

# **Dhanlaxmi**

## **Fabrics Limited**

(CIN: L17120MH1992PLC068861)

**22<sup>nd</sup>**  
**Annual Report**  
**2013 - 14**

**BOARD OF DIRECTORS**

NAME	DESIGNATION	DIN
Shri Ramautar S. Jhavar	- Chairman :	00002907
Shri Vinod S. Jhavar	- Managing Director :	00002903
Shri Mahesh S. Jhavar	- Director :	00002908
Shri N. C. Sharma	- Director :	00003178
Shri Durgesh Kabra	- Director :	00017670
Shri Mihir Mehta	- Director :	00219614

**AUDITORS**

S. G. Kabra & Co.  
Chartered Accountants

**BANKERS**

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

**REGISTRAR & SHARE TRANSFER AGENTS**

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

**REGISTERED OFFICE**

Manpada Road, Bhopar Village, Dombivli (East), Thane – 421 204. Maharashtra.  
Tel. No.:091-0251-2870589 / 590 / 591  
Fax No. : 091-0251-2870545 □ email : [info@dlf.net.in](mailto:info@dlf.net.in)

**CORPORATE OFFICE:**

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

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**NOTICE**

Notice is hereby given that the Twenty Second Annual General Meeting of the members of **Dhanlaxmi Fabrics Limited** (CIN: L17120MH1992PLC068861) will be held at the Registered office of the company at Manpada Road, Bhopar Village, Dombivali (East), Thane – 421 204, Maharashtra on Saturday, 20<sup>th</sup> September, 2014 at 1.00 p.m. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014, and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.

2. Appointment of Mr. N.C. Sharma as an Independent Director of the Company.

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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. N.C. Sharma (DIN 00003178), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years with effect from September 20, 2014 up to September 19, 2019.”

3. Appointment of Auditors :

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

**Special Business:**

4. Appointment of Mr. Durgesh Kabra as an Independent Director of Company

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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Durgesh Kabra (DIN 00017670), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years with effect from September 20, 2014 up to September 19, 2019.”

5. Appointment of Mrs. Jayshree Iyer as an Independent Woman Director of Company

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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Jayshree Iyer (DIN 01520083), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Woman Director of the Company, for a period of 5 years with effect from September 20, 2014 up to September 19, 2019.”

6. Re-appointment of Managing Director :

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

“**RESOLVED THAT** in supersecession of all other earlier resolutions, as per the recommendations of the Nomination & Remuneration Committee and pursuant to the provisions of 197 read with Schedule V to the Companies Act, 2013 and subject to such approval as may be necessary, the remuneration of the Managing Director, Mr. Vinod S. Jhavar be and is as under:

- a) Term : 3 years starting from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March 2017  
 b) Salary : Rs 5,00,000 per month

FURTHER RESOLVED THAT Mr. Vinod S. Jhavar – Managing Director also entitled to the other benefits that the Company gives to its employees including :

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

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profit in any financial year, remuneration payable to the Managing Director shall be Governed by Section II of Part II of Schedule V to the Companies Act, 2013 or any other statutory modifications thereof and the same shall be treated as the minimum remuneration payable to the said Managing Director.”

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

For and on behalf Of the Board Of Directors

Date: 30<sup>th</sup> May, 2014  
 Place: Mumbai

Ramautar S. Jhavar  
 Chairman

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT MANPADA ROAD, BHOPAR VILLAGE, DOMBIVALI (EAST), THANE - 421204 NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. As per section 91 of the Companies Act, 2013 , the Register of Members and Share Transfer Books of the Company will remain closed from Monday 15<sup>th</sup> September, 2014 to Friday 19<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
3. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed M/s. Big Share Services Private Limited at E 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400072
4. Members are requested to notify immediately any change in their address :
  - a. To their Depository Participants (Dos) in respect of their electronic share accounts , and
  - b. To the share transfer agent M/s. Big Share Services Private Limited at E 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400072 email – investor@bigshareonline.com
5. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
6. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. Members are requested to bring the copy of the Annual Report sent to them.
8. Information required to be furnished under the Listing Agreement.  
As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed are given below:

Name:	Mr. Vinod S. Jhawar
Date of Birth	22 <sup>nd</sup> February 1964
Qualifications:	B.Com
Expertise in specific functional areas:	30 years experience in Textile Business
Directorship in other Companies:	Dhanlaxmi Exports Fabrics Pvt Ltd. Western Chlorides & Chemicals Pvt. Ltd., Jhawar Trade & Investment Pvt. Ltd., Ramautar Finance Pvt. Ltd., Somai Investment Pvt. Ltd., Sohanlal Jhawar Exports Fabrics Pvt. Ltd., VRM Share Broking Pvt. Ltd. Dhanesh Fabrics Pvt. Ltd., Promtech Impex Pvt. Ltd., DFL Fabrics Pvt. Ltd., BEW Engineers & Works Pvt. Ltd., Krishar Multitrade Pvt. Ltd., Krishita Multitrade Pvt. Ltd.,
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics	386300

