



# Dhanlaxmi FABRICS LTD.

Corporate Office : 401/402, Kailash Coporate Lounge, Park Site, Vikhroli (West) Mumbai - 400 078.  
Phone : 022-25181103 / 25181102 • CIN No. : L17120MH1992PLC068861

Date: 06/09/2021

To,  
The Bombay Stock Exchange Ltd  
Corporate Relationship Dept,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, Mumbai - 400 001

**Ref: BSE Scrip Code: 521151**  
**Sub: 29<sup>th</sup> Annual Report for the Financial year 2020-2021**

Dear Sir / Madam,

Pursuant to Regulation 34 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the soft copy of 29<sup>th</sup> Annual Report of the Company for the financial year 2020-2021 along with the notice of 29<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, 29<sup>th</sup> September 2021 at 1: 00 P.M. through Video-Conference mode.

In accordance with the Circular No. 17/ 2020 issued by the Ministry of Corporate Affairs ('MCA') dated 13<sup>th</sup> April 2020 and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by Securities and Exchange Board of India ('SEBI') the Notice convening the 29<sup>th</sup> AGM and Annual Report for the Financial year 2020-2021 have been sent only through Electronic mode to all the members whose E-mail IDs are registered with the Company/RTA/Depository Participants (s).

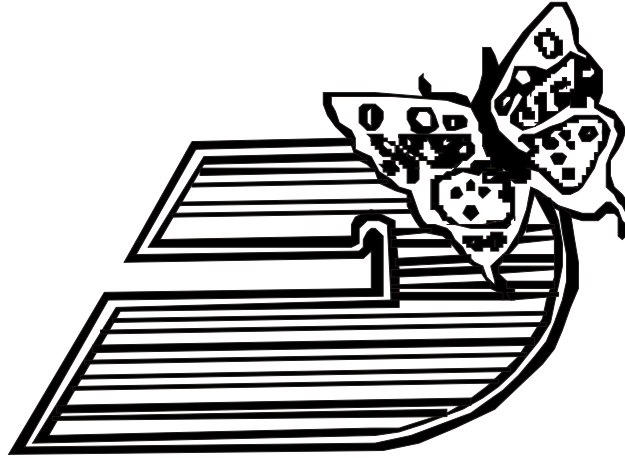
Kindly take the same on your record.

Thanking You  
Yours Faithfully  
For Dhanlaxmi Fabrics Limited



Vishnu H Thaker  
(Company Secretary & Compliance Officer)  
(ACS-60441)

**Encl: 29<sup>th</sup> Annual Report for F.Y. 2020-2021**



# **Dhanlaxmi**

## **Fabrics Limited**

**(CIN: L17120MH1992PLC068861)**

**29<sup>th</sup>**

**Annual Report**

**2020 - 2021**

**BOARD OF DIRECTORS**

NAME	DESIGNATION	DIN
Mr. Vinod S Jhawar	Managing Director & Chairman	00002903
Mr. Mahesh S Jhawar	Director	00002908
Mr. Mukul V Jhawar	Executive Director	07966851
Mr. Durgesh Kabra	Independent Director	00017670
Ms. Ayushi Gilra	Independent Director	08511294
Mr. Athul Rungta	Independent Director	00305731
Mr. Vishnu H Thaker	Company Secretary & Compliance Officer	-
Mr. Purshottam Randad	Chief Financial Officer	-

**PRINCIPLE BANKERS:**

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

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

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

**INTERNAL AUDITORS:****M/s. Sunil Bangar & Associates**

Mumbai

**COST AUDITORS:****Mr. Dilip Murlidhar Bathija**

Mumbai

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

CIN: U99999MH1994PTC076534

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

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

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

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

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

**CORPORATE / COMMUNICATION ADDRESS:**

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

Tel: 091-22-251811102/103

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

**REGISTERED OFFICE:**

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

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

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

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**NOTICE IS HEREBY GIVEN THAT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S DHANLAXMI FABRICS LIMITED WILL BE HELD ON WEDNESDAY 29<sup>TH</sup> SEPTEMBER, 2021 AT 1:00 P.M. THROUGH VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS.**

**ORDINARY BUSINESS:**

1. To receive consider and adopt the Annual Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Mr. Mahesh S Jhavar (DIN: 00002908)** who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. Appointment of M/s. Talati & Associates Cost Accountants, as a Cost Auditors of the Company and to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors M/s Talati & Associates., (Cost Accountants) Mumbai, (FRN R/00097) appointed by the Board of Directors of the Company, on the recommendation of Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2022, be paid the remuneration as set out in the explanatory statement annexed to the notice convening this meeting and the same is hereby ratified and approved.”

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

4. Re-classification of certain members of the Promoters & Promoter group from “Promoters & Promoter Group” category to “Public” category and to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (including any statutory modification or re-enactment thereof) (Listing Regulations), and subject to permission of the Stock Exchanges on which the Company’s securities are listed (Stock Exchanges) and such other permissions and approvals that may be required for the purpose, the approval of the members of the Company be and is hereby accorded for re-classification of status of the following persons from “Promoters & Promoter Group” category to “Public” category based on the views of the Board of Directors upon requests received from the said promoter group members and requisite compliance related information contained in the explanatory statement pertaining to this resolution:

Name of applicants classified under Promoter / Promoter Group Category seeking reclassification as “Public” shareholder	No. of shares held	% of shareholding
Ramautar Sohanlal Jhavar	-	-
Kamala Ramautar Jhavar	-	-
Ramautar Jhavar HUF	-	-
Vinit Ramautar Jhavar	-	-
Ramautar S. Jhavar (Jamnadevi Jhavar Family Trust)	500	0.01
Sohanlal Jhavar Family Trust	-	-
VRM Stock Broking Private Limited	-	-
Dhanlaxmi Export Fabric LLP	-	-
MR Stock Broking Private Limited	-	-

**“RESOLVED FURTHER THAT**, in view of the Company being compliant with conditions specified in Regulation 31A(3)(c) of Listing Regulations, the Board of Directors and Company Secretary of the Company, be and are hereby severally authorized to make an application to the Stock Exchanges for its permission for re-classification of status of the said promoters & promoter group members to public shareholders category, and to sign and submit such applications, confirmations, undertakings and such other documents as may be required by the Stock Exchanges or any other regulatory body, in relation to such application and to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution including settling of any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board.”

**“RESOLVED FURTHER THAT**, upon receipt of permission from the said Stock Exchanges, the said Promoters & Promoter Group members be classified and treated as members of public for the purposes of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Listing Regulations, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other concerned rules and regulations.”

5. Appointment of Mr. Mukul Vinod Jhawar (DIN: 07966851) as Whole Time Director of the Company Toconsiderand,ifthought fit, to pass with or without modification, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the appointment of Mr. Mukul Vinod Jhawar (DIN: 07966851), as Whole-Time Director of the Company for a period of 3 (three) consecutive years as per the following terms.

1. **Term of Appointment:** The term of Appointment of Mr. Mukul Vinod Jhawar as Whole-Time Director shall be for a period of 5 years i.e. with effect from August 06, 2021 till August 05, 2024. Though he shall be liable to retire by rotation whilst he continues to hold office of Whole-Time Director; however, his re-appointment on retirement by rotation will not break his length of service as Whole-Time Director.
2. **Remuneration:** Mr. Mukul Vinod Jhawar is entitle to receive a monthly remuneration of Rs. 3,00,000 with such increments as the Board may decide from time to time, subject however to a ceiling of Rs.10,00,000/- (Rupees Ten lakhs only) per month (Inclusive of following 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) Electricity and Telephone charges as per bill of his residence;
  - v) Actual maintenance charges of society of his residence.
  - 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 clubs.

**“RESOLVED FURTHER THAT** the remuneration and perquisites as aforesaid, in any financial year shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.”

**“RESOLVED FURTHER THAT** Notwithstanding anything to the contrary herein contained where in any financial year, during the currency of the tenure of Mr. Mukul Vinod Jhawar as Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.”

**“RESOLVED FURTHER THAT** the Board of Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendments(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution.”

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

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

**Notes:**

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.
2. In view of the COVID-19 pandemic and pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively, and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs ("the MCA Circulars") read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (the SEBI Circulars), relaxation has been granted for physical attendance of the Members to the AGM and allowed companies to hold General Meetings through Video-Conferencing ("VC") or Other Audio-Visual Means ("OAVM"). In terms of the same, The AGM will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting will be held through VC/OAVM, in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate Members intending to have their representatives attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting.
5. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.
6. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 22, 2021 to Wednesday, September 29, 2021 (both days inclusive).
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.dfl.net.in](http://www.dfl.net.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. The SEBI has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Accordingly, Members holding shares in electronic form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agent.
12. Members holding shares in electronic form are required to contact their Depository Participants to register/change their nomination. Members holding shares in physical form are advised to register Nomination in respect of their Shareholding in the Company. Nomination Form (SH-13) is available on the website of the Company at [www.dfl.net.in](http://www.dfl.net.in) or they may contact Registrar and Share Transfer Agent, for any assistance in this regard.
13. As per Regulation 40 of the SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company/Registrar and Share Transfer Agent, for any assistance in this regard.
14. Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on [cscompliance@dfi.net.in](mailto:cscompliance@dfi.net.in) at least 7 days prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.
15. In case all the joint holders are attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote at the Meeting.
16. In line with the MCA Circulars and the SEBI Circulars, Annual Report for the financial year 2020-21 along with the Notice of Seventy-seventh Annual General Meeting inter alia indicating the process and manner of e-voting, will be sent through electronic mode to the Members whose email addresses are available with the Company/Depositories/Depository Participants. The Members whose e-mail addresses are not registered with the Company are requested the same.
17. Speaker Registration / Questions for the Meeting : Members, who would like to express their views / have questions are requested to send registrations along with the questions in advance mentioning their name, demat account number / folio number, email id, mobile number at [cscompliance@dfi.net](mailto:cscompliance@dfi.net) from Tuesday, September 14, 2021 to Tuesday, September 21, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the Meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the Meeting.
18. The facility for remote e-voting shall be provided at the Meeting. Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the Meeting. A Member can participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.
19. The remote e-voting facility will be available during the following voting period :  
**Commencement of remote E-voting:** From 09.00 a.m. (IST) on Sunday, September 26, 2021  
**End of remote e-voting:** Upto 05 p.m. (IST) on Tuesday, September 26, 2021
20. Mr. Pankaj Trivedi, Practicing Company Secretary (Certificate of Practice No. 15301) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
21. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Wednesday, 22<sup>nd</sup> September, 2021 (“Cut-off date”) only shall be entitled to avail the facility of remote e-voting or voting at the Meeting, as the case may be, in proportion to the shares held by them as on the Cut-off date.



22. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com). However, if he/she is already registered user for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
23. The facility of voting will be provided at the Meeting for the Members attending the Meeting and who have not cast their vote earlier by remote e-voting.
24. Once the Member has confirmed his voting on the resolution, he will not be allowed to modify his vote or cast the vote again.
25. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall submit, not later than forty-eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. The Results shall be declared by the Chairman or any other person authorized by him in writing within forty-eight hours from the conclusion of the Meeting. The results declared shall alongwith the consolidated Report of the Scrutinizer be placed on the website of the Company i.e. [www.dfl.net.in](http://www.dfl.net.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.
27. Instructions for e-voting and attending the Annual General Meeting is annexed and forms part of this Notice.
28. Considering the Meeting would be held through VC/ OAVM, the route Map for the venue is not annexed to the Notice. The deemed venue for the AGM shall be the Registered Office of the Company.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on 26.09.2021 and ends on 28.09.2021 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.09.2021 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements ) Regulations, 2015, listed entities arerequired to provide remote e-voting facility to its shareholders, in respect of all shareholder's resolutions. However, it hasbeen observed that participation by the public non-institutional shareholders/retail shareholders is at negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ website of Depositories/Depository Participant**. Demat account holders would be able to caste their vote without having toregister again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting facility.
- (i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer/Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the eVoting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important Note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

V Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN No. 210824061 for the relevant <DHANLAXMI FABRICS LTD> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (i) **Additional Facility for Non- Individual Shareholders and Custodians- For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [cscompliance@dfi.net.in](mailto:cscompliance@dfi.net.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through eVoting system available during the EGM/AGM.
10. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

**ANNEXURE TO THE NOTICE**

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

**ITEM NO.3**

**Appointment of M/s. Talati & Associates, Cost Accountants, as Cost Auditors of the Company.**

The Board of Directors of the Company, upon the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Talati & Associates, Cost Accountants, Mumbai to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022 at a remuneration of 30,000/- (Rupees Thirty Thousands only) plus taxes and reimbursement of out of pocket expenses.

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

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution.

The resolution as set out in item no. 3 of this Notice is accordingly recommended for your approval.

**ITEM NO.4**

**Re-classification of certain members of the Promoters & Promoter group from "Promoters & Promoter Group" category to "Public" category.**

Pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Circular CIR/CFD/CMD/13/2015 dated November 30, 2015, the Company is required to file with the Stock Exchanges on quarterly basis a shareholding pattern, inter alia, including shareholding of promoters and promoter group members in the Company. The "promoter and promoter group" is determined (a) in accordance with definition of these terms in SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018, (SEBI ICDR) and (b) based on the requirement that in case of transmission, succession, inheritance and gift of shares held by a promoter/person belonging to the promoter group, the recipient of such shares shall be classified as promoter/person belonging to the promoter group, as the case may be, as contained in Regulation 31A(6)(a) of Listing Regulations.

However, Regulation 31A of Listing Regulations provides for re-classification of status of promoter/promoter group persons as public on fulfilment of certain conditions including approval of such request by the members of the Company through ordinary resolution and grant of permission for such re-classification by Stock Exchanges on application by the listed entity.

In light of the provisions of the said Regulation 31A, the Company has received request from the following members of the Promoters & Promoter Group of the Company seeking re-classification of their status from 'Promoters & Promoter Group' category to 'Public Category' (the said promoter group members or the applicants).

Name of applicants classified under Promoter/Promoter Group Category seeking reclassification as "Public" shareholder	No. of shares held	% of shareholding
Ramautar Sohanlal Jhawar	-	-
Kamala Ramautar Jhawar	-	-
Ramautar Jhawar HUF	-	-
Vinit Ramautar Jhawar	-	-
Ramautar S. Jhawar (Jamnadevi Jhawar Family Trust)	500	0.01
Sohanlal Jhawar Family Trust	-	-
VRM Stock Broking Private Limited	-	-
Dhanlaxmi Export Fabric LLP	-	-
MR Stock Broking Private Limited	-	-

#### Views of the Board of Directors:

The Board has analysed the above requests and rationale given by the said Promoters & Promoter Group members in support of their request. The rationale given by them is briefly summarized as under:

Mr. Ramautar Sohanlal Jhawar, Promoter was ceased to be Director of the Company long back and is not part of the management of the Company. None of the applicants exercise control, directly or indirectly, over affairs of the Company. Further, they neither have representation on the Board nor they have such a right. Their individual shareholding in the Company along with respective persons related to them [who fall under Regulation 2(1)(pp)(ii) of SEBI ICDR] does not exceed ten percent of the total voting rights in the Company.

Some of them have been included in the promoter group because of receipt of Company's shares consequent to transfer / transmission of shares from one of the Promoter Group members. They fulfil all the conditions specified in Regulation 31A(3)(b) of the Listing Regulations.

On the basis of the request received by the Company and pursuant to the provisions of Regulation 31A(3)(b) of Listing Regulations, all applicants seeking re-classification confirm that:

- i. Together, hold more than 10% of the voting rights of the Company.
- ii. Exercise control over the affairs of the Company directly or indirectly.
- iii. Have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements.
- iv. be represented on the board of directors (including not having a nominee director) of the Company
- v. Act as a Key Managerial person in the Company.
- vi. Be a 'wilful defaulter' as per the Reserve Bank of India Guidelines.
- vii. Be a fugitive economic offender.

Further, they have confirmed that subsequent to reclassification, they would continue to comply to comply with the requirements as mentioned in Regulation 31A of Listing Regulations.

Accordingly, the Board is of the view that re-classification of status of the said members of promoter group to public shall not in any way affect the management and control of the Company.

In light of the above, your Board considered the request for re-classification of status to public received from the said promoter group members / applicants as fit and proper and accordingly is of the view that they could be re-classified as 'Public', subject to approval of the members and permission from the Stock Exchanges.

Accordingly, Board of Directors recommends these requests to the members for approval and commends the resolution set out under item No. 4 for approval of the members.

The Company is also compliant with the conditions specified in Regulation 31A(3)(c) of Listing Regulations and accordingly is competent to make an application to the Stock Exchanges for their permission for re-classification of status of the said promoter group members to public category shareholders.



**ITEM NO.5****Appointment of Mr. Mukul Vinod Jhawar (DIN: 07966851) as Whole Time Director of the Company.**

Mr. Mukul Vinod Jhawaris associated with the Company since 06.08.2019; The Members of the Company at the 27<sup>th</sup> AGM held on 28<sup>th</sup> September, 2019 had approved appointment of Mr. Mukul Vinod Jhawaras Executive Director of the Company w.e.f. 06.08.2019 for the period of 5 years.

As part of the succession planning and re-composition of the Executive Board membership structure of the Company, the Board of Directors of the Company at the meeting held on August 6, 2021, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, approved the appointment and change of designation of Mr. Mukul Vinod Jhawaras Whole Time Director of the Company for a period of three years, i.e., from August 6, 2021 to August 5, 2024, on such remuneration as set out in the resolution.

Mr. Mukul Vinod Jhawar shall be liable to retire by rotation. Mr. Mukul has spent now more than 2 years with the Company and the Board of Directors is of the view that he has been actively involved in the operations of the Company and has built credibility with investors / customers and employees and will be able to find the right balance between ownership and management

Additional information in respect of Mr. Mukul Vinod Jhawar, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), Brief profile of Mr. Mukul Vinod Jhawar is forming part of this Annual Report.

Except Mr. Mukul Vinod Jhawar and Mr. Vinod Sohanlal Jhawar or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the resolution in relation to the re-appointment of Mr. Mukul Vinod Jhawar, as Whole Time Director of the Company as set out in Item No. 5 for approval of the Members by way of an Ordinary Resolution.

**REGISTERED OFFICE:**

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

Date: 06/08/2021

**By Order of the Board**

S/d-  
**Vinod S. Jhawar**  
(Managing Director)



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

Name of the Director	Maresh Sohanlal Jhawar	Mukul Vinod Jhawar
Date of Birth	26-04-1961	23.01.1992
Academic Qualifications	Commerce Graduate	BBA (Bachelor of BusinessAdministration) from Kingston University, London
Experience and Expertise	Mr. Maresh Sohanlal Jhawar is one of the Promoters of the Company. He is an Entrepreneur an Industrialist with vast experience of more than 30 years in Textile, Finance, Business Management and administration and Capital Market.	Mr. Mukul Vinod Jhawaris one of the Promoters of the Company. He has been associated as an Executive Director of the Company w.e.f 06.08.2019, Mr. Mukul is BBA (Bachelor of BusinessAdministration) from Kingston University, London. He ishaving working experience of around 8 years in BusinessAdministration, Management and Finance.
Date of first appointment on the Board	01-10-1992	06.08.2019
Directorship in other companies	1. Dhanlaxmi Cotex Limited 2. DFL Fabrics Private Limited	None
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	None	None
No. of Shares held in the Company	84,100 equity shares	60,000 equity shares
DIN	00002908	07966851
Relation with other Directors or Key Managerial Personnel	Brother of Managing Director Mr. Vinod Sohanlal Jhawar	Son of Managing Director Mr. Vinod Sohanlal Jhawar
Number of Board Meeting attended during the financial year	1	4
Remuneration and other terms & conditions of appointment/re-appointment	He is entitled to sitting fees for attending Board meeting as approved by Board of Directors.	Monthly remuneration of Rs. 3,00,000 with such increments as the Board may decide from time to time, subject however to a ceiling of Rs.10,00,000/- (Rupees Ten lakhs only) per month (Inclusive of all perquisites)
Remuneration paid/payable for the Financial Year 2019-20	Nil	20 Lacs

**BOARD OF DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Twenty Ninth Annual Report on the business operations and activities of the Company together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2021.

**FINANCIAL RESULTS:**

Summary of the Company's financial performance for F.Y. 2020-2021 as compared with the previous financial year is given below:

Particulars	F.Y. 2020 – 2021		F.Y. 2019 – 2020	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	4335.14	4643.00	7757.90	8443.30
Revenue from other Income	46.0015	114.80	137.62	150.52
Total Revenue	4381.14	4757.8	7895.52	8593.82
Profit before Dep. & Int.	456.58	501.23	724.17	748.65
Depreciation	326.39	337.27	346.30	357.17
Interest	89.17	91.31	157.67	164.37
Profit after Depreciation & Interest and before Tax	41.02	72.65	220.31	227.12
Provision for Taxation	29.50	35.50	89.25	91.17
Provision for Tax (deferred)	(35.40)	(2.67)	(53.96)	(54.25)
Provision for Taxation for earlier year	-	-	-	0.82
Profit/Loss after Tax	46.93	75.41	185.02	189.38

**HIGHLIGHTS:**

Your Company's main activity is centred into dealers and manufacturing and Processing of Textile; allied products/services and Power Generation. As it can be clearly seen from the highlights that the Company's the total revenue generation from the current year and profit for the year of the Company has been drastically reduced.

