawar
Chairman

Mahesh S. Jhawar
Director

Significant Accounting Policies

1. The Company follows accrual basis of accounting & recognizing Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the company are as stated below.
 - a) Fixed Assets are shown at cost.
 - b) Depreciation is provided on fixed assets using written down value method provided in schedule (xiv) of the Companies Act , 1956.
 - c) Investment are valued at cost of acquisition.
 - d) Retirement benefits : Gratuity / Retirement benefits are recorded only on crystallization of liability on account thereof.
 - e) Recognition of income & Expenditure – Items of Income & Expenditure are generally recognized on accrual basis.

2. **Contingent Liabilities :** NIL

3. In the opinion of the Board of Directors, the Current Assets , Loans & Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

4. The Company has leased out its factory land at Dombivli to the Holding Company for setting up Textile process house.

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

6. Additional information pursuant to provision 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
 - i. Licensed Capacity Not Applicable
 - ii. Installed Capacity Not Applicable
 - iii. The Company did not have
 - a) Any employee drawing aggregate remuneration.
 - i. Of Rs. 24 lakhs per annum or more in respect of employees employed through out the year.
 - ii. At a rate equal to Rs.2 lakhs per month or more in respect of employees employed for part of the year
 - b) Any imports during the year .
 - c) Any earnings / expenditure in foreign currency.
 - d) Any non-resident shareholders.

7. Figures of the previous year have been regrouped wherever necessary.

8. **Deferred Tax –**
 The Company has adopted Accounting Standard -22, "Accounting for Taxes on Income" with effect from 1st April 2003. Since the Company has provided depreciation in its books of account as per Income Tax Act-1956. Therefore there is no difference between the depreciation provided in books and depreciation considered in Income Tax return, so this Accounting Standard is not applicable to the Company.

Notes on Financial Statement for the year ended 31st March-2012

Rs. In Lacs

Particulars	As AT 31/03/2012	AS AT 31/03/2011
1 SHARE CAPITAL		
Authorised	5.00	5.00
5000 Equity Shares of Rs. 100/- each (Previous year 5000 Equity Shares Rs.100/-each)		
Issued,Subscribed & Paid up	3.00	3.00
3000 Equity Shares of Rs. 100/- each fully paid up in cash (Previous year 3000 Equity shares Rs.100/-each.)		
1.1 The details of Shareholders holding more than 5% Shares		
	No.of Shares %	No.of Shares %
Dhanlaxmi Fabrics Ltd. (Holding Company)	2999 99.97	2999 99.97
2 RESERVES & SURPLUS		
	As at 31/03/2012	As at 31/03/2011
General Reserve	10.62	10.62
Investment Allowance Reserve	0.45	0.45
Profit & Loss A/C		
As per last Balance Sheet	-0.38	-0.54
Add profit for the year	0.16	0.16
Total	-0.22	-0.38
Total	10.85	10.69
3 NON-CURRENT LIABILITIES		
	As at 31/03/2012	As At 31/03/2011
Long Term Provision	0.57	0.50
4 OTHER CURRENT LIABILITIES		
	As at 31/03/2012	As at 31/03/2011
Sundry Creditors for Expenses	0.23	0.17

NOTE : 5

(Rs. in Lacs)

Fixed Assets

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-4-2011	Addition during the year	Sold during the year	Total as at 31-3-2012	Upto 31-3-2011	Provided during the year	Adjusted during the year	Upto 31-3-2012	As at 31-3-2012	As at 31-3-2011
Building	3.22	0.00	0.00	3.22	3.12	0.01	0.00	3.13	0.09	0.10
Weighing Scale	0.20	0.00	0.00	0.20	0.20	0.00	0.00	0.20	0.00	0.00
Furniture & Fixture	0.28	0.00	0.00	0.28	0.28	0.00	0.00	0.28	0.00	0.00
Office Equipment	0.21	0.00	0.00	0.21	0.21	0.00	0.00	0.21	0.00	0.00
Factory Equipment	0.32	0.00	0.00	0.32	0.31	0.00	0.00	0.31	0.01	0.01
Hand Cart & Cycle	0.02	0.00	0.00	0.02	0.02	0.00	0.00	0.02	0.00	0.00
TOTAL	4.25	0.00	0.00	4.25	4.14	0.01	0.00	4.15	0.10	0.11
PREVIOUS YEAR	53.51	0.00	49.26	4.25	4.13	0.01	0.00	4.14	0.11	

5 LONG TERM LOAN AND ADVANCES

	As at 31/03/2012	As at 31/03/2011
T.D.S.Receivable	0.67	0.09
Deposits	0.36	0.62
Advance Sales Tax 1991-92	0.00	0.01
Total	1.03	0.72

7 CASH & BANK BALANCES		Rs. In Lacs	
		As at 31/03/2012	As at 31/03/2011
Cash Balance		0.38	12.29
Balance with Bank		0.46	0.56
	Total	0.84	12.85
8 SHORT TERM LOAN AND ADVANCES			
		As at 31/03/2012	As at 31/03/2011
Yukti Mercantile Pvt.Ltd.		12.00	0.00
Interest Receivable		0.68	0.68
	Total	12.68	0.68
9 OTHER INCOME		For the Year Ended	
		31/03/2012	31/03/2011
Lease Charges Received		0.60	0.60
Interest		0.77	0.76
Sundry Blance W/off		0.13	0.00
	Total	1.50	1.36
10 EMPLOYEE BENEFITS EXPENSES			
		31/03/2012	31/03/2011
Salary		1.19	1.02
	Total	1.19	1.02
11 DEPRECIATION			
		31/03/2012	31/03/2011
Depreciation on Fixed Assets		0.01	0.01
	Total	0.01	0.01
12 OTHER EXPENSES			
		31/03/2012	31/03/2011
Audit Fee		0.06	0.06
Filing Fees		0.00	0.01
Bank Charges		0.01	0.03
	Total	0.07	0.10

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

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

S.G.Kabra
Partner
M. No. 38867

Place : Mumbai
Date : 30th May 2012

For and on Behalf of the Board

Ramautar Jhawar
Director

Mahesh S.Jhawar
Director

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

Balance Sheet Abstract and Company's General Business Profile.