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

<b>Name :</b>	<b>Shri Durgesh Kabra</b>
Date of Birth	4 <sup>th</sup> June, 1963
Qualifications:	Chartered Accountant
Expertise in specific functional areas:	Audit and Finance
Directorship in other Companies:	i.DMKH Consulting Pvt. ITD. ii.Nyssa Corporation Ltd.
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics Limited	NIL

<b>Name :</b>	<b>Mrs. Jayshree Iyer</b>
Date of Birth	21 <sup>st</sup> October, 1969
Qualifications:	Diploma in Marketing
Expertise in specific functional areas:	Marketing
Directorship in other Companies:	i. Sadhna Stocks & Securities Pvt. Ltd. ii. Divya Advisory & Financial Consultancy Pvt. Ltd. iii. Royal Vyapaar LLP.
Name of Companies in Committees of which holds membership/chairmanship	NIL
No of shares held in Dhanlaxmi Fabrics Limited	NIL

9. In terms of Sections 107 and 108 Of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing its members the facility to exercise their right to vote at the meeting by electronic means on any or all of the businesses specified in the accompanying Notice, Necessary arrangements have been made by the company with CDSL to facilitate E-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the General Meeting.

The procedure and instructions for voting through electronic means are as follows:

In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

- a. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b. Now click on "Shareholders" to cast your vote.
- c. Now select the electronic voting Sequence Number ("EVSN") ALONG WITH "DHANLAXMI FABRICS LIMITED" from the drop down menu and click on "SUBMIT".
- d. Shareholders maintaining their holding in demat form enter your user ID (For CDSL: 16 DIGITS beneficiary ID, for NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Capcha Code as displayed and Click on "Login".
- e. If you are holding shares in Demat form and logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing password is to be used. If you are a first time user follow the steps given below :

For Mmbers holding shares in Demat and Physical Form.

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable both Demat Shareholders as well as physical shareholders) 1. Members who have not updated their PAN with the Company/Depository participants are requested to use the first 2 letters of their name and 8 digits of the sequence number which is mentioned in address label affixed on annual report, in the PAN filed. 2. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the 1st two characters of the name in Capital letters.eg., if your name is Raamesh Kumar with sequence number 1 enter 'RA00000001' in the PAN filed.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

if Please enter the DOB or dividend Bank details in order to login.

In case either of the details are not recorded with the depository please enter the member ID/Folio No. in the Dividend Bank details filed.

10. After entering these details appropriately, click on "SUBMIT" tab.

11. Members holding shares in physical form will then reach directly the evsn selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the relevant EVSN on which you choose to vote.
14. 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.
15. Click on the " Resolution File Link" if you wish to view the entire Resolution.
16. After selecting the resolution you have decided to vote 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.
17. Once you "CONFIRM" your vote in the resolution, you will not be allowed to modify your vote.
18. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
19. If Demat account holder has forgotten the changed password then enter the User ID and image verification code, click on Forgot Password & enter the details as prompted by the system.
20. Institutional shareholders(i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> in and register themselves as Corporates. They should submit a scanned copy of the registration form bearing the stamp and sign of the entity to [helpdesk.evoting@cdsindia.com](mailto:helpdesk.evoting@cdsindia.com).
21. The voting period begins on 17<sup>th</sup> September, 2014 (9 a.m.) and 17<sup>th</sup> September, 2014 (6 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21<sup>st</sup> August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
22. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) in under help section or write an email to [helpdesk.evoting@cdsindia.com](mailto:helpdesk.evoting@cdsindia.com).
23. The Company has appointed M/s. Ramesh Chandra Mishra & Associates, Practising Company Secretaries (C.P. No. 5477) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
24. A copy of this notice has been placed on the website of the Company and the website of CDSL.
25. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion or demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all business specified in the accompanying Notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.**

**ITEM No. 4**

The Board has received declaration from Mr. Durgesh Kabra proposing his candidature to act as an Independent Director of the Company. The Board reviewed the above declaration and is of the opinion that since Mr. Durgesh Kabra meet the criteria under section 149(6), 152 and other provisions of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act 2013 and read with clause 49 of the Listing Agreement Accordingly, the Board recommended for consideration of the members the appointment of Mr. Durgesh Kabra as an Independent Director of the company for a period of 5 years starting from 20<sup>th</sup> September 2014.