The Company's manufacturing facilities remained shut from March 23, 2020 due to nation wise lockdown and partially re-opened w.e.f. May, 02, 2020 which has impacted its operations during late March, April, and May 2020. Some of Companies Pending orders of Fabrics were on hold as per the requirement of buyers. The Company had restarted operations adhering to the safety norms prescribed by Government but not with 100 percent capacity. The Companies business was drastically impacted in quarter 1 and 2 which had resulted in slow down and decrease in sales and consequently to decrease into profits.

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

**DIVIDEND:**

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

**AMOUNT TO BE TRANSFERRED TO RESERVES:**

No fund was transferred to General Reserves.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company was not required to transfer any amount to unclaimed dividend to investor education and protection fund.

**BOARD OF DIRECTORS:**

The Composition of the Board during the year was as per the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013 Mr. Mahesh Sohanlal Jhawar, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

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

During the year there has been no change in the composition of Board of Directors.

The Board has in its meeting held on 06<sup>th</sup> August, 2021 upon recommendation of Nomination and Remuneration Committee decided to appoint Mr. Mukul Vinod Jhawar as a Whole Time Director of the Company. Your Board has recommended his appointment for member's approval in ensuing General meeting.

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

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

**DEPOSITS:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021 the applicable accounting standards have been followed.
- (b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the State of affairs of the corporation as at the end of March 31, 2021 and of the profit of the Company for the year ended on that date.
- (c) Proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Annual Accounts of the Company have been prepared on the on-going concern basis.
- (e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- (f) That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

**DECLARATION OF INDEPENDENCE BY DIRECTORS:**

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

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended.

Details of Familiarisation Programme for the Independent Directors are provided separately in the Corporate Governance Report.

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

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

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

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

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

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

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

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

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

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

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

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

The meeting of Independent Directors was scheduled on 22<sup>nd</sup> March, 2021 on Monday through Video Conferencing and Other Audio Visual Means. All the Independent Directors of the Board were present in the meeting.

**DISCLOSURE FROM INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Director of the Company under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6) read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**STATUTORY AUDITORS:**

M/S. Dinesh Bangar & Co., Chartered Accountants, Mumbai (FRN: 102588W) has been appointed as a Statutory Auditors of the Company at 27<sup>th</sup> Annual General meeting of the Company for a period of five (5) years, till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company. The MCA vide its notification dated 7 May 2018 has amended Companies (Audit and Auditors) Rules 2014 by Companies (Audit and Auditors) Amendment Rules 2018, which dispense the requirement of members approval for ratification of appointment of Auditors at every Annual General Meeting. Keeping the same in mind no such agenda item is included in notice for the 29<sup>th</sup> AGM.

**AUDITORS REPORT:**

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

**COST AUDIT AND COST AUDITOR:**

Mr. Dilip Murlidhar Bathija Cost Accountants had been appointed by the Board to conduct the audit of Cost records of the Company respectively for the financial year 2020-21 at 28<sup>th</sup> Annual General Meeting. Mr. Dilip Murlidhar Bathija has tendered his resignations due to his pre-occupation and based on the recommendation of Audit Committee the Board has appointed M/s Talati & Associates, Cost Accountant, Mumbai as Cost Auditor for F.Y. 2021-22 and their appointment has been recommended to the members for ratification at item no.3 of the Notice.

**SECRETARIAL AUDIT:**

The Audit Committee recommended the Name of M/s. Pankaj Trivedi & Co., Company Secretary in practice, for conducting Secretarial Audit for F.Y. 2020-2021 pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, in terms of provisions of circular No. CIR/CFD/CMD 1/27/2019 dated 8<sup>th</sup> February, 2019 issued by the Securities Board of India (SEBI), M/s. Pankaj Trivedi & Co. Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2021 thereby confirming compliance of applicable SEBI Regulations and Circulars / guidelines issued there under by the company.

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

**COMMENTS ON REMARKS/OBSERVATION/QUALIFICATION MADE BY SECRETARIAL AUDITORS:**

M/s. Pankaj Trivedi & Co., Practicing, Company Secretary, in his independent Audit Report for Financial year 2020-2021 have drawn the attention of the management on some matters in connection with the same management herewith give the explanation for the same as follows:

The Promoters of the Company holds 500 shares in physical form, however, the same is under process of dematerialization. The application was returned by the RTA with few remarks which were not communicated by the RTA at first instance.

The Declaration of non-encumbrance of shares on promoters holding Regulation 31(4) of SEBI (SAST), Regulations, 2011; as on year end The Company has submitted the same on 29<sup>th</sup> June, 2020, the reason for delay is mainly due to challenges posed by COVID pandemic.

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

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

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

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

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

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

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

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

#### **EXTRACT OF ANNUAL RETURN:**

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

#### **NUMBER OF MEETINGS OF THE BOARD:**

The Board met 4 (Four) times during the financial year, the details of which are given in Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

The Report on CSR Activities is furnished in "Annexure VII" forming part of this Directors' Report. The CSR Policy has been hosted in the Company's website at the link [www.rtspower.com](http://www.rtspower.com) under the head Company Policy.

#### **POSTAL BALLOT:**

No postal ballot was held during the year 2020-2021.

#### **COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

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

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

**CODES OF CONDUCT:**

The Board of Directors of the Company has laid down required Codes of Conduct. It has also adopted Code for Independent Directors as per Schedule IV of the Companies Act, 2013. All Board members including Independent Directors and Senior Management Personnel have affirmed compliance with the respective Codes of Conduct for the year under review. The Code of Conduct is available on the Company's website [www.dfl.net.in](http://www.dfl.net.in)

**RISK MANAGEMENT AND INTERNAL CONTROL:**

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

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

The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made. Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes of Financial Statements.

**PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:**

In terms of provision of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are as under. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Directors/KMPs	Remuneration Received	% Increase in the year ended 2019-2020	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Vinod S Jhawar (Chairman & Managing Director)	30.00	Nil	
2	Mr. Mukul V Jhawar (Director)	20.00	Nil	5.58
3	Mr. Mahesh S Jhawar (Director)	Nil	Nil	Nil
4	Mr. Durgesh Kabra (Independent Director)	Nil	Nil	Nil
5	Ms. Ayushi Gilra (Independent Director)	Nil	Nil	Nil
6	Mr. Athul Rungta (Independent Director)	Nil	Nil	Nil
7	Mr. Vishnu H Thaker # (CS & Compliance Officer)	1.80	N.A.	0.53
8	Mr. Purushottam Randad \$ (Chief Financial Officer)	3.29	N.A.	Nil

Note: Total 83 major employees are on role as on 31.03.2021.  
Median remuneration of employees is Rs. 3,40,000/-.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

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



**FOREIGN EXCHANGE:**

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

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

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

During the financial year 2020-2021, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates.

**INSURANCE OF ASSETS:**

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

**LISTING OF SHARES:**

Equity Shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing Fees for the Year 2021-2022. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

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

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

During the financial year 2020-2021, no cases in the nature of sexual harassment were reported at any workplace of the Company.

**CEO AND CFO CERTIFICATION:**

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

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

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

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

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2020-2021, till the date of this report. Further there was no change in the nature of business of the Company.

**ACKNOWLEDGEMENT:**

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

**FOR & ON BEHALF OF THE BOARD**

Sd/-  
Vinod S Jhavar  
(Managing Director)

Sd/-  
Mukul V Jhavar  
(Director)

Place: Mumbai  
Date: 06.08.2021

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

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

To  
 The Members,  
 M/s. Dhanlaxmi Fabrics Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. Dhanlaxmi Fabrics Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued. (Not applicable to the Company during the Audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during the Audit period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

The Management has identified and confirmed the following laws as being specifically applicable to the Company:

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

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

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

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

1. According to SEBI Circular viz. SEBI/Cir/ISD/3/2011 dated June 17, 2011, which mandates the maintenance of entire holdings of the Promoters in Demat form only. However the promoters of the Company still have 500 shares in physical form.
2. According to Regulation 31(4) of SEBI (SAST), Regulations, 2011; the company needs to submit Declaration of non-encumbrance of shares on promoters holding as on year end on or before 01st June, 2020 however the same has been submitted on 29<sup>th</sup> June, 2020.
3. The Company has spent '0.09 lakh short out of total CSR expenditure of ,7.09 lakhs and as explained the Company has spent the CSR amount of '7.00 lakhs in round figure and pending CSR amount will be added to next year's CSR expenditure amount.

I further Inform/report that during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. The Company has come to know on receipt of email from some professional firm base in Calcutta advising the Company to avail the benefit of Calcutta Stock Exchange Amnesty Scheme either for revocation of Suspension or Delisting because as per their findings the Company is still listed on Calcutta Stock Exchange platform and has status of Suspended. However the Promoters are of an opinion that the Company was listed on Calcutta, Jaipur and Ahmedabad Stock Exchanges and had made delisting from all these exchanges in year 1998-99, except BSE. It was informed to us that since last 20 years Company have not received any email/notice/letter from Calcutta Stock Exchange pertaining to non-filing any payment of Annual Listing fees. The Company is trying to locate/find the notice / order of delisting received from Calcutta Stock Exchange.
2. During the year under review the Company had sold the property rights of FSI known as Gala No. 201-218 on 2<sup>nd</sup> Floor of Bldg. No. I, located at Shree Rajlaxmi Commercial Complex, Village Kalher, Bhiwandi, Dist Thane - 421302 for admeasuring 3298.14 sq. mtrs for '168 lacs to Mr. Rahul Mahesh Jhwar in connection with the same approval of Audit Committee and Board was obtain in previous year on February 10, 2020.

I further report that :

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

Notes:

1. This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the Secretarial Audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws/ regulations/ guidelines listed in our report of which, the due date has been ended/ expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

For Pankaj Trivedi & Co.,  
Company Secretary in Practice

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

Place: Mumbai  
Dated: 6<sup>th</sup> August, 2021

**ANNEXURE  
TO THE SECRETARIAL AUDIT REPORT**

**To  
The Member,  
Dhanlaxmi Fabrics Limited**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Disclaimer**

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

**For Pankaj Trivedi & Co.,**  
Company Secretary in Practice

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

Place: Mumbai  
Dated: 6<sup>th</sup> August, 2021

## Annexure to the Director's Report

ANNEXURE-II FORM NO. AOC-1

### Salient feature of Financial Statement of Subsidiary Companies

As at 31<sup>st</sup> March, 2021

Rupees in Lacs

Name of Subsidiaries	Western Chloride & Chemicals Pvt. Ltd	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
Reporting Currency	INR	INR	INR
Rate	1.00	1.00	1.00
Capital	3.00	1.00	1.00
Reserves	12.92	82.61	131.05
Total Assets	30.23	241.10	243.72
Investments Other than Investment in Subsidiary	Nil	Nil	110.93
Turnover	17.81	257.83	100.98
Profit before Taxation	(0.03)	(1.92)	33.57
Provision for Taxation	(0.55)	(0.32)	5.82
Profit After Taxation	(0.58)	(2.24)	27.75
Proposed Dividend	NIL	NIL	NIL
% of Shareholding	99.97	99.99	99.80

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S. Jhawar  
(Managing Director)

Sd/-  
Mukul S. Jhawar  
(Director)

Place: Mumbai  
Date: 06/08/2021

## Annexure –III

## FORMAOC - 2

## RELATED PARTY TRANSACTIONS:

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) Of the Companies (Accounts) Rules, 2014)

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

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

Name of Related party	Nature of Contract/ arrangements/ transactions	Duration of the contract arrangement transactions	Salient terms of contract/ arrangement/ transactions, Including the value, If any.	Date(s) of approval by the Board	Amounts paid as advance(s), if any
DFL Fabrics Pvt Ltd	Receipt of loan given	On-going	Unsecured loan given of '50 lacs received back.	29.06.2020	-
Dhanesh Fabrics Pvt Ltd	Sales of Fabrics/Yarn	On-going	Sale of Fabrics/yarn of ' 72.66 lacs	29.06.2020	-
	Processing/ Job work charges received	On-going	Processing / Job Charges of ' 66.39 lacs received for dyeing, bleaching and printing of fabrics/ yarns.	29.06.2020	
	Granting of Loan	On-going	Unsecured loan given of '74.03 lacs.	29.06.2020	-
	Lease Rent received	On-going	Rs.0.30 lacs received as rent for property given on Lease.	29.06.2020	-
Western Chlorides & Chemicals Pvt Ltd	Lease Rent paid	On-going	Payment of Lease Rent of Rs.15.60 lacs for Land taken on Lease for installation of Process house at Manpada Road, Bhopar Village, Dombivali.	29.06.2020	-
Promtech Impex Pvt Ltd	Interest received	On-going	Interest of '6.80 lacson unsecured loans and the outstanding balance as on year end is Rs.87.40 lacs.	29.06.2020	-
	Granting of Loan	On-going	Unsecured loans given of 43.39 lacs		
Vinod S. Jhawar	Director Remuneration	2020-21	Remuneration paid to MD of '30 lacs	29.06.2020	-
Mukul V. Jhawar	Director Remuneration	2020-21	Remuneration paid to ED of '20 lacs	29.06.2020	-
Lalit V. Jhawar	Salary	2020-21	Salary paid to marketing manager of '20 lacs	29.06.2020	-
Rahul M. Jhawar	Sale of Property	2020-21	Sell of FSI known as Gala No. 201-218 located at Shree Rajlaxmi Commercial Complex, Village Kalher, Bhiwandi, Dist Thane – 421302 for admeasuring 3298.14 sq. mtrs for '168 lacs.	29.06.2020	-
Durgesh Kabra	Sitting fees	2020-21	Sitting fees paid to ID of 0.15 lacs	29.06.2020	-
Athul Rungta	Sitting fees	2020-21	Sitting fees paid to ID of 0.08 lacs	29.06.2020	-

FOR &amp; ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhawar  
(Managing Director)

Sd/-  
Mukul V Jhawar  
(Director)

Place: Mumbai  
Date: 06.08.2021



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

as on financial year ended on 31.03.2021

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

i	CIN	L17120MH1992PLC068861
ii	Registration Date	01/10/1992
iii	Name of the Company	Dhanlaxmi Fabrics Ltd
iv	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v	Address of the Registered office & contact details	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204 Maharashtra Tel: 0251-5690371 – 3 /2870589 / 90 / 91 / 92
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited, CIN U99999MH1994PTC076534 1st Floor, Bharat Tin Works Bldg. Opp. Vasant Oasis, Makwana Road, Andheri (East), Mumbai-400 059 Tel. No. : 022-40430200, 022-40430295 Email : rajeshm@bigshareonline.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products /service	NIC Code of the Products/services	% to total turnover of the company
1	Processing of Fabric & Yarn	1313	47.66%
2	Fabric Manufacturing & Trading	1311	51.65%
3	Wind Power Generation	3150	0.69%

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

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

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

(a) Category of Shareholders as on	No. of Shares held at the beginning of the year 01/04/2020				No. of Shares held at the end of the year 31/03/2021				%Change
	Demat	Physical	Total Shares	Total % of	Demat	Physical	Total Shares	Total % of	
<b>A. Promoters</b>									
<b>Indian</b>									
Individual / HUF	2505481	500	2505481	29.20	2505481	500	2505481	29.20	(0.78)
Central / State govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	2642525	0	2642525	23.36	2642525	0	0	30.79	(6.38)
Group Companies	1280000	0	1280000	14.92	1280000	0	0	14.92	0.00
Directors Relatives	0	0	0	0.00	0	0	0	0.00	0
Any Others (Specify)	0	0	0	0	0	0	0	0	(9.71)
<b>SUB TOTAL :</b>	<b>6428006</b>	<b>500</b>	<b>6428506</b>	<b>74.91</b>	<b>6428506</b>	<b>500</b>	<b>500</b>	<b>74.91</b>	<b>0.00</b>
<b>(A) Shareholding of Promoter and Promoter Group2</b>									
<b>Foreign</b>									
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Individual	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Public Shareholding</b>	<b>6428006</b>	<b>500</b>	<b>6428506</b>	<b>74.91</b>	<b>6428506</b>	<b>500</b>	<b>6428506</b>	<b>74.91</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>Institutions</b>									
Central / State govt(s)	0	0	0	0.00	0	0	0	0.00	
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
FII'S	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Venture Capital		0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0								0.00
Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	
Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(B) Public shareholding</b>									
<b>Non-Institutions</b>									
Bodies Corporate	1376327	173400	1549727	18.26	1476599	49400	1525999	17.78	(0.28)
Individual									
Capital upto to Rs. 1 lac	292281	116460	408741	4.76	307768	116460	424228	4.94	0.18
Capital greater than Rs. 1 lac	149448	0	149448	1.74	165222	0	165222	1.93	0.18
Hindu Undivided Family	27578	0	27578	0.32	32232	0	32232	0.38	0.05
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Clearing member	14843	0	14843	0.17	56	0	56	0.00	(0.17)

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

(a) Category of Shareholders as on	No. of Shares held at the beginning of the year 01/04/2020				No. of Shares held at the end of the year 31/03/2021				%Change
	Demat	Physical	Total Shares	Total % of	Demat	Physical	Total Shares	Total % of	
A. Promoters									
Non-Resident Indians (NRI)	0	0	0	0.00	2600	0	2600	0.03	0.03
Non-Resident Indians (Repat)	2207	0	2207	0.03	2207	0	2207	0.03	0.00
Non-Resident Indians (Non Repat)	50	0	50	0.00	50	0	50	0.00	0.00
Any others (Specify)									
Directors relatives	0	0	0	0.00	0	0	0	0.00	0.00
Employee	0	0	0	0.00	0	0	0	0.00	0.00
Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
Unclaimed Suspense A/c	0	0	0	0.00	0	0	0	0.00	0.00
IEPF	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>1862734</b>	<b>289860</b>	<b>2152594</b>	<b>25.09</b>	<b>1986734</b>	<b>165860</b>	<b>2152594</b>	<b>25.09</b>	<b>0.00</b>
<b>Total Public Shareholding</b>	<b>1862734</b>	<b>289860</b>	<b>2152594</b>	<b>25.09</b>	<b>1986734</b>	<b>165860</b>	<b>2152594</b>	<b>25.09</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
Shares held by Custodians	0	0	0	0	0	0	0	0	0
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>8290740</b>	<b>290360</b>	<b>8581100</b>	<b>100</b>	<b>8414740</b>	<b>166360</b>	<b>8581100</b>	<b>100</b>	<b>0.00</b>

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

Sr. No.	Shareholder's Name	Share holding at beginning of the year 31/03/2020			No. of Shares held at the end of the year 31/03/2021			
		No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	% Changes
1	Lalit Vinod Jhavar	1200	0.01	0.00	1200	0.01	0.00	0.00
2	Mukul Vinod Jhavar	60000	0.70	0.00	60000	0.70	0.00	0.00
3	Rahul Mahesh Jhavar	70200	0.82	0.00	70200	0.82	0.00	0.00
4	Mahesh S. Jhavar	84100	0.98	0.00	84100	0.98	0.00	0.00
5	Laxmi Mahesh Jhavar	107573	1.25	0.00	107573	1.25	0.00	0.00
6	Vandana V. Jhavar	652430	7.6	0.00	652430	7.6	0.00	0.00
7	Dhanlaxmi Cotex Ltd	1185079	13.81	0.00	1185079	13.81	0.00	0.00
8	Promtech Impex Pvt Ltd	1280000	14.92	0.00	1280000	14.92	0.00	0.00
9	Jhavar Commodities Pvt Ltd	1457446	16.98	0.00	1457446	16.98	0.00	0.00
10	Vinod Sohanlal Jhavar	1529978	17.83	0.00	1529978	17.83	0.00	0.00
11	Ramautar Jhavar (Jhavar Jamana)	500	0.01	0.00	500	0.01	0.00	0.00
12	Ramautar Sohanlal Jhavar	0	0.00	0.00	0	0.00	0.00	0.00
13	Kamala Ramautar Jhavar	0	0.00	0.00	0	0.00	0.00	0.00
14	Ramautar Jhavar HUF	0	0.00	0.00	0	0.00	0.00	0.00
15	Vinit Ramautar Jhavar	0	0.00	0.00	0	0.00	0.00	0.00