I Registration Details.			
Registration No.	14919	State Code	11
Balance Sheet Date	31-03-2012		
		(Rs. In Lacs)	
	For the year ended 31/03/2012	For the year ended 31/03/2011	
II. Capital Raised during the year			
Public Issue	Nil	Nil	
Bonus Issue	Nil	Nil	
Right Issue	Nil	Nil	
Private Placement / Others	Nil	Nil	
III. Position of Mobilisation and Deployment of Funds.			
Total Liabilities	14.65	14.36	
Total Assets	14.65	14.36	
Sources of Funds			
Paid-Up-Capital	3.00	3.00	
Reserves & Surplus	10.85	10.69	
Non-Current liabilities	0.57	0.50	
Current liabilities	0.23	0.17	
Application of Funds			
Net Fixed Assets	0.10	0.11	
Non Current Assets	1.03	0.72	
Current Assets	13.52	13.53	
IV. Performance of Company			
Turnover	1.50	1.36	
Total Expenditure	1.27	1.13	
Profit before Tax	0.23	0.23	
Profit after Tax	0.16	0.16	
Earning per Share (Rs.)	5.30	5.30	
V. Generic Names of Principal product / services of Co. Item No. N.A.			

Signatures to Notes

As per our report of even date attached

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

S. G. Kabra
Partner
M. No. 38867
Place : Mumbai
Date : 30th May 2012

For and on behalf of the Board

Ramautar S. Jhawar
Director

Mahesh S Jhawar
Director

DIRECTORS' REPORT

To
The Members,
Dhanesh Fabrics Pvt. Ltd.

Your Directors present herewith 13th Annual Report and the audited accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL RESULT :

	Year Ended 31/03/2012	(Rs. in Lacs) Year Ended 31/03/2011
Revenue from operation	354.94	439.15
Profit /(Loss) Before Tax	2.89	3.88
Less Current Tax	1.07	1.20
Net Profit /(Loss) for the year	1.82	2.68
Add Balance Brought from Previous Year	8.44	5.76
Balance Carried to Balance Sheet	10.26	8.44

DIVIDEND:

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

DIRECTORS:

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

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

The Directors confirm that:

- * The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- * The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company and of the profit for the year ended 31st March 2012.
- * Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- * The Annual Accounts have been prepared on a going concern basis.

AUDITORS :

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

AUDITORS' REPORT:

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

FIXED DEPOSITS:

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

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

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

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

There was no foreign exchange earnings or outgo during the year 2011-2012.

CONSERVATION OF ENERGY :

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

TECHNOLOGY ABSORPTION:

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Mahesh S. Jhavar
Director

Place : Mumbai
Date : 30th May 2012

Vinod S. Jhavar
Director

Auditor's Report

To,
The Members of
Dhanesh Fabrics Pvt. Ltd.

We have audited the attached Balance Sheet of Dhanesh Fabrics Pvt. Ltd. as at 31st March 2012, and also the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto.

These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion in this financial statement based on our audit. We have conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 is not applicable to the Company.

Further to our comments in the annexure referred to above we report that:-

- a) We have obtained all the information and explanation 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 the law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet & the Statement of Profit & Loss dealt with by this report, are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Statement of Profit & Loss dealt with by this report, comply with the Accounting Standard referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and notes thereon, give information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India .
 - i. In the case of Balance Sheet of the State of affairs of the Company as at 31st March, 2012.
 - ii. In the case of the Statement of Profit & Loss of the Profit for the year ended on that date.

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

Place : Mumbai
Date : 30th May 2012

S.G. Kabra
Partner
M. No. 38867

BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2012	AS AT 31-03-2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1.00	1.00
(b) Reserves and surplus	2	10.26	8.44
Total		11.26	9.44
2 Non-current liabilities			
(a) Long-term borrowings	3	25.00	29.50
(b) Long-term tax provisions	4	0.89	2.16
Total		25.89	31.66
3 Current liabilities			
(a) Trade payable	5	113.23	131.06
(c) Other current liabilities	6	1.11	1.31
Total		114.34	132.37
TOTAL		151.49	173.47
B ASSETS			
1 Non-current assets			
(a) Long-term loans and advances	7	1.11	2.33
Total		1.11	2.33
2 Current assets			
(a) Inventories	8	60.33	53.79
(b) Trade Receivable	9	77.17	92.84
(c) Cash and Cash Equivalents	10	3.66	17.41
(d) Short-term loans and advances	11	9.20	7.06
(e) Other Current Assets	12	0.02	0.04
Total		150.38	171.14
TOTAL		151.49	173.47

Significant Accounting Policies

Notes on Financial Statements

1 to 20

As per our report of even date attached,

For and on behalf of the Board,

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

Chartered Accountants

FR NO. 104507 W

S. G. Kabra

Partner

M. No. 38867

Vinod S. Jhavar

Director

Mahesh S. Jhavar

Director

Place : Mumbai

Date : 30th May, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
A CONTINUING OPERATIONS			
1 (a) Revenue from operations	13	354.94	439.15
(b) Other income	14	0.01	0.06
Total revenue		354.95	439.21
2 Expenses			
(a) Purchases of stock-in-trade	15	254.19	306.38
(b) Changes in inventories stock-in-trade	16	-6.54	3.23
(c) Employee benefits expenses	17	16.00	13.61
(d) Finance costs	18	0.00	10.86
(e) Other expenses	19	88.41	101.25
Total expenses		352.06	435.33
3 Profit before tax		2.89	3.88
4 Tax expense:			
(a) Current tax expense for current year		0.89	1.20
(b) Current tax expense for earlier year		0.18	0.00
Net tax expense		1.07	1.20
5 Profit for the year		1.82	2.68
6 Earnings per Equity share of face value of Rs.10/- each			
(a) Basic and Diluted		18.12	26.82
Significant Accounting Policies			
Notes on Financial Statements		1 to 20	

As per our report of even date attached

For and on behalf of the Board,

As per our report of even date attached,

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

Vinod S. Jhawar
Director

Mahesh S. Jhawar
Director

Place : Mumbai

Date : 30th May, 2012

Significant Accounting Policies

1. The Company follows accrual basis of accounting & recognising Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
2. In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
3. Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.
4. Additional information pursuant to provisions 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
 - i. Licensed Capacity Not Applicable
 - ii. Installed Capacity Not Applicable
 - iii. The Company did not have
 - (a) Any employee drawing aggregate remuneration.
 - i. Of Rs.24,00,000/-per annum or more in respect of employees employed throughout the year.
 - ii. At a rate equal to Rs.2,00,000/- per month or more in respect of employees employed for part of the year.
 - (b) Any Imports during the year
 - (c) Any Earnings / Expenditure in foreign currency.
 - (d) Any non-resident shareholders.
5. Contingent Liability: NIL
6. Figures for previous year have been regrouped / rearranged wherever necessary