None of the Directors/Key Managerial Personnel/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

**ITEM No. 5**

The Board has received declaration from Mrs. Jayshree Iyer proposing his candidature to act as an Independent Woman Director of the Company. The Board reviewed the above declaration and is of the opinion that since Mrs. Jayshree Iyer meet the criteria under section 149(6), 152 and other provisions of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act 2013 and read with clause 49 of the Listing Agreement Accordingly, the Board recommended for consideration of the members the appointment of Mrs. Jayshree Iyer as an Independent Woman Director of the company for a period of 5 years starting from 20<sup>th</sup> September 2014.

None of the Directors/Key Managerial Personnel/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

**ITEM No. 6**

Mr. Vinod S. Jhavar was appointed as the Managing Director of the company with effect from 1<sup>st</sup> November, 1998 as per the provisions of the Companies Act, 1956.

The Board of Directors re-appointed Mr. Vinod S. Jhavar as the managing Director from 1<sup>st</sup> November 2012 to 31<sup>st</sup> October, 2015 at their meeting held on 30<sup>th</sup> May, 2012 at a remuneration of Rs.1,00,000/- which was approved by the members.

The Nomination & Remuneration Committee held on 30<sup>th</sup> May 2014 and the Board meeting thereafter and after due deliberation the Board has recognized the valuable inputs received from Mr. Vinod S. Jhavar during his present tenure and growth of the company under his leadership.

The Board observed that the contributions made by the Managing Director has proved to be very beneficial to the company and the company has noticed a makeable difference in its overall functioning and performance. In order to appreciate the hardwork put in and the endless time given by Mr. Vinod S. Jhavar for the company, the Board has decided to increase his remuneration from Rs. 1,00,000 to Rs.5,00,000/-.

Promoters of the Company are interested in this resolution as he is a relative and part of the Promoter Group to the extent of their shareholding.

For and on behalf of the Board Of Directors

Place : Mumbai  
Date : 30<sup>th</sup> May , 2014

Ramautar S. Jhavar  
Chairman

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Twenty Second 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, 2014.

**Summarized Financial Results:**

Particulars	Year ended	(Rs. in lacs)
	31.03.2014	Year ended 31.03.2013
Income from operations	<b>6,306.04</b>	<b>5,708.45</b>
Operating Profit	1,171.69	701.70
Less : Interest	184.88	53.91
Less: Depreciation	594.29	476.03
Profit before tax	392.52	171.76
Less: Provision for tax	78.54	166.36
Profit after tax	313.98	5.40
Add. Deferred Tax Assets/(Liabilities)	(133.40)	113.66
Net Profit for the year	180.58	119.06
Add: Balance brought forward	1,693.71	1,574.65
Balance carried to balance sheet	1,874.29	<b>1,693.71</b>

**Operations:**

For the financial year ended 31<sup>st</sup> March, 2014 the Revenue from operation of the Company increased substantially to Rs.6,306.04 Lacs as compared to Rs.5,708.45 Lacs in Previous Year. The Net Profit of the Company for the year under review is of Rs.180.58 Lacs as compared to previous year Net Profit of Rs.119.06 Lacs.

**Future Outlook**

The Future of Indian Textile Industry is looking really bright. Your Directors are please to inform you that to go ahead with backward integration of production facilities a weaving Plant consisting of 36 Air Jet Looms has installed at Ichalkaranji Maharashtra. This Plant has commence its production from last week of September 2013. This plant will boost the ready fabric sales of your Company with brand name of " Dhanlaxmi Fabrics" in local as well as export market.

**Dividend**

With a view for the expansion plans, the Board does not recommend any dividend for the year 2013-2014.

**Directors**

In accordance with the provisions of the Companies Act, 2013 read with cl. 49 of the Listing Agreement Mr. N.C. Sharma, Mr. Durgesh Kabra and Mrs. Jayshree Iyer Directors of the Company are to be appointed at Annual General Meeting for a period of five years starting from 20<sup>th</sup> September, 2014

The Company under section 160 received requisition from shareholders proposing their name as Independent Director of the company. Your Directors recommend their re-appointment.

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

Mr. Vinod S. Jhavar appointed as Managing Director of the Company and his term comes to an end on 31<sup>st</sup> October 2015. However, considering his contribution to the company, the Nomination & Remuneration Committee held on 30<sup>th</sup> May 2014 recommended his appointment for a term of three years starting from 1<sup>st</sup> April, 2014.