## II. Shareholding of Promoters & Promoter Group

Sr. No.	Shareholder's Name	Share holding at beginning of the year 31/03/2020			No. of Shares held at the end of the year 31/03/2021			
		No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Co.	% of Shares pledged encumbered to total Shares	% Changes
16	Sohanlal Jhwar Family Trust	0	0.00	0.00	0	0.00	0.00	0.00
17	VRM Stock Broking Pvt Ltd	0	0.00	0.00	0	0.00	0.00	0.00
18	Dhanlaxmi Export Fabric LLP	0	0.00	0.00	0	0.00	0.00	0.00
19	MR Stock Broking Pvt Ltd	0	0.00	0.00	0	0.00	0.00	0.00
	<b>TOTAL</b>	<b>64,28,506</b>	<b>74.91</b>	<b>0.00</b>	<b>64,28,506</b>	<b>74.91</b>	<b>0.00</b>	<b>0.00</b>

## III. Change in Promoters' Shareholding as on the F.Y. Ended on 31-03-2021

Sr. No.	Shareholder's Name	Share holding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the Beginning 31/03/2019	% of total Shares of the Co.				No. of Shares	% of total Shares of the Co.
1	No Chngs	-	-	-	-	-	-	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2020		Cumulative Shareholding during the year 31-03-2021		Type of Transaction
		No. of Shares	% of total Shares of the Co.	No. of Shares	Change in Shareholding during the year	
1	<b>Eskay Niryat Pvt Ltd</b>	12,80,000	14.92%	12,80,000	14.92%	N.A.
	Shares Bought during the year	-	-	12,80,000	14.92%	
	Shares Sold During the year	-	-	12,80,000	14.92%	
	Closing balance	<b>12,80,000</b>	<b>14.92%</b>	<b>12,80,000</b>	<b>14.92%</b>	
2	<b>CRB Share Custodian Services Ltd</b>	1,25,000	1.46%	1,25,000	1.46%	Sold
	Shares Bought during the year	-	-	1,25,000	1.46%	
	Shares Sold During the year	1,24,000	1.45%	1,000	0.01%	
	Closing balance	<b>1,000</b>	<b>0.01</b>	<b>1,000</b>	<b>0.01%</b>	
3	<b>Jignesh Fabrics Pvt Ltd</b>	74,626	0.87%	74,626	0.87%	Brought
	Shares Bought during the year	98,097	1.46%	1,72,723	2.01%	
	Shares Sold During the year	-	-	1,72,723	2.01%	
	Closing balance	<b>1,72,723</b>	<b>2.01%</b>	<b>1,72,723</b>	<b>2.01%</b>	
4	<b>Babita Naresh Jain</b>	59,318	0.69%	59,318	0.69%	N.A.
	Shares Bought during the year	-	-	59,318	0.69%	
	Shares Sold During the year	-	-	59,318	0.69%	
	Closing balance	<b>59,318</b>	<b>0.69%</b>	<b>59,318</b>	<b>0.69%</b>	
5	<b>CRB Capital Markets Ltd</b>	45,500	0.53%	45,500	0.53%	N.A.
	Shares Bought during the year	-	-	45,500	0.53%	
	Shares Sold During the year	-	-	45,500	0.53%	
	Closing balance	<b>45,500</b>	<b>0.53%</b>	<b>45,500</b>	<b>0.53%</b>	

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2020		Cumulative Shareholding during the year 31-03-2021		Type of Transaction
		No. of Shares	% of total Shares of the Co.	No. of Shares	Change in Shareholding during the year	
6	<b>Naval Kishor Malpani</b>	37,616	0.44%	37,616	0.44%	Bought and Sold
	Shares Bought during the year on	300	0.01%	37,916	0.44%	
	12.06.2020	100	0.00%	38,016	0.44%	
	19.06.2020	100	0.00%	38,116	0.44%	
	30.09.2020	71	0.00%	38,187	0.44%	
	23.10.2020	10	0.00%	38,197	0.44%	
	25.12.2020	4	0.00%	38,201	0.45%	
	31.12.2020	13	0.01%	38,214	0.46%	
	05.03.2021	1393	0.01%	39,607	0.46%	
	12.03.2021	10	0.00%	39,617	0.46%	
	26.03.2021	700	0.01%	40,317	0.47%	
	31.03.2021	680	0.01%	40,997	0.48%	
	Shares Sold during the year on 18.09.2020	16	0.00%	40,981	0.48%	
	<b>Closing balance</b>	<b>40,981</b>	<b>0.48%</b>	<b>40,981</b>	<b>0.48%</b>	
7	<b>Sanjaykumar Sarawagi</b>	10,896	0.13%	10,896	0.13%	Bought
	Shares Bought during the year on 18.09.2020	13,072	0.15%	23,968	0.28%	
	Shares Sold during the year	-	-	23,968	0.28%	
	<b>Closing balance</b>	<b>23,968</b>	<b>0.28%</b>	<b>23,968</b>	<b>0.28%</b>	
8	<b>Snehalatha Singhi</b>	<b>18,559</b>	<b>0.22%</b>	<b>18,559</b>	<b>0.22%</b>	N.A.
	Shares Bought during the year on 18.09.2020	-	-	<b>18,559</b>	<b>0.22%</b>	
	Shares Sold during the year	-	-	<b>18,559</b>	<b>0.22%</b>	
	<b>Closing balance</b>	<b>18,559</b>	<b>0.22%</b>	<b>18,559</b>	<b>0.22%</b>	
9	<b>Pritty Devi Sarawagi</b>	13,023	0.15%	13,023	0.15%	Bought and Sold
	Shares Bought during the year on 24.04.2020	50	0.00%	12,823	0.15%	
	Shares Sold During the year on 31.07.2020	1	0.00%	13,072	0.15%	
	Shares Sold During the year on 11.09.2020	1 3,072	0.15%	13,072	0.15%	
	<b>Closing balance</b>	-	-	-	-	
10	<b>Bhawarilal Jajoo</b>	-	-	-	-	N.A.
	Shares Bought during the year on 04.09.2020	12,360	0.14%	12,360	0.14%	
	Shares Sold During the year on 31.07.2020	-	-	12,360	0.14%	
	<b>Closing balance</b>	<b>12,360</b>	<b>0.14%</b>	<b>12,360</b>	<b>0.14%</b>	
11	<b>Edleweiss Broking Limited</b>		0.14%	12,360	0.14%	N.A.
	Shares Bought during the year on 03.07.2020	12,360	0.00%	12,386	0.14%	
	09.10.2020	26	0.00%	12,387	0.14%	
	18.12.2020	1	0.00%	12,587	0.14%	
	Shares Sold During the year on 10.07.2020	20	0.00%	12,561	0.14%	

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-20120		Cumulative Shareholding during the year 31-03-2021		Type of Transaction
		No. of Shares	% of total Shares of the Co.	No. of Shares	Change in Shareholding during the year	
	04.09.2020	12,360	0.14%	21	0.00%	
	16.10.2020	1	0.00%	20	0.00%	
	25.12.2020	20	0.00%	-	0.00%	
	<b>Closing balance</b>	-	-	-	-	
11	<b>Anil Mansukhlal Kothari</b>	10,036	0.12%	10,036	0.12%	N.A.
	Shares Brought during the year	0	0.00%	0	0.00%	
	Shares Sold during the year	0	0.00%	0	0.00%	
	<b>Closing Balance</b>	<b>10,036</b>	<b>0.12%</b>	<b>10,036</b>	<b>0.12%</b>	
12	<b>Udit Kabra</b>	9,720	0.11%	9,720	0.11%	N.A.
	Shares Brought during the year	0	0.00%	0	0.00%	
	Shares Sold during the year	0	0.00%	0	0.00%	
	<b>Closing Balance</b>	<b>9,720</b>	<b>0.11%</b>	<b>9,720</b>	<b>0.11%</b>	

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2020		Cumulative Shareholding during the year 31/03/2021	
		No. of Shares	% of Total Shares of the Co.	No. of Shares	
1	Mr. Vinod S Jhavar (Managing Director)	15,29,978	15,29,978	15,29,978	17.83
2	Mr. Mahesh S Jhavar (Director)	84,100	84,100	84,100	0.98
3	Mr. Mukul Vinod Jhavar \$ (Director)	60,000	60,000	60,000	0.693
4	Mr. Durgesh S Kabra (Independent Director)	0	0	0	0.00
5	Ms. Ayushi Gilra \$ (Independent Director)	0	0	0	0.00
6	Mr. Athul Rungta# (Independent Director)	0	0	0	0.00
7	Mr. Vishnu H Thaker# (CS & Compliance Officer)	0	0	0	0.00
8	Mr. Purshottam Randad\$ (Chief Finaicial Officer)	0	0	0	0.00

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

	Secured Loans Excluding Deposites	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1226.03	-	-	1226.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	<b>1226.03</b>	<b>-</b>	<b>-</b>	<b>1226.03</b>
<b>Change in Indebtness during the financial year</b>				
Additions	189.68	-	-	189.68
Reduction	<b>733.54</b>	-	-	<b>733.54</b>
Net Change	<b>(543.862)</b>	-	-	<b>(543.862)</b>
<b>Indebtness at the end of the financial year</b>				
i) Principal Amount	681.49	-	-	681.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	<b>681.49</b>	<b>-</b>	<b>-</b>	<b>681.49</b>

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. Vinod Jhawar (Managing Director)	
1	<u>Gross salary</u>	30.00	30.00
	a) Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) I.T. Act, 1961	-	-
	Stock Option	-	-
2	Sweat Equity	-	-
3	Commission	-	-
4	- as % of profit-	-	-
	- others, specify...	-	-
	Others, please specify – Sitting Fee	-	-
5	<b>Total (A)</b>	-	-
	Ceiling as per the Act	30.00	30.00
		120	120



**B. Remuneration to Other Directors :**

Sr. No.	Particulars of Remuneration	Mukul Jhawar	Durgesh Kabra	Athul Rungta	Avushi Giria
1	Independent Directors	-	0.15	0.075	0.23
	Fee for attending Board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-
	<b>Total (1)</b>	-	0.15	0.075	0.23
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending Board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	20.00	0.15	0.075	0.23
	<b>Total (B)=(1+2)</b>	<b>20.00</b>	<b>0.15</b>	<b>0.075</b>	<b>0.23</b>
	<b>Total Managerial Remuneration</b>	<b>20.00</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A.</b>

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

Sr. No.	Particulars of Remuneration	Mr. Vishnu Thaker CS	Mr. Purshottam Randad CFO	Total Amount
1	Gross salary	180000	329000	509000
	a) Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) I.T. Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit-	-	-	-
	- others, specify...	-	-	-
5	Others, please specify – Sitting Fee	-	-	-
	<b>Total (A)</b>	<b>180000</b>	<b>329000</b>	<b>509000</b>

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

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

FOR &amp; ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhavar  
(Managing Director)

Sd/-  
Mukul V Jhavar  
(Director)

Place: Mumbai  
Date: 06.08.2021

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

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

**Conservation of Energy :**

1	Energy conservation measures taken.	Adequate Measures Taken
2	Investment and proposals, if any, being implemented For reduction of consumption	Nil
3	Impact of measures at (1) and (2) above for reduction of energy Consumption and consequent impact on the cost of production of Goods.	Marginal
4	Total energy consumption any energy consumption per unit of Production are as under	As below

Sr. No.	Particulars		Year Ended 31.03.2021	Year Ended 31.03.2020
<b>A</b>	<b>Powers and Fuel Consumption (Process Division Yarn + Fabrics)</b>			
1	<b>Electricity</b>			
	a) Purchased			
	<b>Unit</b>			
	MSED	(Rs. in Lacs)	26.47	40.74
	Windmill	(Rs. in Lacs)	-	-
	Total Unit	(Rs. in Lacs)	26.47	40.74
	Total Amount	(Rs.)	216.01	311.69
	Avg. Rate/Unit	(Rs.)	8.16	7.65
	b) Own generation (Through D.G. Set)			
	Unit	(Lacs)	-	0.12
	Diesel Oil Consumed Ltrs	(Lacs)	-	0.06
	Total Amount	(Rs. In Lacs)	3.01	4.09
	Avg Rate per Ltr	(Rs.)	-	69.37
2	<b>Coal</b>			
	Quantity	(M. Tonnes)	6528.57	10,867.14
	Total Amount	(Rs. In Lacs)	428.32	677.31
	Avg Rate/M. tone	(Rs.)	65.82	62.33
<b>B</b>	<b>Consumption per Kg of Production</b>			
1	Production	(Lacs Kgs)	16.52	26.05
	Electricity	(Rs.)	13.07	11.97
	Diesel Oil	(Rs.)	0.18	0.16
	Coal	(Rs.)	25.92	26
	<b>Total</b>		<b>31.55</b>	<b>38.12</b>
<b>C</b>	<b>Weaving Division Power Consumption</b>			
1	Electricity Purchased			
	Units	(Lacs)	25.56	32.77
	Total Amount	(Rs. In Lacs)	115.86	171.17
	Avg Rate/unit	(Rs.)	4.53	5.22
2	Production	(Lacs Mtrs)	<b>36.56</b>	51.45
3	Cost of Power per Mtrs	(Rs.)	<b>3.16</b>	3.33

<b>TECHNOLOGY ABSORPTION:</b>	The company does not need any technology up-gradation for its existing business.	
<b>FOREIGN EXCHANGE EARNINGS AND OUTGO:</b>	<b>2020-21</b>	<b>2019-20</b>
Foreign Exchange Outgo	6.55	14.18
Foreign Exchange Earnings	-	-

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhawar  
(Managing Director)

Sd/-  
Mukul V Jhawar  
(Director)

Place: Mumbai  
Date: 06.08.2021

## REPORT ON CORPORATE GOVERNANCE

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").**

### **INTRODUCTION:**

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

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

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

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

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

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

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

### **BOARD OF DIRECTORS:**

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

As on 31<sup>st</sup> March, 2021, the Company's Board of Directors comprised of six directors of which Mr. Vinod S. Jhwar is the Managing Director and Chairman, Mr. Mukul V. Jhwar and Mr. Mahesh Jhwar are the Executive Directors and the rest Mr. Durgesh Kabra, Ms. Ayushi Gilra and Mr. Athul Rungta are Non- Executive and Independent Directors. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

Mr. Purshottam Randad is the Chief Financial Officer of the Company and Mr. Vishnu Thaker is the Company Secretary and Compliance Officer of the Company.

The Board has appointed Mr. Mukul Vinod Jhwar as a Whole-time Director on Board w.e.f. 06-08-2021 and his appointment is recommended for approval to the members at 29<sup>th</sup> Annual General Meeting.

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

The number of directorship and Committee Chairmanship/Memberships held by the Directors in other Public companies as on March, 2021 are given below:

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

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

Directorships mentioned as above do not include directorships of Private Limited Companies, Companies under Section 8 of the Act and of companies incorporated outside India.

Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.

None of the Non-Executive Independent Directors has any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees received by them for attending the meetings of the Board and its Committee(s) and professional fees received by the firm in which a Director is a partner.

#### **BOARD MEETINGS:**

The Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are replaced and noted at the subsequent Board meeting.

The Company circulates the agenda along with comprehensive notes well in advance before each meeting which, inter-alia, includes the following:

- Quarterly/Half Yearly/Annual financial results of the Company.
- Minutes of various committees of the Board.
- Regulatory notices/judgment/order being material in nature.
- Approvals on the sale of investments/assets of material nature etc.

During the financial year 2020-2021 Four Board Meetings were held. The maximum gap between two Board meetings was less than one hundred and twenty days. The Board Meetings were held on 29/06/2020, 19/08/2020, 10/11/2020 and 12/02/2021.

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

Name of the Directors	Number of Board Meetings held	Entitlement to attend	No. of Board Meetings attended	Whether last AGM attended
Mr. Vinod S. Jhawar	4	4	4	Yes
Mr. Mahesh S. Jhawar	4	4	1	Yes
Mr. Mukul V. Jhawar	4	4	4	Yes
Mr. Durgesh Kabra	4	4	2	No
Ms. Ayushi Gilra	4	4	3	Yes
Mr. Athul Rungta	4	4	4	Yes

## EVALUATION OF INDEPENDENT DIRECTORS AND BOARD PERFORMANCE

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

### SEPARATE MEETING OF INDEPENDENT DIRECTOR

The meeting of Independent Directors was held on 22<sup>nd</sup> March, 2021 through video-conferencing and other audio visual means all the Independent Directors were present in the meeting. Mr. Durgesh Kabra an independent director had Chaired the meeting.

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

### FAMILIARIZATION PROGRAM

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. The detail of such familiarization program has been disclosed on the company's website.

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

There was no appointment during the year under review. However the details of Directors getting re-appointed in the ensuing Annual General Meeting has been given in the 'Notice' calling the 29<sup>th</sup> Annual General Meeting of the Company.

### CODE OF CONDUCT

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

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



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

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

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

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

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

#### **COMMITTEES OF THE BOARD:**

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

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

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

The Company has following Committees of Board of the Board.

### Constitution of Committees

<b>Audit Committee</b> Mr. Durgesh Kabra (Chairman) Ms. Ayushi Gilra (Member) Mr. Athul Rungta (Member)	<b>Nomination &amp; Remuneration Committee</b> Mr. Durgesh Kabra (Chairman) Ms. Ayushi Gilra (Member) Mr. Athul Rungta (Member)	<b>Stakeholder &amp; Investor Grievance Committee</b> Ms. Ayushi Gilra (Chairman) Mr. Durgesh Kabra (Member) Mr. Athul Rungta (Member)	<b>Corporate Social Responsibility Committee</b> Ms. Ayushi Gilra (Chairman) Mr. Durgesh Kabra (Member) Mr. Athul Rungta (Member)
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#### AUDIT COMMITTEE AT GLANCE :

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

#### SCOPE AND FUNCTION:

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

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

- a) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;
- b) Recommending the appointment and removal of the external Auditors, fixation of Audit fee and approval for payment of any otherservices;
- c) Reviewing with management the Annual financial Statements before submission to the Board;
- d) Reviewing with the management and external Auditors, the adequacy of internal controlsystems;
- e) Reviewing the adequacy of Cost Auditfunction;
- f) Discussing with Cost Auditors any significant findings and follow up on such issues; vii. discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- g) Reviewing the Company's financial and risk management policies;and
- h) Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any
- i) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

#### COMPOSITION

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Mr. Durgesh Kabra	4	4	2
Ms Ayushi Gilra \$	4	4	3
Mr. Athul Rungta #	4	4	4

Total (4) five audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 29/06/2020, 19/08/2020, 10/11/ 2020 and 12/02/2021. The necessary quorum was present for all the meetings.

#### NOMINATION AND REMUNERATION COMMITTEE AT GLANCE:

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

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

- a) To formulate criteria for evaluation and evaluate the performance of every director, including the Independent Directors;
- b) To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/ reappointment/ removal of the Executive/Non-Executive Directors and the senior management of the Company;

- c) Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- d) Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- e) This shall include “formulation of criteria for evaluation of independent directors and the Board”
- f) On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- g) To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 or any amendments thereof;
- h) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.
- i) Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- j) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

**COMPOSITION :**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Mr. Durgesh Kabra	1	1	0
Ms Ayushi Gilra	1	1	1
Mr. Athul Rungta	1	1	1

One NRC meetings were held during the year. The date on which the said meetings were held 19.08.2020 the necessary quorum was present for all the meetings.

**REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED 31ST MARCH, 2021 :**

Name of Directors	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
Mr. Vinod S. Jhawar	30,00,000	-	-	-	30,00,000/-
Mr. Mahesh S. Jhawar	-	-	-	-	-
Mr. Mukul V. Jhawar	20,00,000	-	-	-	20,00,000/-
Mr. Durgesh Kabra	-	-	15,000	-	15,000/-
Ms Ayushi Gilra	-	-	-	-	-
Mr. Athul Rungta	-	-	7,500	-	7,500/-

**STAKEHOLDERS’ RELATIONSHIP COMMITTEE AT GLANCE:****TERMS OF REFERENCE:**

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

The Stakeholders’ Relationship Committee met 4 times during the financial year 2020-2021 on 29/06/2020, 19/08/2020, 10/11/2020 and 12/02/2021.

**COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms Ayushi Gilra	4	4	2
Mr. Athul Rungta	4	4	3
Mr. Durgesh Kabra	4	4	4

Details of investor complaints received and redressed during the year 2020-21 are as follows:

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Pursuant to Section 135 of the Companies Act, 2013 the Companies (Corporate Social Responsibility) Rules, 2014 are applicable to the Company for the Financial Year 2020-2021. A Corporate Social Responsibility Committee (CSR Committee) was constituted by the Board of Directors of your Company at its Meeting held on June 07, 2019 and a CSR Policy was also formulated.

A brief outline of the Company's CSR Policy including total amount to be spent for the Financial Year 2020-21 along with details of CSR Committee are provided in Annexure-VII, forming part of the Directors' Report.

1 (One) Meeting of the Corporate Social Responsibility Committee was held on February, 12 2021 during the Financial Year 2020-21 and the attendance of the Members was as follows:

**COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms Ayushi Gilra	1	1	1
Mr. Athul Rungta	1	1	1
Mr. Durgesh Kabra	1	0	1

**DISCLOSURES:**

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

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

**LISTING:**

The Company's Shares are listed during the year on Bombay Stock Exchange; the Company has paid the Listing Fees for F.Y. 2021-2022.

**DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES :**

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

**PREVENTION OF INSIDER TRADING:**

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

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

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

- a. Number of complaints filed during the financial year 2020-21- NIL
- b. Number of complaints disposed of during the financial year 2020-21- NIL
- c. Number of complaints pending as on end of the financial year 2020-21- NIL

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

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

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

As required by the IND AS-24, the details of related party transactions are given in Note to the notes on financial statements for the Financial Year 2020-21, forming part of Accounts.

**CEO AND CFO CERTIFICATION:**

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

**OTHER DISCLOSURES:**

Particulars	Legal requirement	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There were no material significant related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company. (Related Party Transaction Policy).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company (Whistle Blower Policy).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	The Audit Committee reviews the quarterly financial statements of the Company and the investments made by its unlisted subsidiary companies. The Company does not have any material unlisted Indian subsidiary company. The Company has a policy for determining material subsidiaries which is disclosed on its website (Material Subsidiary).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>

Policy on determination of materiality for disclosures	Regulation 23 of SEBI Listing Regulations	The Audit Committee reviews the quarterly fThe Company has adopted a policy on determination of materiality of events for disclosures (Determining Materiality of Events).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Policy on archival and preservation of documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a policy on archival and preservation of documents (Preservation of Documents).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Directors and Senior Management (EIL Code of Conduct & Ethics).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment of Independent Directors are available on the Company's website. (Terms of appointment of Independent Director).	<a href="http://www.dfl.net.in/company-profile.html">http://www.dfl.net.in/company-profile.html</a>

**MANAGEMENT DISCLOSURES:**

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

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

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

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

**PARTICULARS OF SATUTORY AUDITOR:**

Total fees for financial Year 2020-21, for all services as mentioned below, was paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

<b>PAYMENT TO AUDITORS</b>	<b>Amount in Lacs</b>
Statutory Audit Fees	1.00
Tax Audit Fees	0.40
Other Fees	-
<b>Total</b>	<b>1.40</b>

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

**PARTICULARS OF COST AUDITOR:**

Name of the Cost Auditor	M/s Talati & Associates
Firm Registration No.	R/00097
Date of Appointment for the year 2021-22:.(Board Meeting)	06-08-2020
Cost Audit Fees for F.Y. 2021-22	30,000/-

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

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

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

**COMPLIANCE CERTIFICATE FROM AUDITORS ON CORPORATE GOVERNANCE**

Certificate from RHAD & Co., Chartered Accountants in Practice confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

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

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

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

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

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

**GENERAL BODY MEETING:**

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

Financial Year	Type of Meeting	Location	Meeting Date and Time
2019-20	28 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra. (via Video conferencing)	26 <sup>th</sup> Sept, 2019 at 01:30 p.m.
2018-19	27 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	28 <sup>th</sup> Sept, 2018 at 01:00 p.m.
2017-18	26 <sup>th</sup> AGM	Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra	29 <sup>th</sup> Sept, 2017 at 01:00 p.m.

(ii) No Extra Ordinary General Meeting was held during the year.

(iii) No Postal Ballot was conducted by during the year



**MEANS OF COMMUNICATION:**

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

**GENERAL INFORMATION FOR MEMBERS****A 29<sup>th</sup> Annual General Meeting:**

Day & Date	Time	Venue
Wednesday, 29 <sup>th</sup> September, 2021	01.00 p.m.	(Via Video Conferencing Mode) Registered Office : Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204, Maharashtra

**B. Financial Calendar (2021-22)**

Particulars	Period
Financial Year	April 1, 2021 to March 31, 2022
<b>For consideration of Unaudited/Audited Financial Results</b>	
<b>Results</b>	
Results for quarter ending June 30, 2021	On or before August 14, 2021
Results for quarter ending September 30, 2021	On or before November 14, 2021
Results for quarter ending December 31, 2021	On or before February 14, 2022
Results for quarter ending March 31, 2022	On or before May 30, 2022
AGM for the year ending March 31, 2022	On or before September 30, 2022

**C. Book Closure Date**

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 22.09.2021 to 29.09.2021. (Both days inclusive)

**D. Share Transfer System**

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

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

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

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

**H. Dematerialization of Shares**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on 31<sup>st</sup> March, 2021 are as follows:

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

#### I. Market Price Sensitive Information:

The monthly 'high' and 'low' closing prices of the shares traded during the period from **April 2020 to March 2021** on BSE are given below:

Month	High	Low	Close	No of Shares Traded	Month	High	Low	Close	No of Shares Traded
Apr-20	14.20	12.00	29.75	21,710	Oct-20	22.65	20.99	21.80	632
May-20	15.99	12.60	27.55	18,957	Nov-20	22.75	21.70	22.75	57
Jun-20	18.30	15.20	21.00	10,238	Dec-20	24.50	21.30	21.40	504
Jul-20	17.75	13.30	21.15	4,691	Jan-21	23.25	21.25	23.20	1,116
Aug-20	16.70	13.70	22.65	7,108	Feb-21	24.10	16.05	16.05	23,724
Sep-20	20.55	11.20	23.60	16,781	Mar-21	18.40	14.00	15.40	1,46,616

#### J. Shareholding pattern of the company as on 31st March, 2021

Category	No. of Shares held	% of Shareholding
<b>A Promoter's Holding</b>		
<b>1 Promoters</b>		
- Indian Promoters	64,28,506	74.91%
- Foreign Promoters	0	0
<b>2 Persons acting in concert</b>	0	0.00%
<b>Sub – Total</b>	<b>64,28,506</b>	<b>74.91%</b>
<b>B Non-Promoter's Holding</b>	0	0
<b>3 Institutional Investors</b>	0	0
a) Mutual Funds and UTI	0	0
b) Banks, Financial Institutions, Insurance Companies	0	0
c) (Central/State Govt. Institutions/Non Government Institutions)	0	0
<b>C FII's</b>		
<b>Sub – Total</b>	<b>0</b>	<b>0.00%</b>
<b>4 Other CI. member</b>	56	0.00%
a) Private Corporate Bodies	15,25,999	17.78%
b) Indian Public	6,21,682	7.24%
c) NRI's	4,857	0.06%
d) OCB's	0	0.00%
<b>Sub-Total</b>	<b>35,99,546</b>	<b>25.09%</b>
<b>Grand Total</b>	<b>85,81,100</b>	<b>100.00%</b>

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

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
up to 500	857	80.9254	1,51,985	1.77
501-1000	92	8.6874	78,709	0.9172
1001-2000	47	4.4381	70,277	0.891
2001-3000	17	1.6053	43,179	0.5032
3001-4000	7	0.661	24,479	0.2853
4001-5000	8	0.7554	36,283	0.4228
5001-10,000	13	1.2276	84,368	0.9832
10,000 and above	18	1.6997	80,91,820	94.2982
	<b>1059</b>	<b>100</b>	<b>85811000</b>	<b>100</b>

**SHARE CAPITAL AUDIT**

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

**SHARE TRANSFER / TRANSMISSION SYSTEM & PROCESS**

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

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

**MEANS OF COMMUNICATION**

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

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

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

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

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

**M/s Big Share services Pvt Ltd**

CIN: U99999MH1994PTC076534

1<sup>st</sup> Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road,

Board No. 022 40430200

Direct: 022-40430295

Mobile No. 7045454392

Email id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)**M/s Dhanlaxmi Fabrics Ltd**

CIN: L17120MH1992PLC068861

**Regd. Off:** Manpada Road, Bhopar Village,  
Dombivali (East), Thane- 421204, Maharashtra,  
India.**Corp off:** 401,402 Kailash Corporate Lounge,  
Park Site, Vikroli (West) Mumbai- 400079,  
Maharashtra, India.

Tel No. 95- 251- 2870589/90/91

**Email Id:** [info@dfi.net.in](mailto:info@dfi.net.in) | [cscompliance@dfi.net.in](mailto:cscompliance@dfi.net.in)**Website:** [www.dfi.net.in](http://www.dfi.net.in)**FOR & ON BEHALF OF THE BOARD**

Sd/-

Vinod S Jhavar

(Managing Director)

(Director)

Sd/-

Mukul V Jhavar

Place: Mumbai

Date: 06.08.2021

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended **31<sup>st</sup> March, 2021**.

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

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

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

### OVERALL REVIEW:

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

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

The Company's manufacturing facilities remained shut from March 23, 2020 due to nation wise lockdown and partially re-opened w.e.f. May, 02, 2020 which has impacted its operations during Late March, April, and May 2020. Some of Companies Pending orders of Fabrics are on hold as per the requirement of buyers.

The Company has restarted operations on May 02, 2020 adhering to the safety norms factories/units/office spaces | prescribed by Government

The Company had taken utmost care of its staff and work force by following norms like sanitization, social distancing, mask wearing, thermal check at the gate, maintain proper hygiene. Supply chain is being monitored to ensure availability of material. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.

April – June and July - September' 2020 being lockdown months, the revenues and profitability of the Company were adversely impacted. As the business situation was very dynamic, the company had closely monitored it. The business situation was normalized and little improved during 3<sup>rd</sup> and 4<sup>th</sup> quarter.

The Company's capital and Banking facilities was remained intact. There were no liquidity concerns as the Company have/had sufficient unutilized Banking limits available. Further Banks have offered additional limits. However, the company is witnessing delay in receivable collection from buyers as buyers are extending payment terms.

The Company has sufficient working capital limits to meet financial requirements. Though the cash position was challenging, with our limits and tight control over expenditure, the company will be able to serve its debt and other financing arrangement.

The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review accounts receivables and measures.

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The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review accounts receivables and measures.

Overall negative impact is expected across the industry due to current COVID 19 pandemic. A shift towards online business is expected to happen due to the fear & the restrictions to maintain the social distancing. Also, there could be short time recessionary pressure due to job losses and money crunch in the market and it will take a good 5 to 7 months before we could see demand coming back in the Textile industry.

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

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

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

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

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

#### **OPPORTUNITIES AND THREATS:**

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

First half of F.Y. 2021-22 is expected to be very tough due to 3<sup>rd</sup> wave prediction of COVID-19 and the second half is expected to give some relief to the business and the society in general if all the countries especially India is able to control the COVID- 19 Pandemic.

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

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

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

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

**RISK AND CONCERNS:**

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

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

**CURRENT & FUTUE OUT LOOK**

For F.Y. 2021-22, the immediate focus shall be on the recovery of the outstanding and ensuring the earliest dispatches of the finished goods inventory to have a tighter control on the working capital and reigning in fixed costs to conserve cash.

Overall, F.Y. 2021-22 is expected to be a tough year for the textile industry and major focus shall be on cost cutting measures, improving productivity, reduction in wastage and efforts on taking quality to next level and deriving efficiency to make products further cost competitive. Further, the division plans to make some structural changes in organization to make it lean and agile and focus will be on giving improved services to customers to retain market share.

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

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

Being 29 years old unit placed within the thickly populated area at the out skirts of Dombivali is very much thirsty for expansion and looking for sizable land parcel. To make further investment in the plot & machinery, the company is exploring the possibility of bank & equity funding.

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



**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

The Turnover of the company has been decreased from 77.58 cr. to 43.35 cr. as compared to previous year decrease 7.86% turnover.

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Turnover</b>	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Processing Charges Fabric /Yarn, Labour	2239.26	3399.62
Fabrics / Yarn /Garment Sale	206614	4309.71
Power Sale	29.74	48.63
<b>Total</b>	<b>4335.14</b>	<b>7757.90</b>
<b>Profitability</b>		
Net Profit after Taxation	<b>4 6.93</b>	<b>185.02</b>

**PERFORMANCE OF THE BOARD AND COMMITTEES:**

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

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

**HUMAN RESOURCES MANAGEMENT:**

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

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

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

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

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

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours from 11.00 a.m to 05.00 p.m on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

#### STATE OF AFFAIRS OF THE COMPANY:

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

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

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

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

#### KEY FINANCIAL RATIOS:

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

The Company has identified following ratios as key financial ratios:

Particular	FY 2020-21	FY 2019-20	% Change
Debtors Turnover Ratio	3.84	4.79	-0.95
Inventory Turnover Ratio	0.41	2.55	-2.14
Interest Coverage Ratio*1	46.01%	139.82%	-93.81%
Current Ratio*2	2.37	1.60	0.77
Debt Equity Ratio*3	0.22	0.30	0.08
Operating Profit Margin (%)*4	4.55%	17.93	-13.38
Net Profit Margin (%)*4	0.94%	2.80%	-1.86 %
Return on Net Worth RONW (%)*5	0.90%	3.59%	-2.69 %

#### CAUTIONARY STATEMENT:

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

FOR & ON BEHALF OF THE BOARD

Sd/-	Sd/-
<b>Vinod S Jhavar</b>	<b>Mukul V Jhavar</b>
(Managing Director)	(Director)

Place: Mumbai  
Date: 06.08.2021

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

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

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

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

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

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

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

**2. COMPOSITION OF THE CSR COMMITTEE**

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

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

**3. AVERAGE NET PROFIT OF THE COMPANY FOR THE LAST THREE FINANCIAL YEARS (AS PER SECTION 198 OF THE COMPANIES ACT, 2013) FOR THE PAST THREE FINANCIAL YEARS**

Net Profit before tax (PBT)	Rs. In Lacs
F.Y. 2017-18	234.16
F.Y. 2018-19	608.64
F.Y. 2019-20	220.31
<b>Total</b>	1063.11
<b>Average</b>	354.37
Prescribed CSR Expenditure for Financial Year 2020-21 (2% of Net Profits of preceding three Financial Years )	7.09

**4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:**

Total amount to be spent for the Financial Year 2020-21	7.09
Total amount of CSR activities approved for financial year 2020-21	7.00
Amount spent for financial year 2020-21	7.00
Unspent amount if any	0.09

The Company incurs expenditure by donating to a Foundation named as Jivan Jyot Foundation which in turn utilises the funds on deserving organizations and individuals keeping in mind sustainability and impact on desired recipients.

**5. MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS DETAILED BELOW :**

CSR Project for the activity identified	Sector in which Project is covered	Projects or Programmes 1. Local are or other 2. Specify the state and district where projects or programmes were undertaken	Amount outlay Budget Project or programme wise	Amount spent on the projects or programmes Sub head (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
Jivan Jyot Foundation	Child Shelter and Home Construction	Ahmedabad	7,00,000	7,00,000	7,00,000	Donation to Jivan Jyot Foundation

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report. – The Company had made CSR expenditure in round figure of Rs.7,00,000/- the Company will spend the balance amount of Rs.9000/- next year with CSR amount of next year.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

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

FOR & ON BEHALF OF THE BOARD

Sd/-  
Vinod S Jhavar  
(Managing Director)

Sd/-  
Mukul V Jhavar  
(Director)

Place: Mumbai  
Date: 06.08.2021

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

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

For and on behalf of the Board

Sd/-  
Vinod S. Jhavar  
(Managing Director)

Sd/-  
Purushottam Randa,  
(Chief Financial Officer)

Place: Mumbai  
Date: 28.06.2021

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

Declaration by the Director

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2021.  
For and on behalf of the Board

Sd/-  
Vinod S. Jhavar  
(Managing Director)

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**  
**Requirements under the SEBI (LODR) Regulations, 2015**

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

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Fabrics Limited ("the Company") for the financial year ended March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations for the year ended March 31, 2021, except as mentioned in Secretarial Audit Report for the year.

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

For RHAD & Co.,  
Chartered Accountants

Sd/-  
Dinesh Bangar  
Partner  
M No. 036247

Place: Mumbai  
Date: 28.06.2021

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

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

I have examined the relevant registers, records, forms, returns and disclosures received for the year ended 31<sup>st</sup> March, 2021 from the Directors of **M/s. Dhanlaxmi Fabrics Limited** having CIN L17120MH1992PLC068861 and having registered office at Bhopar Village, Manpada Road, Dombivli (East), Thane-42120 and (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officer, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pankaj Trivedi & Co.,  
Company Secretary in Practice

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

Place: Mumbai  
Dated: 6<sup>th</sup> August, 2021



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

Declaration by the Director

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2021.

For and on behalf of the Board

Sd/-  
Vinod S. Jhavar  
(Managing Director)

Place: Mumbai

Dated : 6th august, 2021

## INDEPENDENT AUDITOR'S REPORT

To The Members Of Dhanlaxmi Fabrics Limited

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

#### **Opinion**

We have audited the accompanying standalone financial statements of **Dhanlaxmi Fabrics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

#### **Emphasis of Matters**

We draw attention to

1. Capital Work in Progress includes investment in properties amounting to Rs. 1048.39 lacs consist of advances paid for acquisition of immovable property which are paid for more than 12 months. In the absence of specific timeline, registered transfer deeds and external valuations, there carrying values has been considered as fair values. In absence of reliable external information, no impairment provision have been made there upon.
2. Sundry Debtors include Rs. 329.14lacs due for more than six months. No provision has been made in the books for the same as the management has considered the same as good and recoverable.
3. Refer to note 3 of the financial statements, Company has made investment of Rs. 67.08 lacs in subsidiary companies which have been considered as long term investment, out of which total net assets of two subsidiaries are below investment values, no impairment loss has been provided for on such investments.
4. Refer to Note no 4 of the financial statements, the loan & advances given are closely monitored by the Board of Directors and therefore no appraisal, renewal, policies, procedure and documents have been executed.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors Responsibility for the audit of Financial Statements**

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

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

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

future events or conditions may cause the group to cease to continue as a going concern.

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

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

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

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

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

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

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the same is attached Annexure - B to the Independent Auditor's Report.
- g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our Opinion and to the best of our information and according to the explanations given to us:
- 1) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements
  - 2) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the company.

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

**Sd/-**

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

Place: Mumbai  
Date: 28-06-2021

UDIN:21036247AAAAAX5001

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

- I**      **a)**      The Company has maintained the fixed assets records including quantitative details and situation of fixed assets and is in the process of updating the same.
- b)**      As explained to us, the fixed assets have been physically verified by the management at reasonable interval in a phased manner during the year and no material discrepancy has been noticed on such verification and has been properly dealt with in the Books of Accounts.
- c)**      As per the information and explanations given to us, the Title Deeds of Immovable Properties are held in the name of company.
- II**              The Stock of finished goods, stores, spare parts and raw material have been physically verified by the management at reasonable intervals during the year but as the factory was closed due to Covid 19 pandemic impact the management could not physically verify the stock at the end of the year and as per the information and explanation given to us by the management and according to the records produced to us, no material discrepancies noticed on such physical verification as compared to book records.
- III**             **a)** The Company has granted loans, to Companies covered in the register maintained under section 189 of the Companies Act, 2013.
- b)** In the case of loans granted to any parties in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(ii)(b) of the order is not applicable to the Company in respect of payment of the principal amount.
- c)** There are no overdue amounts for a period of more than 90 days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- IV**              In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Companies Act, 2013, with respect to the loan and investment made.
- V**                The Company has not accepted any deposits from public.
- VI**                The central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company, however the company has maintained the cost records and the same were audited also by the Cost Accountant.
- VII**             **a)** As per the information and explanation given by the management, and according to the records of the company with regard to undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, GST and Other Statutory dues applicable to it, the company is generally regular in depositing with appropriate authorities. There are no undisputed amount payables in respect of such statutory dues, which have remained outstanding as at 31st March 2021 for a period more than six months.
- b)** According to the information and explanation given to us, there is no dispute pending in respect of dues of PF, Sales Tax, Income Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, GST except following:

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

- VIII** The Company has not defaulted in repayment/dues etc. to financial institutions, banks or debenture holders during the year
- IX** The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans during the year.
- X** To the best of our knowledge and beliefs and according to the information and explanation given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under review.
- XI** To the best of our knowledge and beliefs and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- XII** The Company is not a Nidhi Company as per the provisions of section 406 of the Companies Act, 2013.
- XIII** As per the information and explanation given to us all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the note no.36 on financial statements as required by the applicable accounting standards.
- XIV** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- XV** As per the information and explanation given to us the company has not entered into any non-cash transactions with directors or person connected with him.
- XVI** As per the information and explanations given to us, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

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

**Sd/-**  
**Dinesh C. Bangar**  
**(Partner)**  
M. No. : 036247  
Place: Mumbai  
Date: 28/06/2021

**Annexure - B to the Independent Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Dhanlaxmi Fabrics Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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



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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