Notes on Financial Statement for the year ended 31st March-2012

(Rs. In Lacs)

Particulars	As At 31/03/2012		As At 31/03/2011	
1 SHARE CAPITAL				
Authorised				
10000 Equity Shares of Rs. 10/- each (Previous year 10000 Equity Shares of Rs.10/-each)		1.00		1.00
Issued,Subscribed & Paid up		1.00		1.00
10000 Equity Shares of Rs. 10/- each fully paid up in cash (Previous year 10000 Equity Shares of Rs.10/-each)				
1.1 The details of Shareholders holding more than 5 % Shares				
	No.of Shares	%	No.of Shares	%
Dhanlaxmi Fabrics Ltd. (Holding Company)	9999	99.99	9999	99.99
2 RESERVES AND SURPLUS				
Profit & Loss A/c				
As per last Balance sheet		8.44		5.76
Add Profit for the year		1.82		2.68
Total		10.26		8.44
3 LONG TERM BORROWINGS				
(Unsecured Loan)				
Dhanlaxmi Fabrics Ltd.		25.00		29.50
Total		25.00		29.50
4 LONG TERM TAX PROVISIONS				
Provision for income tax		0.89		2.16
Total		0.89		2.16
5 TRADE PAYABLE				
Sundry creditors		113.23		131.06
Total		113.23		131.06
6 OTHER CURRENT LIABILITIES				
Salary payable -		0.96		0.90
T.D.S.on Contractors-		0.15		0.41
Total		1.11		1.31

Particulars	As at 31/03/2012	(Rs. In Lacs)	
		As at 31/03/2011	
7 LONG TERM LOAN AND ADVANCES			
Advance Income Tax	1.00		2.01
T.D.S.Receivable	0.11		0.32
Total	1.11		2.33
8 INVENTORIES			
Stock of cloth	60.33		53.79
Total	60.33		53.79
9 TRADE RECEIVABLES			
More Than 6 Months	28.03		9.43
others	49.14		83.41
Total	77.17		92.84
10 CASH AND BANK BALANCES			
Cash Balance	3.23		5.22
Balance with Bank	0.43		12.19
Total	3.66		17.41
11 SHORT TERM LOANS AND ADVANCES			
Dhanlaxmi fabrics Limited -	0.00		3.16
Jagdishprasad Baheti-	9.20		3.90
Total	9.20		7.06
12 OTHER CURRENT ASSETS			
Miscellaneous Expences to the Extent not written off			
Preliminary Expences	0.04		0.06
Less 1/5 Expenses Written Off	-0.02		-0.02
Total	0.02		0.04
		For the year ended	
		31/03/2012	31/03/2011
13 REVENUE FROM OPERATIONS			
Net Cloth sales	354.94		439.15
Total	354.94		439.15

Particulars	(Rs. In Lacs)	
	31/03/2012	31/03/2011
14 OTHER INCOME		
Sundry Balance W/off	0.01	0.06
Total	0.01	0.06
15 PURCHASE OF STOCK IN TRADE		
Purchases of Cloth	254.19	306.38
Total	254.19	306.38
16 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Opening Stock	53.79	57.02
Closing Stock	60.33	53.79
Total	6.54	(3.23)
17 EMPLOYEE BENEFITS EXPENSES		
Salary & Wages	15.99	13.61
Staff Welfare	0.01	0.00
Total	16.00	13.61
18 FINANCE COST		
Interest	0.00	10.86
Total	0.00	10.86
19 OTHER EXPENSES		
Processing Charges	77.04	89.99
Printing & Engraving Charges	1.02	0.89
Screen Charges	4.46	4.59
Transport Charges	1.67	2.51
Gray Checking Charges	0.42	0.90
Sampling Expenses	0.02	0.00
Insurance expenses	1.00	0.00
Trunck & Telephone Expenses	0.01	0.01
Travelling Expenses	0.03	0.03
Conveyance	0.64	0.66
Printing & Stationary	0.00	0.03
Audit Fees	0.41	0.41
Tax Audit Fees	0.21	0.21
Filling Fees	0.07	0.01
Commision & Brokerage	1.32	0.96
Motor Car Exp.	0.04	0.03
Legal & professional fees	0.03	0.00
Preliminary Expenses W/O	0.02	0.02
Total	88.41	101.25

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

As per our report of even date attached
For S.G. Kabra & Co.
FR No. 104507W
S.G.Kabra
Partner
M. No. 38867
Place : Mumbai
Date : 30th May 2012

For and on Behalf of the Board

Vinod S.Jhawar
Director

Mahesh S.Jhawar
Director

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

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

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

Registration No.	120739	State Code	11
Balance Sheet Date	31-03-2012		

(Rs. in Lacs)

II. Capital Raised during the year

	For the year ended 31/03/2012	For the year ended 31/03/2011
Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement / Others	NIL	NIL

III. Position of Mobilisation and Deployment of Funds.

Total Liabilities	151.49	173.47
Total Assets	151.49	173.47

Sources of Funds

Paid-Up-Capital	1.00	1.00
Reserves & Surplus	10.26	8.44
Non Current Liabilities	25.89	31.66
Current Liabilities	114.34	132.37

Application of Funds

Non Current Assets	1.11	2.33
Current Assets	150.38	171.14

IV. Performance of Company

Turnover	354.95	439.21
Expenditure	352.06	435.33
Profit / (Loss) before Tax	2.89	3.88
Profit / (Loss) after Tax	1.82	2.68
Earning per Share (Rs.)	18.12	26.82

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

Item No. N.A.

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

FR No. 104507W

S.G. Kabra**Partner M. No.. 38867****Place : Mumbai****Date : 30th May 2012****For and On behalf of the board****Vinod S. Jhawar****Director****Mahesh S. Jhawar****Director**

DIRECTORS' REPORT

To
The Members,
DFL Fabrics Pvt. Ltd.

Your Directors present herewith 4th Annual Report and the audited accounts of the Company for the Year ended 31st March, 2012.