### **Directors Responsibility Statement**

Pursuant to the requirement under section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a 'going concern' basis;
- (v) That the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- (vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **INSURANCE OF ASSETS**

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

### **BANK AND FINANCIAL INSTITUTIONS**

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

### **EMPLOYER/EMPLOYEE RELATIONS**

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

### **HUMAN RESOURCES**

We take this opportunity to thank employees at all levels for their dedicated service and contribution made towards the growth of the company.

## PERSONNEL

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975 read along with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

### Auditors

The retiring Auditors M/s .S. G. Kabra & Co., Chartered Accountants, Mumbai, have been re-appointed to hold office till the conclusion of the 25<sup>th</sup> Annual General Meeting. They have furnished a certificate to the effect that the proposed re-appointment, is in accordance with the limits specified under section 224(1)(B) of the Companies Act, 1956.

### Auditors Report

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

### Cost Audit

As per the requirement of order issued by the Central Government, pursuant to Section 233B of the Companies Act, 1956, the Company has appointed Mr. Dilip M. Bathija, Cost Accountant, as Cost Auditor to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March 2014.

Cost Audit Report for the financial year ending 31<sup>st</sup> March 2013 was filled in time i.e on 20<sup>th</sup> September 2013.

### Fixed Deposit

As on 31<sup>st</sup> March, 2014 the Company held no deposit in any form, from anyone. There was no deposit held by the Company as on 31<sup>st</sup> March, 2014 which was overdue or unclaimed by the depositors. For the present the Board of Directors have resolved not to accept any deposits from public, shareholders and others.

### Corporate Governance

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

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

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 60,00,000/- or more per annum, if employed throughout the year, or Rs. 5,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under section 217 (2A) of the Companies Act, 1956 and the rules made there under.

### Subsidiaries

The Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss for the year ended on that date along with the Directors' and Auditors' Report and Statement pursuant to the relevant sections of the Companies Act relating to Western Chlorides & Chemicals Pvt. Ltd., Dhanesh Fabrics Pvt. Ltd., DFL Fabrics Pvt. Ltd. Subsidiaries of the Company are attached to this report and shall be treated as forming part of the report.

**EXTRACT OF ANNUAL RETURNS**

1. The Paid up capital of the Company: Rs. 8,58,11,000 consisting of 85,81,100 equity shares of face value of Rs.10/- each.
2. The Board of Directors of the Company consists of 6 Directors. Out of which 3 Promoter directors namely Mr. Ramautar S. Jhavar, Mr. Vinod S. Jhavar and Mr. Mahesh S. Jhavar; and Mr. N. C. Sharma, Mr. Mihir Mehta and Mr. Durgesh Kabra are three Independent Directors.
3. The secured debt of the company is of Rs 1966.95 Lacs which is secured by way of first charge over the entire Fixed assets of the company both present and future created out of the term loan and personal guarantee of three directors along with corporate guarantee of M/s Western Chlorides & Chemicals Private Limited, subsidiary of the company
4. The Promoters holding is consists of 61,34,936 equity shares of Rs.6,13,49,360/- amounting to 71.49%
5. There was no un-paid dividend during the year

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

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are given in Annexure-1 to this report.

**RISK MANAGEMENT POLICY**

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

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

**INDEPENDENT DIRECTORS DECLARATIONS**

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

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

1. They are not a promoter of the Company or its holding, subsidiary or associate Company;
2. They are not related to promoters or directors in the Company, its holding, subsidiary or associate Company.
3. The independent Directors have /had no pecuniary relationship with Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Director has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) Holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

1. Independent director possesses such qualifications as may be directed by the Board.
2. The Company & the Independent Directors shall abide by the provisions specified in schedule IV of the Companies Act, 2013.

#### **NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

Pursuant to section 178 of the Companies Act, 2013, the Company has set up a Nomination and Remuneration and Stakeholders Relationship Committee consisting of Two (2) of Independent Directors Mr. N. C. Sharma and Mr. Durgesh Kabra. Mr. N. C. Sharma being the Chairman of the Committee.

The Gist of the Policy of the said committee:

1. For Appointment of Independent Director (ID):
  - a. Any person who is between the age of 25 years and below 75 years eligible to become ID;
  - b. He has to fulfill the requirements as per section 149 of the Companies Act, 1956 read with cl. 49 of the Listing Agreement;
  - c. Adhere to the code of conduct as per Schedule IV to the Companies Act, 2013;
  - d. Strictly adhere to the Insider Trading Regulation of the SEBI and Insider Trading policy of the Company;
  - e. ID should have adequate knowledge and reasonably able to contribute to the growth of the Company and stakeholders;
  - f. ID should be able to devote time for the Board and other meetings of the company;
  - g. Entitled for sitting fees and Reasonable conveyance to attend the meetings; and
  - h. Able to review the policy, participate in the meeting with all the stakeholders of the company at the Annual Meeting.