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

Place: Mumbai  
Date:29/06/2021

BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH 2021					( Rupees in Lacs)	
	PARTICULARS	Note No.	As at 31st March 2021	As at 31 <sup>st</sup> March 2020		
<b>B</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
a.	Property, plant and equipment	2	1953.65	2329.31		
b.	Capital work-in-progress	3	1048.60	1048.39		
c.	<b>Financial Assets</b>					
	Investments	4	67.08	67.08		
	Loans	5	261.43	209.40		
	Other financial assets		0.00	0.00		
d.	Non- Current tax assets (Net)	6	320.05	251.18		
e.	Other non - current assets	7	351.42	300.12		
f.	Deferred tax Asset		0.00	0.00		
	<b>Total Non - Current Assets</b>		<b>4002.22</b>	<b>4205.48</b>		
<b>2</b>	<b>Current assets</b>					
a.	Inventories	8	978.44	1201.96		
b.	<b>Financial Assets</b>					
	Trade receivables	9	1141.98	1619.25		
	Cash and cash equivalents	10	7.85	3.59		
c.	Current Tax Assets(Net)	11	14.56	58.94		
d.	Other Current Assets	12	535.20	241.89		
	<b>Total Current Assets</b>		<b>2678.03</b>	<b>3125.63</b>		
	<b>TOTAL ASSETS</b>		<b>6680.25</b>	<b>7331.10</b>		
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>EQUITY</b>					
a.	Equity Share capital	13	858.11	858.11		
b.	Other Equity	14	4348.29	4301.36		
	<b>Total Equity</b>		<b>5206.40</b>	<b>5159.47</b>		
<b>2</b>	<b>LIABILITIES</b>					
	<b>Non-current liabilities</b>					
a.	<b>Financial Liabilities</b>					
	Long-term borrowings	15	222.67	36.47		
	Other Financial Liabilities					
b.	Deferred tax liabilities (net)	16	118.97	154.37		
c.	Other long-term liabilities	17	4.19	27.06		
d.	Long-term provisions		0.00	0.00		
e.	Non Current tax Liabilities (net)		0.00	0.00		
	<b>Total Non Current Liabilities</b>		<b>345.82</b>	<b>217.90</b>		
<b>3</b>	<b>CURRENT LIABILITIES</b>					
a.	<b>Financial Liabilities</b>					
	Short-term borrowings	18	458.82	1189.56		
	Trade payables	19	562.84	684.11		
	Other Financial Liabilities		0.00	0.00		
b.	Other current liabilities	20	39.46	27.13		
c.	Short-term provisions	21	66.89	52.93		
d.	Current Tax Liabilities(Net)		0.00	0.00		
	<b>Total Current Liabilities</b>		<b>1128.02</b>	<b>1953.73</b>		
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6680.25</b>	<b>7331.10</b>		

As per our report of even date

For and on behalf of the Board of Directors

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

Sd/-

**Dinesh C. Bangar**

(Partner)

Membership No.036247

Place: Mumbai

Date: 28th June 2021

For and on behalf of the Board,

sd/-

Mukul V. Jhawar

Director

sd/-

Vishnu H. Thaker

Company Secretary

sd/-

Vinod S.Jhawar

Managing Director

sd/-

Purushottam Randad

Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2021		(Rupees in Lacs.)	
PARTICULARS	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>A Income:</b>			
1 Revenue from operations	22	4335.14	7757.90
2 Other income	23	46.00	117.77
<b>Total Income</b>		<b>4381.14</b>	<b>7875.67</b>
<b>B Expenses:</b>			
(a) Cost of materials consumed	24	1386.16	3008.57
(b) Cost of Store & Spares Consumed	25	55.84	105.18
(c) Purchases of stock-in-trade	26	447.92	629.74
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	223.52	-41.13
(e) Employee benefits expenses	28	644.07	992.22
(f) Finance costs	29	89.17	157.57
(g) Depreciation	30	326.39	346.30
(f) Other expenses	31	1218.03	1939.19
<b>Total Expenses</b>		<b>4391.10</b>	<b>7137.64</b>
<b>3 Profit/(Loss) before exceptional Items &amp; Taxes</b>		<b>-9.95</b>	<b>738.03</b>
4 Exceptional Items	32	50.98	-517.73
<b>5 Profit/(Loss) Before Taxes</b>		<b>41.02</b>	<b>220.31</b>
<b>6 Tax expense:</b>			
(a) Current tax		29.50	89.25
(b) Defered Tax		-35.40	-53.97
<b>Net Tax Expense</b>		<b>-5.90</b>	<b>35.28</b>
<b>7 Profit/(Loss) for the period</b>		<b>46.93</b>	<b>185.02</b>
<b>8 Other comprehensive income</b>			
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other comprehensive income</b>			
<b>9 Total comprehensive income for the period</b>		<b>46.93</b>	<b>185.02</b>
<b>10 Earnings per Equity share (Face Value of Rs. 10/- each)</b>			
a) Basic	34	0.55	2.16
b) Diluted	34	0.55	2.16

## Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Sd/-  
Dinesh C. Bangar  
Partner  
Membership No.036247

Place : Mumbai  
Date: 28th June 2021

For and on behalf of the Board of Directors

Sd/-  
Mukul V. Jhavar  
Director  
DIN:07966851  
Sd/-  
Vishnu H. Thakar  
Company Secretary

Sd/-  
Vinod S.Jhavar  
Managing Director  
DIN:00002903  
Sd/-  
Purushottam Randad  
Chief Financial Officer

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021</b>		<b>(Rupees in Lacs)</b>		
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2021</b>		<b>For the year ended 31<sup>st</sup> March 2020</b>	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before Tax		41.03		220.31
<i>Adjustments for:</i>				
Depreciation and amortisation	326.39		346.30	
(Profit) (-) Loss (+) on sale / write off of assets	-90.96		(19.85)	
Finance cost	89.17		157.57	
Interest income	-11.42		(47.43)	
Dividend Received	0.00		(0.01)	
Rental Income from Investment Property	-19.43		(67.44)	
Operating profit / (loss) before working capital changes		334.77		589.44
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories (increase / decrease)	223.52		-41.13	
Trade and other receivables	477.27		293.00	
Other current assets	-248.94		-244.08	
Other Current Liabilities	26.29		-17.14	
Trade and other Payables	-121.27		27.82	
Change in Other Non -Current Assets	-68.87		-36.55	
Change in Other Non-Current Liabilities	0.00		0.00	
Change in Capital Work in Progress	-0.21		0.00	
Cash generated from operations		287.80		-18.09
		287.81		-18.08
Net income tax (paid) / refunds		29.50		89.25
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>258.31</b>		<b>-107.33</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	-28.96		-7.66	
Sale of fixed assets	169.20		27.98	
Rental income from investment properties	0.00		67.44	
Long Term Advances	-103.32		473.22	
Other Long term Liabilities	-22.87		2.05	
Dividend Received	0.00		0.01	
<b>Net cash flow from / (used in) investing activities</b>		<b>14.05</b>		<b>563.05</b>
<b>C. Cash flow from financing activities</b>				
Issue of equity shares	0.00		0.00	
Repayment of long-term borrowings	186.20		-126.04	
Net increase / (decrease) in working capital borrowings	-730.73		-828.69	
Interest received	0.00	0.00	47.43	
Interest Paid	0.00		-157.57	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>-544.54</b>		<b>-1064.87</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>-272.18</b>		<b>-609.15</b>
Cash and cash equivalents at the beginning of the year		3.59		23.30
<b>Cash and cash equivalents at the end of the year</b>		<b>7.85</b>		<b>3.59</b>
In Terms Of Our Report Attached For R H A D & Co. FR No- 102588W Dinesh C. Bangar Partner Membership No.036247	Place : Mumbai Date: 28th June 2021	For and on behalf of the Board, Mukul V. Jhavar Director Vishnu H. Thaker Company Secretary		Vinod S.Jhavar Managing Director Purushottam Randad Chief Financial Officer

**DHANLAXMI FABRICS LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Rupees in Lacs)

Particulars	Number of Shares		Amount		
<b>A. Equity Share Capital</b>					
<b>Balance at at 1st April, 2019</b>	<b>85.81</b>		<b>85.81</b>		
Changes in equity share capital during the year	0.00		-		
<b>Balance at at 31st March, 2020</b>	<b>85.81</b>		<b>85.81</b>		
Changes in equity share capital during the year	0.00		-		
<b>Balance at at 31st March, 2021</b>	<b>85.81</b>		<b>85.81</b>		
<b>B. Other Equity</b>					
Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
<b>Balance as at 1st April, 2019</b>	<b>896.00</b>	<b>108.46</b>	<b>3111.88</b>	<b>0.00</b>	<b>4116.34</b>
Profit for the year	0.00	0.00	185.02	0.00	185.02
Trf to General Reserve	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
Remeasurements of Defined Benefit Plan	0.00	0.00	0.00	0.00	0.00
Fair Value effect of Investments of shares	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31st March, 2020</b>	<b>896.00</b>	<b>108.46</b>	<b>3296.90</b>	<b>0.00</b>	<b>4301.36</b>
Profit for the year	0.00	0.00	46.93	0.00	46.93
Final Dividend	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
Trf to General Reserve	0.00	0.00	0.00	0.00	0.00
Fair Value effect of Investments of shares	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31st March, 2021</b>	<b>896.00</b>	<b>108.46</b>	<b>3343.83</b>	<b>0.00</b>	<b>4348.29</b>

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

The Company ("M/S. DHANLAXMI FABRICS LIMITED") is an existing public limited company incorporated on 01.10.1992 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Manpada Road, Bhopar Village, Dombivli(East), Thane - 421204. The Company's main activity is cornered in to dealers and manufacturing and Processing of Textile and allied products/services and Power Generation. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee.₹)

**2 Significant Accounting Policies**

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

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

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

The financial statements were authorized for issue by the Company's Board of Directors on 28th June 2021.

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

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

(i) Investments are measured at fair value.

**(B) Revenue Recognition**

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

**(I) Sales**

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

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

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

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

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

**(ii) Dividends**

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

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

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

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

(ii) Depreciation

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

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

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

**(D) Inventory Valuation**

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

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

(iii) Scrap is valued at net realisable value.

**(E) Cash And Cash Equivalents**

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

**(F) Trade receivables**

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

**(G) Trade and other payables**

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

**(H) Borrowing Cost**

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

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

**(I) Investments**

All Unquoted equity investments are measured at carrying value.

**(J) Employee Benefit**

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

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

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

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

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

#### **(M) Taxation**

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

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

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

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

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

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

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

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



**(Q) Operating Cycle**

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

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

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

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

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

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

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

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

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

**(iii) Impairment of financial assets**

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

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

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

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

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

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

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

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

**(ii) Subsequent measurement**

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

### 3 FIRST TIME ADOPTION OF IND AS

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

#### Explanation 1 - Exemptions and exceptions availed

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

#### (I) Ind AS Optional exemptions

##### Deemed Cost - Property, Plant and Equipment and Intangible Assets

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

#### (II) Ind AS mandatory exemptions

##### (i) Estimates

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

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

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

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

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2021											
(Rs. in Lacs)											
Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment			Net carrying Amount				
	As at 01/04/2020	Addition during the year	Sold during the year	As at 31/03/2021	As at 31/03/2020	Provided during the year	Adjusted during the year	As at 31/03/2021	As at 31/03/2020		
Land	470.63			470.63	0.00	0.00		470.63	470.63		
Building	778.09			778.09	358.05	24.52		395.52	420.05		
Plant & Machinery	5065.58	28.96	1.38	5093.17	3901.37	285.85	0.26	906.21	1164.22		
Electrical Installation	158.78	0.00		158.90	128.26	5.92		24.72	30.64		
Pipes & Fittings	34.62	0.00		34.62	32.58	0.15		1.89	2.04		
Furniture & Fixture	109.02	0.00		109.02	102.77	0.49		5.77	6.26		
Laboratory Equipment	27.49	0.00		27.49	24.86	0.36		2.27	2.63		
Office Equipment	11.81	0.00		11.81	9.40	0.53		1.89	2.42		
Air Conditioner	19.29			19.29	14.11	1.06		4.11	5.17		
Computer	51.31	0.00		51.31	48.08	1.93		1.29	3.23		
Motor Vehicle	2.10	0.00	0.00	2.10	0.22	0.25	0.00	1.63	1.88		
Misc. Assets	54.18			54.18	42.56	2.59		9.03	11.62		
House Property	222.23		93.64	128.59	39.32	2.67	16.52	103.12	182.92		
<b>Sub Total</b>	<b>7005.27</b>	<b>28.96</b>	<b>95.02</b>	<b>6939.21</b>	<b>4701.57</b>	<b>326.33</b>	<b>16.78</b>	<b>1928.09</b>	<b>2303.70</b>		
<b>Wind Power Division</b>											
Land	10.00	0.00	0.00	10.00	0.00		0.00	10.00	10.00		
Plant and Machinery	521.00	0.00	0.00	521.00	505.39	0.05		15.56	15.61		
<b>Sub Total</b>	<b>531.00</b>	<b>0.00</b>	<b>0.00</b>	<b>531.00</b>	<b>505.39</b>	<b>0.05</b>	<b>0.00</b>	<b>25.56</b>	<b>25.61</b>		
<b>Total</b>	<b>7536.27</b>	<b>28.96</b>	<b>95.02</b>	<b>7470.21</b>	<b>5206.96</b>	<b>326.39</b>	<b>16.78</b>	<b>1953.65</b>	<b>2329.31</b>		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2020										
NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT										
Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment			Net carrying Amount		(Rs. in Lacs)	
	As at 01/04/2019	Addition during the year	Sold during the year	As at 31/03/2020	As at 31/03/2019	Provided during the year	Adjusted during the year	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land	470.63			470.63	0.00			0.00	470.63	470.63
Building	778.09			778.09	333.53	24.52		358.05	420.05	444.57
Plant & Machinery	5061.95	3.64		5065.58	3596.78	304.58		3901.37	1164.22	1465.16
Electrical Installation	158.78	0.13		158.90	122.34	5.92		128.26	30.64	36.43
Pipe Fitting	34.62			34.62	32.43	0.15		32.58	2.04	2.20
Furniture & Fixture	108.75	0.28		109.02	102.30	0.47		102.77	6.26	6.45
Laboratory Equipment	27.49			27.49	24.50	0.36		24.86	2.63	2.99
Office Equipment	11.08	0.73		11.81	8.99	0.41		9.40	2.42	2.09
Air Conditioner	19.29			19.29	13.05	1.06		14.11	5.17	6.24
Computer	50.52	0.79		51.31	46.14	1.94		48.08	3.23	4.38
Motor Vehicle	10.00	2.10	1000	2.10	1.22	0.87	1.87	0.22	1.88	8.78
Misc. fixed Assets	54.18			54.18	39.96	2.59		42.56	11.62	14.22
House Property	222.23			222.23	35.95	3.37		39.32	182.92	186.28
<b>Sub Total</b>	<b>7007.61</b>	<b>7.66</b>	<b>10.00</b>	<b>7005.27</b>	<b>4357.19</b>	<b>346.25</b>	<b>1.87</b>	<b>4701.57</b>	<b>2303.70</b>	<b>2650.41</b>
<b>Wind Power Division</b>										
Land	10.00	0.00	0.00	10.00	0.00			0.00	10.00	10.00
Plant and Machinery	521.00	0.00	0.00	521.00	505.33	0.00		505.39	15.61	15.67
<b>Sub Total</b>	<b>531.00</b>	<b>0.00</b>	<b>0.00</b>	<b>531.00</b>	<b>505.33</b>	<b>0.05</b>	<b>0.00</b>	<b>505.39</b>	<b>25.61</b>	<b>25.67</b>
<b>Total</b>	<b>7538.61</b>	<b>7.66</b>	<b>10.00</b>	<b>7536.27</b>	<b>4862.53</b>	<b>0.05</b>	<b>1.87</b>	<b>5206.96</b>	<b>2329.31</b>	<b>2676.08</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

(Rupees in Lacs)

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

<b>PARTICULARS</b>	<b>As at 31/03/2021</b>	<b>As at 31/03/2020</b>
<b>3. CAPITAL WORK-IN PROGRESS</b>		
Dhairyashee Mane Textile Co-op Park Kolhapur	364.60	364.39
Advance to Chanchal Das & Sons for Property	604.00	604.00
Land at Five Star MIDC Kegal Hatkangale	80.00	80.00
<b>Total</b>	<b>1048.60</b>	<b>1048.39</b>
<b>4. NON-CURRENT INVESTMENTS</b>		
In equity shares of subsidiary companies		
<b>1. Western Chlorides &amp; Chemicals Pvt Ltd</b>	65.08	65.08
2999 Equity Shares @ Rs.2170/- each F V Rs.100/- Per shares		
<b>2. Dhanesh Fabrics Pvt Ltd</b>	1.00	1.00
9999 Equity Shares @ Rs.10/- each F V Rs.10/- Per shares		
<b>3. DFL Fabrics Pvt Ltd</b>	1.00	1.00
9980 Equity Shares @ Rs.10/- each F V Rs.10/- Per shares		
<b>Total</b>	<b>67.08</b>	<b>67.08</b>
<b>5. LOANS</b>		
Ajay Multi Projects Ltd	0.00	15.39
Promtech Impex Pvt Ltd	87.40	44.01
DFL Fabrics Pvt Ltd	100.00	150.00
Dhanesh Fabrics Pvt Ltd	74.03	0.00
<b>Total</b>	<b>261.43</b>	<b>209.40</b>
<b>5.1</b> Company has given interest free loan to its Wholly Owned Subsidiary DFL Fabrics Pvt Ltd and Dhanesh Fabrics Pvt Ltd for its principal business activities.		
<b>5.2</b> The Loans and advances above are extended for the purpose of business and repayable on demand. The aforesaid loans are extended at different interest rate. These loans and advances are unsecured and closely monitored by Board of Directors and therefore no agreement, deed, appraisal etc. has been executed thereon.		
<b>PARTICULARS</b>	<b>As at 31/03/2021</b>	<b>As at 31 /03/2020</b>
<b>6. NON-CURRENT TAX ASSET(NET)</b>		
Unutilised Input Tax Credit (GST)	247.61	245.45
Income Tax Refund Receivable (Net of Provision for Tax)	0.65	0.65
Advance Tax Paid	240.00	145.00
TDS Receivables	133.79	72.84
<b>Less:</b> Provision for Income Tax	302.00	212.75
<b>Total</b>	<b>320.05</b>	<b>251.18</b>
<b>7. OTHER NON CURRENT ASSETS</b>		
Security Deposits	146.48	96.66
Fixed Deposits with Bank	24.73	23.25
<b>Income Tax Paid Under Protest</b>		
For A.Y. 2010-11 (Under Appeal)	117.22	117.22
For A.Y. 2011-12 (Under Appeal)	52.10	52.10
For A.Y. 2012-13 (Under Appeal)	5.32	5.32
For A.Y. 2013-14 (Under Appeal)	5.57	5.57
<b>Total</b>	<b>351.42</b>	<b>300.12</b>

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

(Rupees in Lacs.)

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

<b>PARTICULARS</b>	<b>As at 31/03/2021</b>		<b>As at 31/03/2020</b>	
<b>8. INVENTORIES</b>				
Finished Goods		202.38		201.09
Raw Material		491.93		532.92
Stock in Process - WIP		158.77		271.40
Stores & Spares		125.35		196.55
<b>Total</b>		<b>978.44</b>		<b>1201.96</b>
<b>PARTICULARS</b>	<b>As at 31/03/2021</b>		<b>As at 31/03/2020</b>	
<b>9. TRADE RECEIVABLES</b>				
<u>Unsecured</u>				
A) Outstanding For a Period exceeding Six Months from the date they are due for payment				
(i) Considered Good	329.14		653.40	
(ii) Considered Doubtful	0.00		0.00	
Less: Provisions for Bad Debts	0.00	329.14	0.00	653.40
B) Other Trade Receivable				
(i) Considered Good	812.84		965.85	
(ii) Considered Doubtful	0.00	812.84	0.00	965.85
<b>Total</b>		<b>1141.98</b>		<b>1619.25</b>
9.1 No Provision for Doubtful Debtors is made as Management of the company is hopeful of full recoverability of the same.				
<b>PARTICULARS</b>	<b>As at 31/03/2021</b>		<b>As at 31/03/2020</b>	
<b>10. CASH AND CASH EQUIVALENTS</b>				
Cash on hand		1.06		0.55
Balance with banks		6.79		3.04
<b>Total</b>		<b>7.85</b>		<b>3.59</b>
<b>PARTICULARS</b>	<b>As at 31/03/2021</b>		<b>As at 31/03/2020</b>	
<b>11. CURRENT TAX ASSET(NET)</b>				
Advance tax Paid	15.00		95.00	
TCS Receivable	0.54		0.00	
TDS Receivables	28.52		53.19	
Less: Provision for Income Tax	-29.50	14.56	-89.25	58.94
<b>Total</b>		<b>14.56</b>		<b>58.94</b>
<b>12. OTHER CURRENT ASSETS</b>				
Loan & Advance to Employees		1.76		1.08
Advance to Suppliers		518.76		230.83
Prepaid Expenses		14.69		9.98
<b>Total</b>		<b>535.20</b>		<b>241.89</b>

12.1 Advance to supplier includes Rs. 320.23 lacs being advance for purchase of coal and Rs 182.97 lacs being advance given for purchase of Fabrics.