FINANCIAL RESULT :	Year Ended 31/03/2012	(Rs. in Lacs) Year Ended 31/03/2011
Revenue from operation	205.98	438.23
Profit Before Tax	1.40	3.95
Less Current Tax	0.45	1.22
Net Profit for the year	0.95	2.73
Balance Brought Forward From Previous year	6.08	3.35
Balance Carried to Balance Sheet	7.03	6.08

DIVIDEND :

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

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

The Directors confirm that :

- * The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- * The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company and of the profit for the financial year ended 31st March 2012
- * Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- * The Annual Accounts have been prepared on a going concern basis.

AUDITORS :

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

AUDITORS' REPORT:

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

FIXED DEPOSITS:

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

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

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

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

There were no foreign exchange earnings or outgo during the year 2011-12.

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION:

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Mahesh S. Jhawar
Director

Place : Mumbai
Date : 30th May 2012

Vinod S. Jhawar
Director

Auditor's Report

To,
The Members of
DFL Fabrics Pvt. Ltd.

We have audited the attached Balance Sheet of DFL Fabrics Pvt. Ltd. as at 31st March 2012 and also the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion in these financial statement based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Companies (Auditors Report) order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 is not applicable to the Company.

Further to our comments in the annexure referred to above we report that:-

- a) We have obtained all the information and explanation 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 the law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet and the Statement of Profit & Loss dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Statement of Profit & Loss dealt with by this report, comply with the Accounting Standard referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause(g) of sub Section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India .
 - i. In the case of Balance Sheet of the State of affairs of the Company as at 31st March, 2012.
 - ii. In the case of the Statement of Profit & Loss of the Profit for the year ended on that date.

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

Place : Mumbai
Date : 30th May 2012

S.G. Kabra
Partner M. No. 38867

BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2012	AS AT 31-03-2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1.00	1.00
(b) Reserves and surplus	2	7.03	6.08
Total		8.03	7.08
2 Non-current liabilities			
(a) Long-term borrowings	3	0.00	83.50
(b) Long-term provisions	4	3.00	2.57
Total		3.00	86.07
3 Current liabilities			
(a) Trade payables	5	153.17	75.69
(b) Other current liabilities	6	8.10	15.23
Total		161.27	90.92
TOTAL		172.30	184.07
B ASSETS			
1 Non-current assets			
(a) Long-term loans and advances	7	3.63	2.12
Total		3.63	2.12
2 Current assets			
(a) Inventories	8	37.77	42.69
(b) Trade receivables	9	24.52	126.63
(c) Cash and cash equivalents	10	5.08	1.69
(d) Short-term loans and advances	11	101.30	10.94
Total		168.67	181.95
TOTAL		172.30	184.07
Significant Accounting Policies			
Notes on Financial Statements	1 to 18		

As per our report of even date attached,

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

Place : Mumbai
Date : 30th May, 2012

For and on behalf of the Board,

Mahesh S. Jhavar
Director

Vinod S. Jhavar
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
A CONTINUING OPERATIONS			
1 (a) Revenue from operations	12	205.98	438.23
(b) Other income	13	0.00	0.94
Total revenue		205.98	439.17
4 Expenses			
(a) Purchases of stock-in-trade	14	152.37	399.11
(b) Changes in inventories of stock-in-trade	15	4.92	-7.13
(c) Employee benefits expenses	16	2.98	4.13
(d) Other expenses	17	44.31	39.11
Total expenses		204.58	435.22
5 Profit before tax		1.40	3.95
6 Tax expense:			
(a) Current tax expense for current year		0.43	1.22
(b) Current tax relating to prior year		0.02	0.00
Net tax expense		0.45	1.22
7 Profit for the year		0.95	2.73
8 Earnings per Equity share of face value of Rs.10/- each			
(a) Basic and Diluted		9.56	27.26
9 Significant Accounting Policies			
Notes on Financial Statements		1 to 18	

As per our report of even date attached,

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

Place : Mumbai
Date : 30th May, 2012

For and on behalf of the Board,

Mahesh S. Jhavar
Director

Vinod S. Jhavar
Director

Significant Accounting Policies

1. The Company follows accrual basis of accounting & recognising Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
2. In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
3. Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.
4. Additional information pursuant to provisions 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
 - i. Licensed Capacity Not Applicable
 - ii. Installed Capacity Not Applicable
 - iii. The Company did not have
 - (a) Any employee drawing aggregate remuneration.
 - i. Of Rs.24,00,000/-per annum or more in respect of employees employed throughout the year.
 - ii. At a rate equal to Rs.2,00,000/- per month or more in respect of employees employed for part of the year.
 - (b) Any Imports during the year
 - (c) Any Earnings / Expenditure in foreign currency.
 - (d) Any non-resident shareholders.
5. Contingent Liability: NIL
6. Figures for previous year have been regrouped / rearranged wherever necessary

Notes on Financial Statement for the year ended 31st March-2012

Particulars	(Rs. In Lacs)			
	AS AT 31/03/2012	AS AT 31/03/2011		
1 <u>SHARE CAPITAL</u>				
Authorised				
10000 Equity Shares of Rs. 10/- each (Previous year 10000 Equity Shares Rs.100/-each)	1.00	1.00		
Issued,Subscribed & Paid up				
10000 Equity Shares of Rs. 10/- each fully paid up in cash (Previous year 10000 Equity Shares of Rs.10/-each)	1.00	1.00		
 1.1 Details of Shareholders holding more than 5% Shares				
	No.of Shares	%	No.of Shares	%
Dhanlaxmi Fabrics Ltd. (Holding Company)	9980	99.98	9980	99.98
2 <u>RESERVES & SURPLUS</u>				
Profit & Loss A/c				
As per last Balance Sheet	6.08		3.35	
Add Profit for the year	0.95		2.73	
Total	7.03		6.08	
3 <u>LONG TERM BORROWINGS</u>				
Dhanlaxmi Fabrics Ltd.	0.00		83.50	
Total	0.00		83.50	
4 <u>LONG TERM TAX PROVISIONS</u>				
Provision for income tax	3.00		2.57	
Total	3.00		2.57	
5 <u>TRADE PAYABLE</u>				
Sundry creditors	153.17		75.69	
Total	153.17		75.69	
6 <u>OTHER CURRENT LIABILITIES</u>				
Salary Payable	0.09		0.18	
Service Tax Payable	0.01		0.01	
TDS on Contractors	0.01		0.04	
Adv.Received from customer	7.99		15.00	
Total	8.10		15.23	