(Rupees in Lacs)

13. EQUITY SHARE CAPITAL	As at 31/03/2021	As at 31/03/2020
<b>Authorised Share Capital</b> 1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)	<b>1500.00</b>	<b>1500.00</b>
<b>Issued, Subscribed and Paid up</b> 85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity SharesRs.10/-Par Value)	<b>858.11</b>	<b>858.11</b>

**13.1:** The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2021:

PARTICULARS	As at 31/03/2021		As at 31/03/2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	85.81	858.11	85.81	858.11
Add: Shares issued during the year	0.00	0.00	0.00	0.00
Less : Shares bought back (if any)	0.00	0.00	0.00	0.00
<b>Number of shares at the end</b>	<b>85.81</b>	<b>858.11</b>	<b>85.81</b>	<b>858.11</b>

**13.2: Terms/rights attached to equity shares**

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

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

**13.3: Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date :**

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

**13.4: The details of Shareholders holding more than 5% Shares in the company**

Name of Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares	% held as at	No of Shares	% held as at
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Vandana Vinod Jhawar	652,430	7.60	652,430	7.60
Vinod Sohanlal Jhawar	1,529,978	17.83	1,529,978	17.83
Dhanlaxmi Cotex Ltd	1,185,079	13.81	1,185,079	13.81

14. OTHER EQUITY	As at 31/03/2021	As at 31/03/2020
<b>Capital Reserve</b> At the beginning and at the end of the year	-	-
<b>General Reserve</b> Opening Balance(As per last Balance Sheet)	108.46	108.46
Add: Transferred from Surplus	0.00	0.00
<b>Surplus</b> Opening Balance (As per last Balance sheet)	3296.90	3111.88
Add: Net Profit after tax Transferred from Statement of Profit & Loss	46.93	185.02
	3343.83	3296.90
Less: Transfer to General Reserve	0.00	0.00
	<b>3343.83</b>	<b>3296.90</b>

(Rupees in Lacs)		
Particulars	As at 31/03/2021	As at 31/03/2020
<b>Security Premium</b>		
Opening Balance	896.00	896.00
Add: During the Year	0.00	0.00
Closing Balance	0.00	0.00
<b>Surplus Closing Balance</b>	<b>896.00</b>	<b>896.00</b>
<b>Other Comprehensive Income</b>		
Opening Balance	0.00	0.00
Add: During the year	0.00	0.00
<b>Closing Balance</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>4348.29</b>	<b>4301.36</b>
<b>15. LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Term Loan from AXIS Bank	106.00	36.47
Term Loan from The Shamrao Vithal Co-Op. Bank	116.67	0.00
<b>Total</b>	<b>222.67</b>	<b>36.47</b>
15.1 - Bank term loans are secured by way of first charge over the entire fixed assets of the company both present and future created out of the term loan, Personal guarantee of three director and corporate guarantee of M/s. Western chlorides and chemicals Pvt Ltd subsidiary of the company.		
Particulars	As at 31 /03/2021	As at 31 /03/2020
<b>16. DEFERED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	154.37	208.34
Deffered Tax Liability/ (Assets) for the year	-35.40	-53.97
<b>At Closing of the year</b>	<b>118.97</b>	<b>154.37</b>
16.1 The Deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation as per Provisions of Companies Act, 2013		
Particulars	As at 31 /03/2021	As at 31 /03/2020
<b>17 OTHER LONG TERM LIABILITIES</b>		
Deposits received from Licensee	4.19	27.06
17.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 to 406 at Kailas Corporate Lounge Vikroli given on rent to them.		
Particulars	As at 31 /03/2021	As at 31 /03/2020
1. Synergy Property Development Services Pvt Ltd	0.00	18.37
2. G4 Securities Solution (India) Pvt. Ltd.	4.19	4.19
3. Mr. Mohammad Muzaammi Suyani	0.00	4.50
<b>Total</b>	<b>4.19</b>	<b>27.06</b>
17.2 The carrying value of Security Deposits is deemed to be the Fair Value.		
Particulars	As at 31 /03/2021	As at 31 /03/2020
<b>18. SHORT TERM BORROWINGS.</b>		
<b>Secured Borrowing</b>		
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	19.43	122.39
Cash Credit from Axis Bank Ltd	379.59	349.45
Working Capital Demand Loan with SVC Bank Ltd.	0.00	300.00



(Rupees in Lacs)

Particulars	As at 31/03/2021	As at 31/03/2020
Working Capital Demand Loan with Axis Bank Ltd	0.00	300.00
Current Maturities of Long Term Loan from AXIS Bank	36.47	84.84
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	23.33	32.88
<b>TOTAL</b>	<b>458.82</b>	<b>1189.56</b>
<b>18.1</b> Cash Credits facilities obtained from banks are secured by way of Hypothication of stocks and Book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.		
Particulars	As at 31/03/2021	As at 31/03/2020
<b>19 TRADE PAYABLES</b>		
Sundry Creditors for Goods	473.29	587.94
Sundry Creditors for Expenses	89.56	96.18
	0.00	0.00
<b>TOTAL</b>	<b>562.84</b>	<b>684.11</b>
<b>19.1</b> Dues to Micro and Small enterprises (Refer note no. 33) The Company has certain dues to suppliers registered under Micro, small and medium enterprises Development Act 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:		
Particulars	As at 31/03/2021	As at 31/03/2020
Principle amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	103.41	38.27
<b>20 OTHER CURRENT LIABILITIES</b>		
Charity Fund	2.42	3.24
Salary payable	21.93	14.84
Advance from Customer	8.32	5.28
Statutory Liabilities	6.79	3.76
<b>Total</b>	<b>39.46</b>	<b>27.13</b>
<b>21. SHORT TERM PROVISIONS</b>		
Provision for Outstanding Expenses	66.89	52.93
<b>Total</b>	<b>66.89</b>	<b>52.93</b>
<b>22. REVENUE FROM OPERATIONS</b>		
Fabric Sales	2066.14	4309.71
Textile Job work Income	2239.26	3399.57
Power Sales	29.74	48.63
<b>Total</b>	<b>4335.14</b>	<b>7757.90</b>
<b>23. OTHER INCOME</b>		
Interest Income	11.42	47.43
Bad Debt Recovery	10.73	0
Misc. Income	0.00	2.02
Dividend received	0.00	0.01
Rent Received	19.43	67.44
Freight and forwardig income (Reimbursement)	0.40	0.00
VAT Refund/ written back	2.91	0.87
Foreign Exchange difference	1.11	0.00
<b>Total</b>	<b>46.00</b>	<b>117.77</b>

(Rupees in Lacs.)		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>24. COST OF RAW MATERIALS CONSUMED</b>		
Yarn	450.49	1436.80
Dyes	134.17	241.21
Chemicals	341.27	586.52
Packing Material	19.69	34.58
Coal	397.18	652.36
Consumables	43.28	49.39
Custom Duty	0.00	6.64
Discount	0.07	1.06
<b>Total</b>	<b>1386.16</b>	<b>3008.57</b>
<b>25. STORES AND SPARES CONSUMPTION</b>		
Indigenous	55.84	105.18
<b>Total</b>	<b>55.84</b>	<b>105.18</b>
<b>26. PURCHASES OF STOCK IN TRADE</b>		
Fabric Purchase	447.92	629.74
<b>Total</b>	<b>447.92</b>	<b>629.74</b>
<b>27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>Inventory ( At close)</b>		
Fabric	202.38	201.09
Work in Progress	158.77	271.40
Raw Material	491.93	532.92
Stores and Spares	125.35	196.55
<b>Total</b>	<b>978.44</b>	<b>1201.96</b>
<b>Inventory ( At commencement)</b>		
Fabric	201.09	771.28
Work in Progress	271.40	85.65
Raw Material	532.92	278.94
Stores and Spares	196.55	24.97
<b>Total</b>	<b>1201.96</b>	<b>1160.83</b>
<b>Net Change</b>	<b>223.52</b>	<b>-41.13</b>
<b>28. EMPLOYEE BENEFIT EXPENSES</b>		
Labour Job Charges	381.58	600.52
Salary Bonus and Others	190.53	290.64
Director's Salary	50.00	67.60
Contribution to P.F & ESIC	14.27	19.19
Contribution to Gratuity Fund	3.25	5.90
Contribution to Maharashtra Labour Welfare Fund	0.08	0.09
Staff welfare Expenses	4.36	8.28
<b>Total</b>	<b>644.07</b>	<b>992.22</b>

(Rupees in Lacs)

**28.1** The Company has provided Provision for Gratuity Fund Rs. 3.25 Lakhs for contribution to be made to LIC Annuity scheme (New Group Gratuity Cash Accumulation Plan). However, as per the Gratuity valuation obtained by the company, the current years obligation to Gratuity to be charged to P &L is Rs. 7.04 Lakhs.

**28.2** The Company has not made provision for difference in Defined benefit obligation calculated by Actuarial Valuation and Fair value of plan assets to the extent of Rs. 4.75 Lakhs. Further, the company has not recognised amount to the extent of Rs. 5.88 Lakh as Debits to Other Comprehensive Income during the year.

Particulars	As on 31/03/2021	As on 31/03/2020
<b>29. FINANCE COST</b>		
Interest on Working capital	67.85	111.30
Interest on Term Loan	18.61	38.92
Interest on Others	0.00	0.87
Bank charges/ Processing Fees	2.71	6.47
<b>Total</b>	<b>89.17</b>	<b>157.57</b>
<b>30. DEPRECIATION</b>		
Depreciation on Fixed Assets	326.39	346.30
<b>30.1</b> Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>31. OTHER EXPENSES</b>		
<b>31.1 - Manufacturing expenses</b>		
Electricity Charges	324.49	485.26
Water Expenses	161.11	254.59
Repairs to building	4.04	29.59
Repairs to Machinery	27.21	13.67
Repairs and Maintenance Others	12.11	28.26
Weaving Charges	26.21	34.42
Freight & forwarding expenses (Domestic)	18.55	34.03
Laboratory expenses	0.56	0.94
Insurance	13.06	10.54
Lease rent for factory land	15.60	15.60
Clearing and Forwarding Charges (International)	0.14	2.69
Sizing/Warping Charges	26.59	90.41
Sample Charges	1.38	0.00
Textile Job work Expenses	466.81	768.93
<b>Total</b>	<b>1097.89</b>	<b>1768.92</b>
<b>31.2 Selling &amp; distribution expenses</b>		
Sales promotion	7.52	9.21
Cash Discount	0.00	0.00
Commission & brockorage	16.55	38.03
<b>Total</b>	<b>24.07</b>	<b>47.25</b>

(Rupees in Lacs)

Particulars	As on 31/03/2021	As on 31/03/2020
<b>31.3 Administrative expenses</b>		
Property Expenses	17.46	20.00
Printing & stationery	5.88	7.39
Postage & courier charges	1.48	2.98
Legal & professional fees	21.31	39.87
Advertisement charges	1.04	0.96
Conveyance expenses	12.60	12.79
General expenses	1.94	2.84
Listing fees - Stock Exchange	3.55	3.60
Vehicle expenses	6.17	4.63
Mobile and Telephone Expenses	1.90	2.09
Director Sitting Fees	0.23	1.28
Sundry Balances W/off	8.02	-0.66
Travelling Expenses	2.32	7.66
Other expenses	4.17	4.50
Software Development Expenses	1.01	4.51
CSR Expenditure	7.00	8.60
<b>Total</b>	<b>96.07</b>	<b>123.03</b>
<b>Grand Total</b>	<b>1218.03</b>	<b>1939.19</b>
<b>Payment to auditors</b>		
<b>Auditor</b>		
Statutory audit Fees	1.00	1.00
Tax Audit Fees	0.40	0.40
<b>Total</b>	<b>1.40</b>	<b>1.40</b>
<b>32. EXCEPTIONAL ITEMS</b>		
Interest Received on TUF Subsidy	0.00	15.11
Bad Debts Written off	-39.99	-605.82
Profit on Sale of Assets	90.96	19.85
TED Refund	0.00	53.13
<b>Total</b>	<b>50.98</b>	<b>-517.73</b>
<b>33. MSME disclosure</b>		
The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:		
Particulars	As on 31/03/2021	As on 31/03/2020
1 Principal amount not due and remaining unpaid as on 31.3.2021	60.97	17.19
2 Principal amount due and remaining unpaid as on 31.03.2021	42.45	21.08
3 Interest due on (2) above and the unpaid interest	<b>0.00</b>	<b>0.00</b>
4 Interest due and payable for the period of delay other than (3) above	<b>0.00</b>	<b>0.00</b>
<b>33.1</b> Company has not provided for interest on principal amount which was due and remaining unpaid as on 31.03.2021 exceeding stipulated time.		

(Rupees in Lacs)		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>34. EARNING PER SHARE(EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	46.93	185.02
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	0.55	2.16
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>
<b>35. CONTINGENT LIABILITIES</b>		
<b>Contingent Liabilities not provided for in respect of</b>		
1. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appealent Court	528.96	528.96
<b>36. FOREIGN EXCHANGE EARNING AND OUTGO</b>		
a) Earning - Fabrics Export	0.00	0.00
b) Outgo - Import of Spares & Parts for Machinery	6.55	14.18
<b>37 Related party disclosure</b>		
a) Name of the related party and description of relationship.		
S.No.	Related Parties	Nature of Relationship
1	Dhanlaxmi Cotex Ltd	Common Directors
2	Promtech Impex Pvt Ltd	Common Directors
3	Western Chlorides & Chemicals Pvt Ltd.	Subsidiary Company
4	Dhanesh Fabrics Pvt Ltd	Subsidiary Company
5	DFL Fabrics Pvt Ltd.	Subsidiary Company
6	Vinod S Jhawar	Managing Director
7	Mahesh S Jhawar	Director
8	Mukul V Jhawar	Director
9	Ayushi Gilra	Independent Women Director
10	Durgesh Kabra	Independent Director
11	Atul Rungta	Independent Director
12	Rahul M Jhawar	Relative of Director
13	Lalit V Jhawar	Relative of Director

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

(Rupees in Lacs)

Sr. No.	Related Parties	Nature of Transactions during the year	2020-2021	2019-2020
1	Promtech Impex Pvt Ltd	Interest Received	6.80	1.87
		Loan given(net)	43.39	44.01
2	Western Chlorides & Chemicals Pvt Ltd.	Rent Paid	15.60	15.60
3	Dhanesh Fabrics Pvt Ltd	Textile Job work Charges Received	66.39	96.10
		Rent Received	0.30	0.30
		Fabric Sale	72.66	87.95
		Fabric Purchase	0.00	5.21
		Loan given	74.03	0.00
4	DFL Fabrics Pvt Ltd.	Yarn Purchase	0.00	25.86
		Job Process Charges Received	0.00	4.20
		Fabric Sale	0.00	0.02
		Loan Given (Net)	0.00	150.00
		Loan Repayment Received	50.00	0.00
5	Vinod S Jhawar	Directors Remuneration	30.00	55.00
6	Mahesh S Jhawar	Director Sitting Fees	0.00	0.23
7	Mukul V. Jhawar	Directors Remuneration	20.00	12.60
		Director Sitting Fees	0.00	0.08
8	Durgesh Kabra	Director Sitting Fees	0.15	0.23
9	Ayushi Gilra	Director Sitting Fees	0.00	0.15
10	Gopal Mohta	Director Sitting Fees	0.00	0.15
11	Rahul Jhawar	Commission paid	0.00	15.78
		Sale of Property	168.00	0.00
12	Lalit Jhawar	Salary	20.00	0.00
13	Athul Rungta	Director Sitting Fees	0.08	0.00

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

Sr. No	Related parties	2020-2021		2019-2020	
		Dr. Balance	Cr. Balance	Dr. Balance	Cr. Balance
(i)	Western Chlorides & Chemicals Pvt Ltd.	-	-	-	-
(ii)	Dhanesh Fabrics Pvt Ltd	122.15	0.00	41.25	-
(iii)	DFL Fabrics Pvt Ltd.	100.00	0.00	149.98	-
(iv)	Promtech Impex Pvt Ltd	87.40	0.00	44.01	-

Note: 34.1 - All related party transactions are excluding GST and other taxes as applicable.

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

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

**As at 31st March 2021**

Particulars	Carrying Amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
<b>Financial assets</b>	-	-	-	-	-	-
Investments	-	-	67.08	67.08	67.08	67.08
Trade Receivables	-	-	1141.98	1141.98	1141.98	1141.98
Cash and cash equivalents	-	-	7.85	7.85	7.85	7.85
	-	-	<b>1216.91</b>	<b>1216.91</b>	<b>1216.91</b>	<b>1216.91</b>
<b>Financial liabilities</b>	-	-	-	-	-	-
Trade Payables	-	-	562.84	562.84	562.84	562.84
Short Term Borrowings	-	-	458.82	458.82	458.82	458.82
Long Term Borrowings	-	-	222.67	222.67	222.67	222.67
	-	-	<b>1244.34</b>	<b>1244.34</b>	<b>1244.34</b>	<b>1244.34</b>

(Rupees in Lacs)

## As at 31st March 2020

Particulars	Carrying amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1	Total
<b>Financial assets</b>						
Investments	-	-	67.08	67.08	67.08	67.08
Trade Receivables	-		1619.25	1619.25	1619.25	1619.25
Cash and cash equivalents	-		3.59	3.59	3.59	3.59
			<b>1689.92</b>	<b>1689.92</b>	<b>1689.92</b>	<b>1689.92</b>
<b>Financial liabilities</b>						
Trade Payables	-	-	684.11	684.11	684.11	684.11
Short Term Borrowings	-		1189.56	1189.56	1189.56	1189.56
Long Term Borrowings	-		36.47	36.47	36.47	36.47
			<b>1910.14</b>	<b>1910.14</b>	<b>1910.14</b>	<b>1910.14</b>

**B. Measurement of fair value**

Valuation techniques and significant unobservable inputs

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

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

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

**C.ii. Credit risk**

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

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

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

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

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

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

(Rupees in Lacs)

**Ageing of Accounts receivables :**

Particulars	As at March 31, 2021	As at March 31, 2020
0 - 6 months	812.84	965.85
Beyond 6 months	329.14	653.40
<b>Total</b>	<b>1141.98</b>	<b>1619.25</b>

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

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

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

**C.iii. Liquidity risk**

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

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

**C.iv. Market risk**

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

**C.iv.a Currency risk**

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

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

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

**39. Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013 a CSR committee has been formed by the company. The gross amount required to be spent by the company during the year is Rs 7.09 Lacs and out of that Rs 7.00 lacs has been spent during the year on CSR activities.

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

**As per our report of even date**

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

Sd/-  
**Dinesh C Bangar**  
Partner  
Membership No.036247

Place- Mumbai  
Date- 28th June 2021

**For and on behalf of the Board of Directors**

Sd/-  
**Vinod S.Jhawar**  
Managing Director  
DIN:00002903

Sd/-  
**Mukul V. Jhawar**  
Director  
DIN:07966851

Sd/-  
**Purushottam Randad**  
Chief Financial Officer

Sd/-  
**Vishnu H. Thakar**  
Company Secretary



# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### INDEPENDENT AUDITORS REPORT

To

The Members of Dhanlaxmi Fabrics Limited

Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

We have audited the accompanying consolidated financial statements of Dhanlaxmi Fabrics Limited (hereinafter referred to as the Holding Company) and its subsidiaries (Holding Company and its subsidiaries together referred to as the Group, which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

#### **Emphasis of Matters**

We draw attention to

1. Capital Work in Progress includes investment in properties amounting to Rs. 1048.60 lacs consist of advances paid for acquisition of immovable property which are paid for more than 12 months. In the absence of specific timeline, registered transfer deeds and external valuations, there carrying values has been considered as fair values. In absence of reliable external information, no impairment provision have been made there upon.
2. Sundry Debtors include Rs. 460.00lacs due for more than six months. No provision has been made in the books for the same as the management has considered the same as good and recoverable.
3. Refer to Note No 4 of the financial statements, the loan & advances given are closely monitored by the Board of Directors and therefore no appraisal, renewal, policies, procedure and documents have been executed.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

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

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

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

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### Other Matters

- We did not audit the financial statements of DFL Fabrics Pvt. Ltd., subsidiary, whose financial statements / financial information reflect total assets of Rs. 243.72lacs at 31st March, 2021, total revenues of Rs.100.98 lacs , as considered in the consolidated financial statements.

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

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

- o We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- o In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- o The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- o In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- o On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- o With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- o With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  2. The Consolidated Financial statements did not have any long term contracts including derivative contracts.