Particulars	(Rs. In Lacs)	
	As at 31/03/2012	As at 31/03/2011
7 <u>LONG TERM LOAN & ADVANCES</u>		
Advance Income Tax	2.99	1.91
TDS Receivable A/c	0.64	0.21
Total	3.63	2.12
8 <u>INVENTORIES</u>		
Stock of cloth	37.77	42.69
Total	37.77	42.69
9 <u>TRADE RECEIVABLES</u>		
More Than 6 Months	0.22	8.92
others	24.30	117.71
Total	24.52	126.63
10 <u>CASH AND BANK BALANCES</u>		
Cash Balance	0.27	1.17
Balance with Bank	4.81	0.52
Total	5.08	1.69
11 <u>SHORT TERM LOAN & ADVANCES</u>		
Mahashakti Grains & Minerals (i) Pvt.Ltd.	100.00	0.00
Shreeji Fabrics	0.00	9.59
Loan to staff	1.30	1.35
Total	101.30	10.94
	For the year ended	
	As at 31/03/2012	As at 31/03/2011
12 <u>REVENUE FROM OPERATIONS</u>		
Net Cloth sales	205.98	438.23
Total	205.98	438.23
13 <u>OTHER INCOME</u>		
Interest Received	0.00	0.94
Total	0.00	0.94
14 <u>PURCHASE OF STOCK IN TRADE</u>		
Purchases of Cloth	152.37	399.11
Total	152.37	399.11

Particulars	(Rs. In Lacs)	
	For the year ended 31/03/2012	For the year ended 31/03/2011
15 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Opening Stock	42.69	35.56
Closing Stock	37.77	42.69
Total	(4.92)	7.13
16 EMPLOYEE BENEFITS EXPENSES		
salary & Wages	2.94	4.00
Staff Welfare	0.04	0.13
Total	2.98	4.13
17 OTHER EXPENSES		
Processing Charges	34.88	26.41
Transport Charges	1.70	2.13
Gray Checking Charges	0.42	0.07
Sampling Expenses	0.54	0.50
Insurance	0.44	0.07
Electricity Charges	0.27	0.65
Repairs & Maintenance	0.46	0.06
Weaving Job Work Charges	0.98	4.28
Trunck & Telephone Expenses	0.50	0.62
Travelling Expenses	0.92	0.29
Conveyance	0.10	0.35
Bank Charges	0.01	0.00
Audit Fees	0.41	0.41
Tax Audit Fees	0.21	0.21
Commision & Brokerage	0.01	0.99
Motor Car Expenses	0.99	1.72
Sales Promotion	0.04	0.28
Printing Stationary	0.02	0.04
General Exp.	1.41	0.01
Sundry Balance W/Off.	0.00	0.02
Total	44.31	39.11

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

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

For and on Behalf of the Board

S.G.Kabra
Partner
M. No. 38867

Mahesh S.Jhawar
Director

Place : Mumbai
Date : 30th May, 2012

Vinod S.Jhawar
Director

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

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

Balance Sheet Abstract and Company's General Business Profile.

I Registration Details.

Registration No. 186271 State Code 11
Balance Sheet Date 31-03-2012

(Rs. In Lacs)

	For the year ended 31/03/2012	For the year ended 31/03/2011
--	----------------------------------	----------------------------------

II. Capital Raised during the year

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

III. Position of Mobilisation and Deployment of Funds.

Total Liabilities	172.30	184.07
Total Assets	172.30	184.07

Sources of Funds

Paid-Up-Capital	1.00	1.00
Reserves & Surplus	7.03	6.08
Non Current Liabilities	3.00	86.07
Current Liabilities	161.27	90.92

Application of Funds

Non Current Assets	3.63	2.12
Current Assets	168.67	181.95

IV. Performance of Company

Turnover	205.98	439.17
Expenditure	204.58	435.22
Profit / (Loss) before Tax	1.40	3.95
Profit / (Loss) after Tax	0.95	2.73
Earning per Share (Rs.)	9.56	27.26

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

Item No. N.A.

As per our report of even date attached

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

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

Place : Mumbai
Date : 30th May, 2012

For and On behalf of the board

Mahesh S. Jhawar
Director

Vinod S. Jhawar
Director

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

AUDITOR'S REPORT TO THE SHAREHOLDERS OF DHANLAXMI FABRICS LTD., ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DHANLAXMI FABRICS LIMITED. AND ITS SUBSIDIARIES.

We have audited the attached Consolidated Balance Sheet of Dhanlaxmi Fabrics Limited and its Subsidiary Companies as at 31st March, 2012, the related Statement of Profit & Loss and consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the generally accepted Auditing Standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports provide a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Dhanlaxmi Fabrics Limited and its Subsidiary Companies included in the aforesaid consolidation.

On the basis of the information & explanations given to us and on the consideration of the separate audit report on individual audited financial statement of the Company and its Subsidiaries, we are of the opinion that :

- a) The Consolidated Balance Sheet gives true & fair view of the Consolidated state of affairs of the Dhanlaxmi Fabrics Limited and its subsidiaries Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd. and DFL Fabrics Pvt. Ltd. as at 31st March, 2012 and
- b) The Consolidated Statement of Profit & Loss gives a true & fair view of the consolidated results of operation of Dhanlaxmi Fabrics Limited and its subsidiaries Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd. and DFL Fabrics Pvt. Ltd. for the year ended 31st March, 2012.
- c) The Consolidated Cash Flow Statement gives true and fair view of the Consolidated cash flows of Dhanlaxmi Fabrics Limited and its subsidiaries Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd. and DFL Fabrics Pvt. Ltd. for the year ended 31st March, 2012.

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

S. G. Kabra
Partner
M. No. 38867

Place : Mumbai
Date : 30th May, 2012

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2012	AS AT 31-03-2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	2,600.64	2,581.83
Total		3,658.75	3,439.94
2 Non-current liabilities			
(a) Long-term borrowings	3	591.51	703.82
(b) Deferred tax liabilities (net)	4	603.96	676.22
(c) Other long-term liabilities	5	17.02	0.00
(d) Long-term provisions	6	185.48	130.02
Total		1,397.97	1,510.06
3 Current liabilities			
(a) Short-term borrowings	7	0.00	591.15
(b) Trade payables	8	607.51	545.40
(c) Other current liabilities	9	47.26	72.09
(d) Short-term provisions	10	51.70	18.50
Total		706.47	1,227.14
TOTAL		5,563.19	6,177.14
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		2636.35	2,753.24
(iii) Capital work-in-progress		370.52	469.73
(b) Non-current investments	12	62.08	62.08
(c) Long-term loans and advances	13	457.02	434.80
Total		3,525.97	3,719.96
2 Current assets			
(a) Inventories	14	361.98	448.46
(b) Trade rece	15	1,162.53	1,389.66
(c) Cash and cash equivalents	16	244.32	53.20
(d) Short-term loans and advances	17	268.39	565.86
Total		2,037.22	2,457.18
TOTAL		5,563.19	6,177.14

Significant Accounting Policies
Notes on Financial Statements

1 to 26

As per our report of even date attached,

For S. G. Kabra & Co.

Chartered Accountants

FR NO. 104507 W

S. G. Kabra

Partner

M. No. 38867

Place : Mumbai

Date : 30th May, 2012

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 31ST MARCH 2012 (Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
A CONTINUING OPERATIONS			
1 Revenue from operations	18	5,083.14	5,981.15
2 Other income	19	26.92	147.96
3 Total revenue		5110.06	6129.11
4 Expenses			
(a) Cost of materials consumed	20	1,413.16	1,332.47
(b) Purchases of stock-in-trade	21	1,709.29	2,755.97
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	104.16	76.52
(d) Employee benefits expenses	23	427.47	347.54
(e) Finance costs	24	75.16	119.42
(f) Depreciation and amortisation expenses	25	478.07	466.58
(g) Other expenses	26	878.04	824.04
Total expenses		5,085.35	5,922.54
5. Profit before tax		24.71	206.57
6 Tax expense:			
(a) Current tax expense for current year		78.12	126.10
(b) Less- Deferred tax Credit		72.26	63.48
(c) Less Current tax Credit relating to prior year		0.00	4.56
(d) Add Current tax relating to prior year		0.04	0.00
Net tax expense		5.90	58.06
7 Profit for the year		18.81	148.51
8 Earnings per Equity share of face value of Rs.10/- each			
(a) Basic and Diluted in Rs.		0.22	1.73
9 Significant Accounting Policies			
Notes on Financial Statements	1 to 26		

As per our report of even date attached

For and on behalf of the Board,

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

S. G. Kabra
Partner
M. No. 38867

Ramautar S. Jhawar
Chairman

Vinod S. Jhawar
Managing Director

Mahesh S. Jhawar
Director

Place : Mumbai
Date : 30th May, 2012

CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Consolidated Cash Flow Statement for the year ended 31 March, 2012		Rs. in Lacs	
	For the year ended 31/03/2012'		For the year ended 31/03/2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		24.71		206.57
<i>Adjustments for:</i>				
Depreciation and amortisation	478.07		466.58	
(Profit) / loss on sale / write off of assets	-4.88		-0.71	
Finance costs	75.16		119.42	
Interest income	-8.65		-25.91	
Rental Income from Investment Property	-7.27	532.43	0.00	559.38
Operating profit / (loss) before working capital changes		557.14		765.95
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	86.48		61.48	
Trade and othe receivables	524.60		-409.79	
Other non-current assets	-22.22		0.00	
Trade and other Payables	70.48		-544.92	
Cash generated from operations		659.34		-893.23
Net income tax (paid) / refunds		-78.16		-212.54
Net cash flow from / (used in) operating activities (A)		1,138.32		-248.82
B. Cash flow from investing activities				
Purchase of fixed assets	-369.98		-44.65	
Sale of fixed assets	113.01		424.47	
Interest received	8.65		25.91	
Rental income from investment properties	7.27		0.00	
Long Term Liabilities	17.02		0.00	
Long term Provisions	55.45		-32.08	
Net cash flow from / (used in) investing activities (B)		-168.58		373.65
C. Cash flow from financing activities				
Repayment of long-term borrowings	-112.31		-378.10	
Net increase / (decrease) in working capital borrowings	-591.15		376.87	
Finance cost	-75.16		-119.42	
Net cash flow from / (used in) financing activities (C)				
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-778.62		-120.65
Cash and cash equivalents at the beginning of the year				
Cash and cash equivalents at the end of the year	53.20	191.12	49.02	4.18
Net increase / (decrease) in Cash and cash equivalents	244.32		53.20	
		191.12		4.18

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 : 30th May, 2012

CONSOLIDATED FINANCIAL STATEMENTS

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Rs. in Lacs

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

1. SHARE CAPITAL

As at 31/03/2012

As at 31/03/2011

Authorised Share Capital

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

1500.00

1500.00

Issued, Subscribed and Paid up

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

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

	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics Pvt Ltd	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhawar	6,78,087	7.90	6,78,087	7.90

2. RESERVES & SURPLUS

As at 31/03/2012

As at 31/03/2011

General Reserve

75.62

75.62

Investment allowance Reserve

0.45

0.45

Capital subsidy Reserve

36.84

36.84

Equity Share Premium reserve

896.00

896.00

Profit & Loss A/c

As per last Balance sheet

1572.92

1424.41

Add Profit for the year

18.81

148.51

Total

1591.73

1572.92

Total

2600.64

2581.83

CONSOLIDATED FINANCIAL STATEMENTS

3 LONG TERM BORROWINGS

	As at 31/03/2012	As at 31/03/2011
Secured Loans		
Term Loan from ING Vysya Bank	558.11	670.42
Unsecured Loans		
From Promtech Impex Pvt Ltd	33.40	33.40
Total	591.51	703.82

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

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

3.3 Repayment schedule of bank term loan.

Term Loan No.	2012-13	2013-14	2014-15	2015-16	2016-17
8853	66.72	66.72	15.08		
40415	85.38	85.38	85.38	78.28	
2925	16.40	16.40	16.40	16.40	9.57
Total	168.50	168.50	116.86	94.68	9.57

4 DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2012	As at 31/03/2011
Deferred Tax Liabilities		
At Beginning of the year	676.22	739.70
Less During the year	72.26	63.48
At closing of the year	603.96	676.22

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

5. OTHER LONG TERM LIABILITIES

	As at 31 /03/2012	As at 31/03/2011
Deposits received from Licensee	17.02	0.00

5.1 Security deposits received against Leave and Licencers Agreement entered with the following Licensee for office No.401 and 403 at Kailas Corporate Lounge given on rent to them.