There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

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

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

Place: Mumbai  
Date: 28-06-2021  
UDIN:21036247AAAAAY7691

# CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH 2021				( Rupees in Lacs)	
PARTICULARS		NOTE	As at 31st March 2021	As at 31st March 2020	
<b>B</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
a.	Property, Plants & Equipment	2	2003.05	2389.40	
b.	Capital work-in-progress	3	1048.60	1048.39	
c.	<b>Financial Assets</b>				
i)	Investments	4	110.93	64.37	
ii)	Loans & Advances	5	286.28	221.76	
iii)	Other Financial Assets		0.00	0.00	
d.	Non Current tax assets (Net)	6	320.63	254.88	
e.	Other non - current assets	7	351.79	300.49	
f.	Deferred tax Asset (net)		0.00	0.00	
	<b>Total Non - Current Assets</b>		<b>4121.29</b>	<b>4279.29</b>	
<b>2</b>	<b>Current assets</b>				
a.	Inventories	8	1122.25	1347.94	
b.	<b>Financial Assets</b>				
i)	Trade receivables	9	1296.81	1845.18	
ii)	Cash and cash equivalents	10	29.50	58.40	
c.	Current Tax Assets(Net)	11	15.88	64.36	
d.	Other Current Assets	12	535.64	242.43	
	<b>Total Current Assets</b>		<b>3000.08</b>	<b>3558.32</b>	
	<b>TOTAL ASSETS</b>		<b>7121.37</b>	<b>7837.60</b>	
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>EQUITY</b>				
a.	Equity Share capital	13	858.11	858.11	
b.	Other Equity	14	4512.80	4423.52	
	<b>Total Equity</b>		<b>5370.91</b>	<b>5281.63</b>	
<b>2</b>	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
a.	<b>Financial Liabilities</b>				
i)	Long-term borrowings	15	222.67	36.47	
ii)	Other Financial Liabilities		0.00	0.00	
b.	Deferred tax liabilities (net)	16	118.12	153.71	
c.	Other long-term liabilities	17	4.19	27.06	
d.	Long-term provisions		0.00	0.00	
e.	Non Current tax Liabilities (net)		0.00	0.00	
	<b>Total Non Current Liabilities</b>		<b>344.97</b>	<b>217.23</b>	
	<b>Current liabilities</b>				
a.	<b>Financial Liabilities</b>				
i)	Short-term borrowings	18	632.85	1490.25	
ii)	Trade payables	19	650.00	766.12	
iii)	Other Financial Liabilities		0.00	0.00	
b.	Other current liabilities	20	55.03	28.82	
c.	Short-term provisions	21	67.60	53.54	
d.	Current Tax Liabilities(Net)		0.00	0.00	
	<b>Total Current Liabilities</b>		<b>1405.49</b>	<b>2338.74</b>	
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7121.37</b>	<b>7837.60</b>	
Summary of significant accounting policies		1			
The accompanying notes are an integral part of these consolidated financial statements					
<b>As per our report of even date</b>			<b>For and on behalf of the Board of Directors</b>		
<b>For R H A D &amp; Co.</b>	Sd/-		Sd/-		
Chartered Accountants	<b>Dinesh C. Bangar</b>		Mukul V. Jhawar		Vinod S. Jhawar
FR No- 102588W	(Partner)	Place: Mumbai	Director DIN:07966851		Managing Director DIN: 00002903
	Membership No.036247	Date: 28th June 2021	Sd/-		Sd/-
			Vishnu H. Thakar		Purushottam Randad
			Company Secretary		Chief Financial Officer

# CONSOLIDATED FINANCIAL STATEMENTS

<b>CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021</b> (Amount In Lacs)				
<b>PARTICULARS</b>		<b>NoteNo.</b>	<b>FOR THE YEAR ENDED 31-03-2021</b>	<b>FOR THE YEAR ENDED 31-03-2020</b>
<b>A</b>	<b>Income:</b>			
1	Revenue from operations	22	4643.00	8432.76
2	Other income	23	114.80	161.06
	<b>Total Income</b>		<b>4757.80</b>	<b>8593.83</b>
<b>B</b>	<b>Expenses:</b>			
	(a) Cost of materials consumed	24	1386.16	3008.57
	(b) Cost of Store & Spares Consumed	25	55.84	105.18
	(c) Purchases of stock-in-trade	26	650.40	1077.88
	(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	225.69	7.98
	(e) Employee benefits expenses	28	659.02	1023.14
	(f) Finance costs	29	91.31	164.37
	(g) Depreciation	30	337.27	357.17
	(f) Other expenses	31	1313.92	2075.28
	<b>Total Expenses</b>		<b>4719.59</b>	<b>7819.56</b>
3	<b>Profit before exceptional Items &amp; Taxes</b>		<b>38.21</b>	<b>774.27</b>
4	Exceptional Items		34.45	-547.16
5	<b>Profit/(Loss) Before Taxes</b>	32	<b>72.65</b>	<b>227.12</b>
6	<b>Tax expense:</b>			
	(a) Current tax		35.50	91.17
	(b) Deferred Tax		-35.59	-53.68
	(c) Excess/Short Tax Provision of Earlier Years		-2.67	0.82
	<b>Net Tax Expense</b>		<b>-2.76</b>	<b>38.31</b>
7	<b>Profit/(Loss) for the period</b>		<b>75.41</b>	<b>188.80</b>
8	<b>Other comprehensive income</b>			
	- Items that will not be reclassified to profit or loss		0.00	0.00
	- Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
	- Items that will be reclassified to profit or loss		0.00	0.00
	- Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
9	<b>Total Other comprehensive income</b>			
10	<b>Total comprehensive income for the period</b>		<b>75.41</b>	<b>188.80</b>
	<b>Earnings per Equity share (Face Value of Rs. 10/- each)</b>			
	a) Basic	34	0.88	2.20
	b) Diluted	34	0.88	2.20
Summary of significant accounting policies		1		
The accompanying notes are an integral part of these consolidated financial statements				
<b>As per our report of even date</b>			<b>For and on behalf of the Board of Directors</b>	
<b>For R H A D &amp; Co.</b>			Sd/-	Sd/-
Chartered Accountants			Mukul V. Jhawar	Vinod S.Jhawar
FR No- 102588W			Director DIN:07966851	Managing Director
Sd/-				DIN: 00002903
<b>Dinesh C. Bangar</b>			Sd/-	Sd/-
(Partner)			Vishnu H. Thakar	Purushottam Randad
Membership No.036247			Company Secretary	Chief Financial Officer
Place: Mumbai				
Date: 28th June 2021				



# CONSOLIDATED FINANCIAL STATEMENTS

<b>Consolidated Cash Flow Statement for the year ended 31 March, 2021</b>		<b>(Rs. in Lacs)</b>	
<b>Particulars</b>	<b>For the year ended 31/03/2021</b>		<b>For the year ended 31/03/2020</b>
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before tax		72.65	227.12
<i>Adjustments for:</i>			
Depreciation and amortisation	337.27		357.17
(Profit) (-) Loss (+) on sale/write off of assets including Shares	-90.96		-19.85
Earlier Year Excess or Short Tax Provision written off	2.67		-0.82
Finance costs	91.31		164.37
Interest income	-22.55		-56.86
Dividend Received	-4.82		-0.62
Long term capital Gain/Loss	-10.09		2.72
Short term capital Gain/Loss	-26.40		1.74
Share Trading Loss	-0.76		0.00
Rental Income from Investment Property	-35.03		-83.04
Operating profit / (loss) before working capital changes		313.30	591.92
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories (increase / decrease)	225.69		7.98
Trade and other receivables	548.37		248.51
Other current assets	-244.73		-234.53
Other Current Liabilities	40.26		-19.92
Trade and other Payables	-116.11		48.73
Change in Other Non -Current Assets	-65.76		-35.98
Change in Other Non-Current Liabilities	0.00		0.00
Change in Capital Work in Progress	-0.21		0.00
Cash generated from operations		387.52	14.79
Net income tax (paid) / refunds		700.82	606.71
		35.50	91.17
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>665.32</b>	<b>515.54</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets	-29.16		-8.68
Sale of fixed assets	169.20		27.98
Long term capital Gain/Loss	10.09		-2.72
Short term capital Gain/Loss	26.40		-1.74
Share Trading Loss	0.76		0.00
Rental income from investment properties	35.03		83.04
Long Term Advances	-115.82		414.90
Other Long term Liabilities	-22.87		2.05
Prurchase / Sale of Investment (Net)	-32.69		-78.95
Dividend Received	4.82		0.62
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>45.74</b>	<b>436.50</b>
<b>C. Cash flow from financing activities</b>			
Issue of equity shares	0.00		0.00
Repayment of long-term borrowings	186.20		-126.04
Net increase / (decrease) in working capital borrowings	-857.40		-693.91
Interest received	22.55	0.00	56.86
Finance cost	-91.31		-164.37
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>-739.96</b>	<b>-927.46</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>-28.90</b>	<b>24.59</b>
Cash and cash equivalents at the beginning of the year		58.40	33.82
<b>Cash and cash equivalents at the end of the year</b>		<b>29.50</b>	<b>58.40</b>
In Terms Of Our Report Attached	Sd/- <b>Dinesh C. Bangar</b> (Partner) Membership No.036247	Place: Mumbai Date: 28th June 2021	For and on behalf of the Board, Vinod S. Jhawar Managing Director Mukul V. Jhawar Director Purushottam Randad Chief Financial Officer Vishnu H. Thakar Company Secretary

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTE NO. 1

### 1 Corporate Information

The Consolidated Financial Statements comprise financial statements of "Dhanlaxmi Fabrics Limited" ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31st March 2021. The Principal activities of the group is cornered in to dealers and manufacturing and Processing of Textile and allied products/services and Power Generation.

### 2 Significant Accounting Policies

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

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

- i The Financial Statements of the Holding Company and its Subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expense and Cashflows, after dully eliminating intra-group balances and intra-group transactions
- ii The difference in accounting policies of the Holding Company and its subsidiaries/ associates are not material
- iii The Consolidated Financial Statements have been prepared using Uniform accounting policies for like transactions and other events in similar circumstances
- iv The Carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary
- v The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- vi The Group follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis, however TUF subsidy interest receivable from government is accounted on Cash basis as and when received. The Consolidated financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:
  - (i) Investments are measured at fair value.

#### (B) Revenue Recognition

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

#### (I) Sales

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

#### (II) Other Income

##### (i) Interest Income

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



# CONSOLIDATED FINANCIAL STATEMENTS

## **(ii) Dividends**

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

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

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

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

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

(ii) Depreciation

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

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

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

## **(D) Inventory Valuation**

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

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

(iii) Scrap is valued at net realisable value.

(iv) Power Inventory is valued at cost

## **(E) Cash And Cash Equivalents**

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

## **(F) Trade receivables**

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

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

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

## **(H) Borrowing Cost**

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

## (I) Investments

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

## (J) Employee Benefit

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

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

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

## (L) Earnings Per Share

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

## (M) Taxation

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

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

## **(Q) Operating Cycle**

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

## **(R) Financial Instruments**

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

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

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

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

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

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

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

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

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

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

## **(II) Financial Liabilities**

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

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

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

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

**DHANLAXMI FABRICS LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Rupees in Lacs)

**A. Equity Share Capital**

Particulars	Numbers	Amount
Balance at at 1st April, 2019	85.81	858.11
Changes in equity share capital during the year		
<b>Balance at at 31st March, 2020</b>	<b>85.81</b>	<b>858.11</b>
Changes in equity share capital during the year		
<b>Balance at at 31st March, 2021</b>	<b>85.81</b>	<b>858.11</b>

**B. Other Equity**

Particulars	Reservers and Surplus			Other items of Other comprehensive income	Total
	Securities premium Reserve	General Reserves	Retained Earnings		
<b>Balance as at 1st April, 2019</b>	<b>896.00</b>	<b>119.08</b>	<b>3274.59</b>	<b>-21.54</b>	<b>4268.13</b>
Profit for the year	0.00	0.00	188.80	0.00	188.80
Tif to General Reserve	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
Remeasurements of Defined Benefit Plan	0.00	0.00	0.00	0.00	0.00
Fair Value effect of Investments of shares	0.00	0.00	0.00	-33.41	-33.41
<b>Balance as at 31st March, 2020</b>	<b>896.00</b>	<b>119.08</b>	<b>3463.39</b>	<b>-54.95</b>	<b>4423.52</b>
Profit for the year	0.00	0.00	75.41	0.00	75.41
Final Dividend	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
Tif to General Reserve	0.00	0.00	0.00	0.00	0.00
Fair Value effect of Investments of shares	0.00	0.00	0.00	13.87	13.87
<b>Balance as at 31st March, 2021</b>	<b>896.00</b>	<b>119.08</b>	<b>3538.80</b>	<b>-41.08</b>	<b>4512.80</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2021 NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT												(Rupees in Lacs)	
Description of Asset	Gross carrying Amount			Accumulated Depreciation/Impairment				Net carrying Amount					
	As at 01/04/2020	Addition during the year	Sold during the year	As at 31/03/2021	As at 31/03/2020	Provided during the year	Adjusted during the year	As at 31/03/2021	As at 31/03/2021	As at 31/03/2020			
Land	472.88	0.00	0.00	472.88			0.00	0.00	472.88	472.88			
Building	778.09	0.00	0.00	778.09	24.52	0.00	0.00	382.57	395.52	420.05			
Plant & Machinery	5065.58	28.96	1.38	5093.17	285.85	24.52	0.26	4186.95	906.21	1164.22			
Electrical Installation	158.90	0.00	0.00	158.90	5.92	5.92	0.00	134.19	24.72	30.64			
Pipe Fitting	34.62	0.00	0.00	34.62	0.15	0.15	0.00	32.74	1.89	2.04			
Furniture & Fixture	109.02	0.00	0.00	109.02	0.49	0.49	0.00	103.25	5.77	6.26			
Laboratory Equipment	27.49	0.00	0.00	27.49	0.36	0.36	0.00	25.22	2.27	2.63			
Office Equipment	11.92	0.20	0.00	12.13	0.63	0.63	0.00	10.12	2.01	2.43			
Air Conditioner	19.29	0.00	0.00	19.29	1.06	1.06	0.00	15.17	4.11	5.17			
Computer	53.10	0.00	0.00	53.10	2.57	2.57	0.00	51.66	1.44	4.00			
Motor Vehicle	86.03	0.00	0.00	86.03	10.39	10.39	0.00	37.50	48.53	58.92			
Misc. fixed Assets	54.18	0.00	0.00	54.18	2.59	2.59	0.00	45.15	9.03	11.62			
House Property	222.23	0.00	93.64	128.59	2.67	2.67	16.52	25.47	103.12	182.92			
<b>Sub Total</b>	<b>7093.35</b>	<b>29.16</b>	<b>95.02</b>	<b>7027.49</b>	<b>337.22</b>	<b>337.22</b>	<b>16.78</b>	<b>5050.00</b>	<b>1977.49</b>	<b>2363.78</b>			
<b>Wind Power Division</b>													
Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00			
Plant and Machinery	521.00	0.00	0.00	521.00	0.05	0.05	0.00	505.44	15.56	15.61			
<b>Sub Total</b>	<b>531.00</b>	<b>0.00</b>	<b>0.00</b>	<b>531.00</b>	<b>0.05</b>	<b>0.05</b>	<b>0.00</b>	<b>505.44</b>	<b>25.56</b>	<b>25.61</b>			
<b>Total</b>	<b>7624.35</b>	<b>29.16</b>	<b>95.02</b>	<b>7558.49</b>	<b>337.27</b>	<b>337.27</b>	<b>16.78</b>	<b>5555.44</b>	<b>2003.05</b>	<b>2389.40</b>			

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**  
**NOTE NO. 2 PROPERTY PLANT AND EQUIPMENT**

(Rs. in Lacs)

Description of Asset	Gross carrying Amount		As at 31/03/2020	Accumulated Depreciation/Impairment			Net carrying Amount	
	As at 01/04/2021	Addition during the year		Sold during the year	As at 31/03/2020	Provided during the year	Adjusted during the year	As at 31/03/2020
Land	472.88		472.88	0.00			472.88	472.88
Building	778.09		778.09	333.53	24.52		420.05	444.57
Plant & Machinery	5061.95	3.64	5065.58	3596.78	304.58		1164.22	1465.16
Electrical Installation	158.78	0.13	158.90	122.34	5.92		30.64	36.43
Pipe Fitting	34.62		34.62	32.43	0.15		2.04	2.20
Furniture & Fixture	108.75	0.28	109.02	102.30	0.47		6.26	6.45
Laboratory Equipment	27.49		27.49	24.50	0.36		2.63	2.99
Office Equipment	11.08	0.84	11.92	8.99	0.50		2.43	2.09
Air Conditioner	19.29		19.29	13.05	1.06		5.17	6.24
Computer	51.40	1.70	53.10	46.53	2.57		4.00	4.87
Motor Vehicle	93.93	2.10	86.03	17.96	11.01		58.92	75.97
Misc. fixed Assets	54.18		54.18	39.96	2.59	1.87	11.62	14.22
House Property	222.23		222.23	35.95	3.37		182.92	186.28
<b>Sub Total</b>	<b>7094.66</b>	<b>8.68</b>	<b>7093.35</b>	<b>4374.31</b>	<b>357.12</b>	<b>1.87</b>	<b>2363.78</b>	<b>2720.35</b>
<b>Wind Power Division</b>								
Land	10.00	0.00	10.00	0.00	0.00		10.00	10.00
Plant and Machinery	521.00	0.00	521.00	505.33	0.05		15.61	15.67
<b>Sub Total</b>	<b>531.00</b>	<b>0.00</b>	<b>531.00</b>	<b>505.33</b>	<b>0.05</b>	<b>0.00</b>	<b>25.61</b>	<b>25.67</b>
<b>Total</b>	<b>7625.66</b>	<b>8.68</b>	<b>7624.35</b>	<b>4879.65</b>	<b>357.17</b>	<b>1.87</b>	<b>2389.40</b>	<b>2746.01</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

(Rupees in Lacs)

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

Particulars	As at 31/03/2021	As at 31/03/2020
<b>3 CAPITAL WORK-IN PROGRESS</b>		
Dhairyashee Mane Textile Co-op Park Kolhapur	364.60	364.39
Advance to Chanchal Das & Sons for Property	604.00	604.00
Land at Five Star MIDC Kegal Hatkangale	80.00	80.00
<b>Total</b>	<b>1048.60</b>	<b>1048.39</b>
<b>4 NON-CURRENT INVESTMENTS</b>		
Investment in Shares	110.93	64.37
<b>Total</b>	<b>110.93</b>	<b>64.37</b>
<b>5 LOANS GIVEN</b>		
Ajay Multi Projects Ltd	0.00	15.39
Dhanesh Fabrics Pvt Ltd	74.03	0.00
Promtech Impex Pvt Ltd	112.25	56.36
DFL Fabrics Pvt Ltd	100.00	150.00
<b>Total</b>	<b>286.28</b>	<b>221.76</b>
<p><b>5.1</b> Company has given interest free loan to its Wholly Owned Subsidiary DFL Fabrics Pvt Ltd and Dhanesh Fabrics Pvt Ltd for its principal business activities.</p> <p><b>5.2</b> The Loans and advances above are extended for the purpose of business and repayable on demand. The aforesaid loans are extended at different interest rate. These loans and advances are unsecured and closely monitored by Board of Directors and therefore no agreement, deed, appraisal etc. has been executed thereon.</p>		
Particulars	As at 31/03/2021	As at 31/03/2020
<b>6. NON CURRENT TAX ASSET(NET)</b>		
Unutilised Input Tax Credit (GST)	247.80	248.37
Income Tax Refund Receivable (Net of Provision for Tax)	1.05	1.43
Advance Tax paid	240.00	145.00
TDS Receivables	133.79	72.84
Less: Provision for Income Tax	-302.00	-212.75
<b>Total</b>	<b>320.63</b>	<b>254.88</b>
<b>7 OTHER NON CURRENT ASSETS</b>		
Security Deposits	146.85	97.03
Fixed Deposits with Bank	24.73	23.25
<b>Income Tax Paid Under Protest</b>		
For A.Y. 2010-11 (Under Appeal)	117.22	117.22
For A.Y. 2011-12 (Under Appeal)	52.10	52.10
For A.Y. 2012-13 (Under Appeal)	5.32	5.32
For A.Y. 2013-14 (Under Appeal)	5.57	5.57
<b>Total</b>	<b>351.79</b>	<b>300.49</b>
<b>8 INVENTORIES</b>		
Finished Goods	346.19	347.07
Raw Material	491.93	532.92
Stock in Process - WIP	158.77	271.40
Stores & Spares	125.35	196.55
<b>Total</b>	<b>1122.25</b>	<b>1347.94</b>



# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

(Rupees in Rs.)

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

9. TRADE RECEIVABLES	As at 31/03/2021		As at 31/03/2020	
	<u>Unsecured</u>			
A) Outstanding For a Period exceeding Six Months from the date they are due for payment				
(i) Considered Good	460.00		710.50	
(ii) Considered Doubtful	0.00		0.00	
Less: Provisions for Bad Debts	0.00	460.00	0.00	710.50
B) Other Trade Receivable				
(i) Considered Good	836.82		1134.69	
(ii) Considered Doubtful	0.00	836.82	0.00	1134.69
<b>Total</b>		<b>1296.81</b>		<b>1845.18</b>

9.1 No Provision for Doubtful Debtors is made as Management of the company is hopeful of full recoverability of the same.