1. John Keells Logistics Pvt Ltd	9.83	For 3 year
2. ITT Corporation India Pvt Ltd	7.19	For 5 year
Total	17.02	

CONSOLIDATED FINANCIAL STATEMENTS

6 LONG TERM PROVISIONS

	As at 31/03/2012	As at 31/03/2011
Provision for IT	185.48	130.02

6.1 Provision for IT for the year 2009-10 Rs.835446 for the year 2010-11 Rs.9650780 and for the year 2011-12 Rs.7672670 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	As at 31/03/2012	As at 31/03/2011
Cash credit from ING Vysya Bank	0.00	191.15
Working capital Demand loan from ING Vysya Bank	0.00	400.00
Total	0.00	591.15

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

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

8 TRADE PAYABLES

	As at 31/03/2012	As at 31/03/2011
Creditors	607.51	545.40

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

9 OTHER CURRENT LIABILITIES

	As at 31/03/2012	As at 31/03/2011
Charity Fund	1.06	1.81
Unclaimed Dividends	2.34	2.95
Statutory Liabilities	34.90	48.15
Advance received from customers	8.96	19.18
Total	47.26	72.09

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

10 SHORT TERM PROVISIONS

	As at 31 /03/2012	As at 31/03/2011
Provision for outstanding Expenses	51.70	18.50

CONSOLIDATED FINANCIAL STATEMENTS

11 FIXED ASSETS											(Rs. in Lacs)
Description of the Assets	Gross Block at Cost				Depreciation				Net Block		
	As at 1-04-2011	Addition during the year	Sold during the year	Total as at 31-03-2012	Upto 31-03-2011	Provided for the year	Adjusted during the year	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011	
1. Land	125.15	0.00	0.00	125.15	0.00	0.00	0.00	0.00	125.15	125.15	
2. Building	419.40	0.00	0.00	419.40	185.23	13.91	0.00	199.14	220.26	234.17	
3. Plant & Machinery	3249.53	133.45	32.15	3350.83	1678.60	278.15	25.23	1931.52	1419.31	1570.93	
4. Electrical Installation	100.86	0.00	0.00	100.86	60.68	4.79	0.00	65.47	35.39	40.18	
5. Pipe Fitting	34.63	0.00	0.00	34.63	20.91	3.58	0.00	24.49	10.14	13.72	
6. Furniture & Fixture	104.57	0.00	0.00	104.57	52.23	6.60	0.00	58.83	45.74	52.34	
7. Laboratory Equipment	24.10	0.61	0.00	25.71	8.22	1.15	0.00	9.37	16.34	15.88	
8. Office Equipment	7.09	0.00	0.00	7.09	4.13	0.32	0.00	4.45	2.64	2.96	
9. Air Conditioner	8.94	0.00	0.00	8.94	4.71	0.42	0.00	5.13	3.81	4.23	
10. Computer	34.98	3.52	0.00	38.50	34.07	0.16	0.00	34.23	4.27	0.19	
11. Motor Vehicle	63.19	9.18	4.61	67.76	28.53	6.09	2.61	32.01	35.75	34.66	
12. Misc. Fixed Assets	29.02	0.00	0.00	29.02	8.90	1.37	0.00	10.27	18.75	20.12	
13. House Property	0.00	222.23	0.00	222.23	0.00	4.26	0.00	4.26	217.97	0.00	
SUB-TOTAL	4201.46	369.99	36.76	4534.69	2086.21	320.80	27.84	2379.17	2155.52	2115.25	
Wind Power Division											
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00	
2. Plant And Machinery	1521.00	0.00	0.00	1521.00	892.90	157.27	0.00	1050.17	470.83	628.10	
Sub Total	1531.00	0.00	0.00	1531.00	892.90	157.27	0.00	1050.17	480.83	638.10	
Total	5732.46	369.99	36.76	6065.69	2979.11	478.07	27.84	3429.34	2636.35	2753.35	
PREVIOUS YEAR	5900.85	44.65	213.03	5732.46	2575.52	466.58	62.99	2979.11	2753.35		

Capital Work in Progress **370.52** (Previous Year 469.73)

12 NON-CURRENT INVESTMENTS		
In equity shares of subsidiary companies	As at 31/03/2012	As at 31/03/2011
1. Western Chlorides & Chemicals Pvt Ltd		
2999 Equity Shares @ Rs.2170/- Per Share, face	62.08	62.08
Value Rs.100/- Per shares (i.e premium Rs.2070 per share		
Total	62.08	62.08

13 LONG TERM LOANS & ADVANCES		
	As at 31/03/2012	As at 31/03/2011
Balances with Excise dept.	58.54	67.75
Security Deposits	88.69	86.08
Interest Receivable under TUF Scheme	114.49	85.40
TDS Receivables	131.31	145.09
Advance tax Paid	63.99	50.48
Total	457.02	434.80

CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2012	(Rs. In Lacs) As at 31/03/2011
14 INVENTORIES		
Fabric	156.75	254.63
Yarn	7.61	32.96
Stock in Process	69.30	50.22
Dyes	39.46	40.28
Chemicals	45.65	32.24
Packing Material	7.39	7.03
Coal	5.93	5.61
Diesel	0.40	0.35
Stores & Spares	29.49	25.14
Total	361.98	448.46
15 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over Six Months	131.68	137.71
Other	1030.85	1251.95
Total	1162.53	1389.66
16 CASH AND BANK BALANCES		
Cash on hand	6.68	21.82
Balance with banks	230.46	19.93
Fixed deposits with banks	7.18	11.45
Total	244.32	53.20
16.1	Balance with bank includes unclaimed dividend Rs. 233634/- as 31/03/2012 and Rs.294864.12 as at 31/03/2011	
16.2	Fixed Deposit with Banks will be matured as under:-	
	Fixed Deposit value	Date of Maturity
	Rs.96000	18/07/2017
	Rs.270000	24/12/2018
	Rs.6500	31/12/2018
	Rs.346000	25/05/2019
17 SHORT TERM LOANS & ADVANCES		
Loan to staff	2.42	9.28
Prepaid Expenses	5.12	4.36
Advance to Suppliers	59.56	0.89
Others	201.29	551.33
Total	268.39	565.86
17.1	Other loans advances includes primarily Interest receivable on FD with Bank and advances given Advances against purchases.	

CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. In Lacs)	
	For the year ended	
	31/03/2012	31/03/2011
18 REVENUE FROM OPERATIONS		
Process Charges of Fabrics	2355.95	2363.79
Process Charges of Yarn	509.60	475.87
Fabric Sales	1978.85	2959.05
Yarn Sales	3.80	23.34
Garment Sales	70.19	0.00
Power Sales	148.46	159.10
Trading Sales of Coal	16.29	0.00
Total	5083.14	5981.15
18.1 During the year Company has exported fabric worth Rs.62.37 Lacs to Bangladesh which include in the fabric sales figures		
19 OTHER INCOME		
Interest occurred on FD	2.51	2.18
Interest on IT refund	5.32	2.35
Other Interest	0.82	21.38
Duty Drawback	0.94	0.00
Foreign exchange differences	3.91	0.00
Profit on sale of Assets	4.88	0.71
Sundry balance W/off	0.42	0.07
Misc. Income	0.25	0.00
Keymen Insurance surrender value	0.00	118.32
Carbon credit receipt	0.00	2.35
Rent from house property	7.87	0.60
Total	26.92	147.96
20 COST OF RAW MATERIALS CONSUMED		
Dyed	177.51	170.09
Chemicals	534.47	474.61
Packing Material	128.81	80.27
Coal	480.45	521.48
Diesel	9.31	12.76
Store & Spares	82.61	73.26
Total	1413.16	1332.47
20.1 Store & spares Consumption		
Indigenous	72.81	73.26
Imported	9.80	0.00
Total	82.61	73.26
21 PURCHASES OF STOCK IN TRADE		
Fabric	1677.74	2677.33
Yarn	15.47	78.64
Coal	16.08	0.00
Total	1709.29	2755.97

CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in Lacs)	
	For the year ended	
	31/03/2012	31/03/2011
22 CHANGES IN INVENTORIES		
Inventory (At close)		
Fabric	156.75	254.63
Yarn	7.61	32.97
Work in Progress	69.30	50.22
Total	233.66	337.82
Inventory (At commencement)		
Fabric	245.63	305.39
Yarn	32.97	69.30
Work in Progress	50.22	39.65
Total	337.82	414.34
Net Change	-104.16	-76.52
23 EMPLOYEE BENEFIT EXPENSES		
Labour Charges	247.33	154.10
Salary	171.58	185.52
Contribution to P.F & ESIC	2.99	3.20
Contribution to Graduty Fund	3.59	2.95
Staff welfare Expenses	1.98	1.77
Total	427.47	347.54
24 FINANCE COST		
Interest on Working capital	23.62	54.00
Interest on Term Loan	51.54	65.42
(Net to TUF subsidy benefit accrual)		
Total	75.16	119.42
25 DEPRECIATION		
Depreciation on Fixed Assets	478.07	466.58
25.1 Depreciation provided on straight line method on triple shift basis		
26 OTHER EXPENSES		
26 (a) Manufacturing expenses		
Electricity Charges	288.37	265.26
Water Expenses	195.61	189.40
Repairs to building	7.66	2.32
Repairs to Machinery	47.97	31.29
Job charges paid	184.55	191.31
Freight & forwarding expenses	17.93	15.89
Laboratory expenses	0.40	0.64
Insurance	10.73	5.90
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.57	0.90
Analysis Charges	0.81	0.79
Total	755.20	704.30
26(b) Selling & distribution expenses		
Sales promotion	0.77	8.17
Commition & brockrage	19.30	25.83
Total	20.07	34.00

CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

For the year ended
31/03/2012 31/03/2011

26.(c) Administrative expenses

Property tax	4.74	4.74
Printing & stationery	8.00	7.37
Rent, Rates & Taxes	1.77	2.09
Travelling expenses	8.01	1.50
Postage & courier charges	1.48	0.63
Legal & professional fees	14.74	4.50
Advertisement charges	1.60	1.47
Repairs to others	5.61	4.76
conveyance expenses	3.29	4.59
General expenses	8.43	6.66
Bank Loan processing fees & Stamp duty	0.45	5.21
Registration fee for carbon credit	0.00	0.88
Preferential issue expenses	0.00	1.15
Listing fees	0.28	0.17
Bank charges	0.23	0.34
Demate Charges	0.35	0.46
Vehicle expenses	7.35	6.49
Trunk & telephone	3.67	4.12
Auditor Remuneration	2.71	2.71
Medical expenses	7.52	3.80
Keyman expenses	7.94	7.94
Directors remuneration	13.44	13.44
Sitting Fees	1.14	0.68
Sundry Balance W/off	0.00	0.02
Priliminary Expenses W/off	0.02	0.02
Total	102.77	85.74
Total 26(a)+26(b)+26(c.)	878.04	824.04

In terms of our report attached.

For and on behalf of the Board.

For S.G.KABRA & Co.

Chartered Accountants

FR No- 104507W

S.G.Kabra

Partner

Membership No.38867

Place : Mumbai

Date :30th May 2012

Ramautar S. Jhawar
Chairman

Vinod S. Jhawar
Managing Director

Mahesh S. Jhawar
Director

DHANLAXMI FABRICS LIMITED

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

PROXY

I/We
.....
district of being a member/members
of the above named company hereby appoint
..... of in the district
of or failing him
..... of
of as my/ our proxy
to attend and vote for me / us and on my/ our behalf at the 20th Annual General Meeting of the the company to be held on
Saturday 11th August, 2012 at Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204 (Maharashtra)
at 1.00 p.m. and at any adjournment thereof.

Signed this day of 2012.

Signed by the said

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

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

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

Affix
One
Rupee
Revenue
Stamp

DHANLAXMI FABRICS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting of the Company held on Saturday 11th August
2012 at Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204 (Maharashtra) at 1.00 p.m.

Name of the Shareholder(s)

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

Reg. Folio No.No. of Share held

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

Signature of the Shareholder(s) or

Proxy or Company Representative

Note : 1. A proxy attending on behalf of a Shareholder(s) should please write the name of the Shareholder(s) for whom he holds proxy.

2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same will not be made available at the Meeting.

BOOK-POST

If undelivered please return to :

DHANLAXMI FABRICS LIMITED

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

Dist. Thane, Maharashtra.