Particulars	As at 31/03/2021	As at 31/03/2020
<b>10 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	2.08	2.08
Balance with banks	26.92	56.33
<b>Total</b>	<b>29.50</b>	<b>58.40</b>
<b>11 CURRENT TAX ASSET (NET)</b>		
Advance Tax Paid	23	107.35
TCS Receivable	0.54	0.00
TDS Receivables	32.26	57.59
<b>Less: Provision for Income Tax</b>	<b>-39.91</b>	<b>-100.58</b>
<b>Total</b>	<b>15.88</b>	<b>64.36</b>
<b>12 OTHER CURRENT ASSETS</b>		
Other Loans & Advances	0.80	0.26
Loan to staff	0.95	0.82
Advance to Suppliers	518.76	230.91
Prepaid Expenses	15.12	10.45
<b>Total</b>	<b>535.64</b>	<b>242.43</b>

12.1 Advance to supplier includes Rs. 320.23 lacs being advance for purchase of coal and Rs 182.97 lacs being advance given for purchase of Fabrics.

Particulars	As at 31/03/2021	As at 31/03/2020
<b>13 EQUITY SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares Rs.10/-Par Value)	<b>1500.00</b>	<b>1500.00</b>
<b>Issued, Subscribed and Paid up</b>		
85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity Shares Rs.10/-Par Value)	<b>858.11</b>	<b>858.11</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## 13.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2021:

Particulars	As at 31/03/2021		As at 31/03/20120	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	85.11	858.11	85.81	858.10
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>85.11</b>	<b>858.10</b>	<b>85.11</b>	<b>858.10</b>

## 13.2: Terms/rights attached to equity shares

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

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

## 13.3: Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date :

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

## 13.4: The details of Shareholders holding more than 5% Shares in the company

Name of Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares	% held as at	No of Shares	% held as at
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Vandana Vinod Jhawar	652,430	7.60	652,430	7.60
Vinod Sohanlal Jhawar	1,529,978	17.83	1,529,978	17.83
Dhanlaxmi Cotex Ltd	1,185,079	13.81	1,185,079	13.81

Particulars	As at 31/03/2021	As at 31/03/2020
<b>14 OTHER EQUITY</b>		
<b>Capital Reserve</b>		
At the beginning and at the end of the year	-	-
<b>General Reserve</b>		
Opening Balance(As per last Balance Sheet)	119.08	119.08
Add: Transferred from Surplus	0.00	0.00
	<b>119.08</b>	<b>119.08</b>
<b>Surplus</b>		
Opening Balance (As per last Balance sheet)	3463.39	3274.59
Add: Net Profit after tax Transferred from Statement of Profit & Loss	75.41	188.80
Less: Transfer to General Reserve	3538.80	3463.39
	0.00	0.00
	<b>3538.80</b>	<b>3463.39</b>
<b>Security Premium</b>		
Opening Balance	896.00	896.00
Add: During the Year	0.00	0.00
<b>Surplus Closing Balance</b>	<b>896.00</b>	<b>896.00</b>
<b>Other Comprehensive Income</b>		
Opening Balance	-54.95	-21.54
Add: During the year	13.87	-33.41
<b>Closing Balance</b>	<b>-41.08</b>	<b>-54.95</b>
<b>Total</b>	<b>4512.80</b>	<b>4423.52</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Rs.)		
<b>15 LONG TERM BORROWINGS</b>		
<b>Particulars</b>	<b>As at 31/03/2021</b>	<b>As at 31/03/2020</b>
<b>Secured Loans</b>		
Term Loan from AXIS Bank	106.00	36.47
Term Loan from The Shamrao Vithal Co-Op. Bank	116.67	0.00
<b>TOTAL</b>	<b>222.67</b>	<b>36.47</b>
<p>15.1 Bank term loans are secured by way of first charge over the entire fixed assets of the company both present and future created out of the term loan. Personal guarantee of three director and corporate guarantee of M/s. Western chlorides and chemicals Pvt Ltd subsidiary of the company.</p>		
<b>Particulars</b>	<b>As at 31 /03/2021</b>	<b>As at 31 /03/2020</b>
<b>16. DEFERED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	153.71	207.38
Deferred Tax Liability/ Assets for the year	-35.59	-53.68
<b>At Closing of the year</b>	<b>118.12</b>	<b>153.71</b>
<p>16.1 The deferred Tax balances have arisen principally on account of timing difference between the depreciation admissible under the Income tax Act 1961 and depreciation as per Provisions of Companies Act, 2013</p>		
<b>17 OTHER LONG TERM LIABILITIES</b>	<b>As at 31 /03/2021</b>	<b>As at 31 /03/2020</b>
Deposits received from Licensee	4.19	27.06
<p>17.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 to 406 at Kailas Corporate Lounge Vikroli and 2nd floor of Building I at Rajlaxmi Commercial Complex Kalher given on rent to them.</p>		
<b>Particulars</b>	<b>As at 31 /03/2021</b>	<b>As at 31 /03/2020</b>
1. Synergy Property Development Services Pvt Ltd	-	1,837,057
2. G4 Securities Solution (India) Pvt. Ltd.	418,854	418,854
3. Mr. Mohammad Muzaammi Suyani	-	449,630
<b>Total</b>	<b>418,854</b>	<b>2,705,541</b>
<p>17.2 The carrying value of Security Deposits is deemed to be the Fair Value.</p>		
<b>Particulars</b>	<b>As at 31 /03/2021</b>	<b>As at 31 /03/2020</b>
<b>18. SHORT TERM BORROWINGS.</b>		
Cash credit from The Shamrao Vithal Co-Op. Bank Ltd	19.43	122.39
Cash Credit from Axis Bank Ltd.	379.59	349.45
Working Capital Demand Loan with SVC Bank Ltd	0.00	300.00
Working Capital Demand Loan with Axis Bank Ltd	0.00	300.00
Current Maturities of Long Term Loan from AXIS Bank	36.47	84.84
Current Maturities of Long Term Loan from The Shamrao Vithal Co-Op. Bank	23.33	32.88
<b>Unsecured Loans</b>		
Mahesh S Jhavar	0.00	74.47
Jagdish Baheti	0.00	3.00
Promtech Impex Pvt Ltd	0.00	72.93
Dhanlaxmi Fabrics Limited	174.03	150.00
Ajay Multi Project Ltd	0.00	0.29
<b>TOTAL</b>	<b>632.85</b>	<b>1490.25</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

**18.1** Cash Credits facilities obtained from banks are secured by way of Hypothication of stocks and Book Debts and Personal guarantee of three Directors and Corporate Guarantee of M/s. Western Chlorides & Chemicals Pvt Ltd subsidiary of the company.

Particulars	As at 31/03/2021	As at 31/03/2020
<b>19 TRADE PAYABLES</b>		
Sundry Creditors for Goods	560.45	669.65
Sundry Creditors for Expenses	89.56	96.47
<b>TOTAL</b>	<b>650.00</b>	<b>766.12</b>

**19.1 - Dues to Micro and Small enterprises (Refer note no. 32)**

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

Particulars	As at 31/03/2021	As at 31/03/2020
Principle amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	103.41	66.90
<b>20 OTHER CURRENT LIABILITIES</b>		
Charity Fund	2.42	3.24
Salary payable	23.54	15.96
Property Tax Payable	13.66	0.00
Advance from Customers	8.32	5.28
Statutory Liabilities	7.09	4.34
<b>Total</b>	<b>55.03</b>	<b>28.82</b>
<b>21 SHORT TERM PROVISIONS</b>		
Provision for Outstanding Expenses	67.60	53.54
<b>Total</b>	<b>67.60</b>	<b>53.54</b>
<b>22 REVENUE FROM OPERATIONS</b>		
Fabric Sales	2376.75	4995.06
Textile Job work Income	2239.26	3399.62
Yarn Sales	-2.75	-10.54
Power Sales	29.74	48.63
<b>Total</b>	<b>4643.00</b>	<b>8432.76</b>
<b>23 OTHER INCOME</b>		
Interest Income	22.55	56.86
Late Payment Charges Received	0.00	2.21
Bad Debt Recovery	10.73	0.00
Profit & Loss on sale of Assets	0.00	19.85
Net LTCG on sale of Shares	10.09	-2.72
Net STCG on Sale of Shares	26.40	-1.74
Misc. Income	0.01	2.07
Dividend received	4.82	0.62
Rent Income	35.03	83.04
Freight and forwardig income (Reimbursement)	0.40	0.00
VAT Refund / VAT Written Back	2.91	0.87
Foreign Exchange difference	1.11	
Profit & Loss on Share Trading	0.76	
<b>Total</b>	<b>114.80</b>	<b>161.06</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As at 31/03/2021	As at 31/03/2020
<b>24 COST OF RAW MATERIALS CONSUMED</b>		
Yarn	450.49	1436.80
Dyes	134.17	241.21
Chemicals	341.27	586.52
Packing Material	19.69	34.58
Coal	397.18	652.36
Consumables	43.28	49.39
Custom Duty	0.00	6.64
Discount	0.07	1.06
<b>Total</b>	<b>1386.16</b>	<b>3008.57</b>
<b>25 STORES AND SPARES CONSUMPTION</b>		
Indigenous	55.84	105.18
<b>Total</b>	<b>55.84</b>	<b>105.18</b>
<b>26 PURCHASES OF STOCK IN TRADE</b>		
Fabric	617.40	811.06
Trading Purchase	33.00	266.82
<b>Total</b>	<b>650.40</b>	<b>1077.88</b>
<b>27 Changes in inventories of finished goods, work in progress And stock in trade</b>		
<b>Inventory ( At close)</b>		
Fabric	345.95	336.43
Yarn	0.24	10.64
Work in Progress	158.77	271.40
Raw Material	491.93	532.92
Stores and Spares	125.35	196.55
<b>Total</b>	<b>1122.25</b>	<b>1347.94</b>
<b>Inventory ( At commencement)</b>		
Fabric	336.43	933.70
Yarn	10.64	
Work in Progress	271.40	85.65
Raw Material	532.92	311.60
Stores and Spares	196.55	24.97
<b>Total</b>	<b>1347.94</b>	<b>1355.91</b>
<b>Net Change</b>	<b>225.69</b>	<b>7.98</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>28 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Job Charges	381.58	600.52
Salary Bonus and Others	205.39	321.52
Director's Salary	50.00	67.60
Contribution to P.F & ESIC	14.27	19.19
Contribution to Gratuity Fund	3.25	5.90
Contribution to Maharashtra Labour Welfare Fund	0.08	0.09
Staff welfare Expenses	4.45	8.32
<b>Total</b>	<b>659.02</b>	<b>1023.14</b>
<p>(28.1) The Company has provided for Gratuity Fund as per Rs. 3.25 Lakhs as per contribution to LIC Annuity scheme (New Group Gratuity Cash Accumulation Plan) However, as per the Gratuity valuation obtained by the company, the current years obligation to Gratuity to be charged to P &amp;L is Rs. 7.04 Lakhs.</p> <p>(28.2) The Company has not made provision for difference in Defined benefit obligation calculated by Actuarial Valuation and Fair value of plan assets to the extent of Rs.4.75Lakhs. Further, the company has not recognised amount to the extent of Rs. 5.88 Lakh as Debits to Other Comprehensive Income during the year.</p>		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>29 FINANCE COST</b>		
Interest on Working capital	67.85	111.30
Interest on Term Loan	20.73	45.66
Interest on Others	0.00	0.87
Bank charges/ Processing Fees	2.72	6.54
<b>Total</b>	<b>91.31</b>	<b>164.37</b>
<b>30 DEPRECIATION</b>		
Depreciation on Fixed Assets	337.27	357.17
<p>30.1 Depreciation has been provided as per guidelines given in Schedule II of Companies Act, 2013 on straight line method on triple shift basis</p>		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>31 OTHER EXPENSES</b>		
<b>31 (a) Manufacturing expenses</b>		
Electricity Charges	324.49	485.26
Water Expenses	161.11	254.59
Repairs to building	4.04	29.59
Repairs to Machinery	27.21	13.67
Repairs and Maintenance Others	12.12	28.62
Weaving Charges	27.02	36.92
Freight & forwarding expenses (Domestic)	19.17	36.08
Laboratory expenses	0.56	0.94
Insurance	14.00	11.98
Lease rent for factory land	15.90	15.60
Clearing and Forwarding Charges (International)	0.14	2.69
Sizing/Warping Charges	26.59	90.41
Sample Charges	1.38	
Excise Duty on Input Reversed	0.00	0.00
Textile Job work Expenses	537.41	880.88
<b>Total</b>	<b>1171.17</b>	<b>1887.22</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)		
i) During the Year, amid to ongoing escalation with Government of Maharashtra on Power Terrif, The management has decided to use it Power for captive use. Accordingly the Electricity Expenses stands reduced to that extent.		
Particulars	As on 31/03/2021	As on 31/03/2020
<b>31 (b) Selling &amp; distribution expenses</b>		
Sales promotion	7.66	9.21
Cash Discount	0.00	0.11
Commission & brockorage	17.54	39.36
<b>Total</b>	<b>25.20</b>	<b>48.68</b>
<b>31(c) Administrative expenses</b>		
Property Tax & Other Related Expenses	31.14	27.14
Printing & stationery	5.91	7.54
Postege & courier charges	1.48	3.96
Legal & professional fees	23.00	43.48
Advertisement charges	1.04	0.96
Conveyance expenses	13.33	14.85
General expenses	2.45	3.39
Listing fees - Stock Exchange	3.55	3.60
Vehicle expenses	6.77	4.85
Mobile and Telephone Expenses	2.05	2.37
Director Sitting Fees	0.23	1.28
Sundry Balances W/off	9.38	-0.96
Travelling Expenses	3.58	7.69
Other expenses	4.65	5.87
Software Development Expenses	1.12	4.76
CSR Expenditure	7.00	8.60
Securities Transaction Tax (F & O)	0.41	0.00
Securities Transaction Tax (Equity)	0.47	0.00
<b>Total</b>	<b>117.55</b>	<b>139.37</b>
<b>Total 31.1+31.2+31.3</b>	<b>1313.92</b>	<b>2075.28</b>
<b>Payment to auditors</b>		
<b>Auditor</b>		
Statutory audit Fees	1.44	1.79
Tax audit fees	0.40	0.40
<b>Total</b>	<b>1.84</b>	<b>2.19</b>
<b>32 EXCEPTIONAL ITEMS</b>		
Interest Received on TUF Subsidy	0.00	15.11
Bad Debts written off	-56.51	-615.40
Profit on Sale of Assets	90.96	
TED Refund	0.00	53.13
<b>Total</b>	<b>34.45</b>	<b>-547.16</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## 33 MSME disclosure

The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:

Particulars	As on 31/03/2021	As on 31/03/2020
1 Principal amount not due and remaining unpaid as on 31.3.2021	60.97	45.29
2 Principal amount due and remaining unpaid as on 31.03.2021	42.45	21.61
3 Interest due on (1) above and the unpaid interest	0.00	0.00
4 Interest due and payable for the period of delay other than (3) above	0.00	0.00

33.1 Company has not provided for interest on principal amount which was due and remaining unpaid as on 31.03.2021 exceeding stipulated time.

Particulars	As on 31/03/2021	As on 31/03/2020
<b>34 EARNING PER SHARE(EPS)</b>		
(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	75.41	188.80
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	0.88	2.20
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>

## 35 CONTINGENT LIABILITIES

### Contingent Liabilities not provided for in respect of

1. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case Appeal is pending before Appellate Court

528.96

528.96

## 36 FOREIGN EXCHANGE EARNING AND OUTGO

a) Earning - Fabrics Export

-

-

b) Outgo - Import of Spares for Imported Machinery

6.55

14.18

## 37 Related party disclosure

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

S.No.	Related Parties	Nature of Relationship
1	Dhanlaxmi Cotex Ltd	Common Directors
2	Promtech Impex Pvt Ltd	Common Directors
3	M R Share Broking Pvt Ltd	Relative is Director
4	VRM Share Broking Pvt Ltd	Relative is Director
5	Vinod S Jhawar	Director
6	Mahesh S Jhawar	Director
7	Mukul V Jhawar	Director
8	Lalit V Jhawar	Director
9	Rahul V Jhawar	Director
10	Ayushi Gilra	Independent Women Director
11	Durgesh Kabra	Independent Director
12	Atul Rungta	Independent Director



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

(Rupees in Lacs)

Sr. No.	Related Parties	Nature of Transactions during the year	2020-2021	2019-2020
1	Promtech Impex Pvt Ltd	Interest Received (Net)	6.84	2.01
		Repayment of Loan	72.93	90.70
		Loan given(Net)	55.89	48.68
2	M R Share Broking Pvt Ltd	Brokerage Paid	0.00	0.00
		Demat Charges Paid	0.01	0.00
3	VRM Share Broking Pvt Ltd	Brokerage Paid	0.00	0.02
4	Vinod S Jhawar	Directors Remuneration	30.00	55.00
5	Mahesh S Jhawar	Director Sitting Fees	0.00	0.23
		Loan Received (Net)	0.00	74.47
6	Mukul V. Jhawar	Directors Remuneration	20.00	12.60
		Director Sitting Fees	0.00	0.08
7	Durgesh Kabra	Director Sitting Fees	0.15	0.23
8	Ayushi Gilra	Director Sitting Fees	0.00	0.15
9	Gopal Mohta	Director Sitting Fees	0.00	0.15
10	Rahul Jhawar	Commission paid	0.00	15.78
		Sale of Property	168.00	0.00
11	Lalit V Jhawar	Directors Remuneration	20.00	3.75
12	Atul Rungta	Director Sitting Fees	0.08	0.00

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

Sr. No	Related parties	2020-2021		2019-2020	
		Dr. Balance	Cr. Balance	Dr. Balance	Cr. Balance
(i)	Promtech Impex Pvt Ltd	112.25	0.00	56.36	72.93

Note: 34.1 - All related party transactions are excluding GST and other taxes as applicable.

### 38. Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

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

As at 31st March 2021						
Particulars	Carrying Amount				Fair value	
	Through OCI	FVTO	Amortised Cost	Total	Level 1,2,3	Total
<b>Financial assets</b>						
Investments	-	13.87	97.06	110.93	110.93	110.93
Trade Receivables	-	0.00	1296.81	1296.81	1296.81	1296.81
Cash and cash equivalents	-	0.00	29.50	29.50	29.50	29.50
		<b>13.87</b>	<b>1423.38</b>	<b>1437.25</b>	<b>1437.25</b>	<b>1437.25</b>
<b>Financial liabilities</b>						
Trade Payables	-	0.00	650.00	650.00	650.00	650.00
Short Term Borrowings	-	0.00	632.85	632.85	632.85	632.85
Long Term Borrowings	-	0.00	222.67	222.67	222.67	222.67
		<b>0.00</b>	<b>1505.52</b>	<b>1505.52</b>	<b>650.00</b>	<b>650.00</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

As at 31st March 2021

Particulars	Carrying amount			Fair value		
	FVTPL	FVTO	Amortised Cost	Total	Level 1	Total
<b>Financial assets</b>						
Investments	-	-33.41	97.78	64.37	64.37	64.37
Trade Receivables		0.00	1845.18	1845.18	1845.18	1845.18
Cash and cash equivalents		0.00	58.40	58.40	58.40	58.40
	-	<b>-33.41</b>	<b>2001.37</b>	<b>1967.96</b>	<b>1967.96</b>	<b>1967.96</b>
<b>Financial liabilities</b>						
Trade Payables	-	0.00	766.12	766.12	766.12	766.12
Short Term Borrowings	-	0.00	1490.25	1490.25	1490.25	1490.25
Long Term Borrowings		0.00	36.47	36.47	36.47	36.47
		<b>0.00</b>	<b>2292.84</b>	<b>2292.84</b>	<b>2292.84</b>	<b>2292.84</b>

## B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

## C. Financial Risk Management

### C.i. Risk management framework

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

### C.ii. Credit risk

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

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

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

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

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

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

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

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lacs)

## Ageing of Accounts receivables :

Particulars	As at March 31, 2021	As at March 31, 2020
0 - 6 months	836.82	1134.69
Beyond 6 months	460	710.50
<b>Total</b>	<b>1291.82</b>	<b>1845.18</b>

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

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

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

### C.iii. Liquidity risk

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

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

### C.iv. Market risk

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

#### C.iv.a Currency risk

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

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

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

## 39. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 a CSR committee has been formed by the company. The gross amount required to be spent by the company during the year is Rs 7.09 Lacs and out of that Rs 7.00 lacs has been spent during the year on CSR activities.

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

### As per our report of even date

#### For R H A D & Co

Chartered Accountants  
FR No - 102588W

Sd/-

#### Dinesh C. Bangar

Partner

Membership No.036247

Place: Mumbai

Date: 28th June, 2021

### For and on behalf of the Board of Directors

Sd/-

Vinod S.Jhwar  
Managing Director  
DIN: 00002903

Sd/-

Mukul V. Jhwar  
Director  
DIN:07966851

Sd/-

Purushottam Randad  
Chief Financial Officer

Sd/-

Vishnu H. Thakar  
Company Secretary