**PERFORMANCE OF THE BOARD AND COMMITTEE:**

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

1. Most of the Directors attended the Board meeting;
2. The remunerations paid to executive Directors strictly as per the company and industry policy. The Independent Directors only received sitting fees.
3. The Independent Directors contributed a lot based on their experience and knowledge and Independent views.
4. The Credit Policy, Loan Policy and compliances were reviewed;
5. Implementation of Risk Management Policy

**Details Relating To Loans and Investments**

Details relating to section 186 of the Companies Act, 2013 with regards to loans & investment made by the company are given in detail in the Auditor's Report and the annexures thereto.

**Related Party Transactions**

Details of related party transactions as per section 188 of the Companies Act, 2013 are given in the Auditor's report and annexures thereto.

**Acknowledgements**

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

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

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

For and on behalf of the Board  
Ramautar S. Jhavar  
Chairman



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

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

**Conservation of Energy :**

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

		Year Ended 31-03-2014	Year Ended 31-03-2013
<b>A. Power and Fuel Consumption (Process Division Yarn + Fabric)</b>			
1. Electricity a) Purchased			
Unit	(Lacs)	48.98	56.01
Total Amount	(Rs. In Lacs)	287.84	414.24
Avg. Rate/Unit	(Rs.)	5.88	7.40
b) Own generation(Through D.G. Set)			
Unit	(Lacs)	0.23	0.19
Diesel Oil Consumed Ltrs.	(Lacs)	0.12	0.10
Total Amount	(Rs. In Lacs)	6.58	4.72
Avg. Rate per Ltr.	(Rs.)	54.83	46.90
2. Coal			
Quantity	(M. Tonnes)	13236	11775
Total Amount	(Rs. In Lacs)	810.86	634.67
Avg Rate/M.Tonne	(Rs.)	6126	5390
<b>B. Consumption Per kg of Production</b>			
Production	(Lac Kgs.)	30.94	31.44
Electricity	(Rs.)	9.30	13.18
Diesel Oil	(Rs.)	0.21	0.15
Coal	(Rs.)	26.21	20.19
<b>Total</b>		<b>35.72</b>	<b>33.52</b>
<b>C. Weaving Division Power Consumption</b>			
1. Electricity Purchased			
Purchased			
Units	(Lacs)	11.96	
Total Amount	(Rs. In Lacs)	73.75	
Avg. Rate/Unit	(Rs.)	6.17	
2 Production	(Lac Mtrs.)	11.04	
3 Cost of Power per Mtrs	(Rs.)	6.68	

**Technology Absorption :**

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

**Foreign Exchange Earnings and Outgo:**

	2013-14	2012-13
Foreign Exchange Outgo	1412.80	12.28
Foreign Exchange Earning	Nil	Nil

Place: Mumbai  
Date: 30<sup>th</sup> May 2014

For and on behalf of the Board  
Ramautar S. Jhawar  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments:

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

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

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

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

### Opportunities and Threats:

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

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

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

Segment-wise or product-wise performance:

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

The geographical segment is India.

### Outlook :

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

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

**Risks and Concerns :**

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

**Internal Control Systems and their adequacy :**

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

**Discussions on financial performance with respect to operational performance :**

In spite of the adverse effect of increase in input cost, your company has achieved growth of 10.47% in turnover and 76.11% in operational profits in comparison to previous year.

(Rs.in Lacs)

	2013-14	2012-13
<b>Turnover</b>		
Processing Charges Fab /Yarn	4292.76	3897.00
Fabrics / Yarn /Garment Sale	1855.36	1622.35
Power Sale	157.92	186.41
Coal Trading Sale	0.00	2.69
<b>Total</b>	<b>6306.04</b>	<b>5708.45</b>
<b>Profitability</b>		
Net Profit after Taxation	180.58	119.06
Add. (Less): Loss /(Profit) on Sale of Fixed Asset	(3.72)	4.61
Less: Profit on commodities / Share Trading	28.56	39.46
<b>Net Profit by operation</b>	<b>148.30</b>	<b>84.21</b>

**Human Resource Development :**

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

## CORPORATE GOVERNANCE REPORT

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

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

### A. Board Composition:

Size and Composition of the Board:

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

The constitution of the Board as on 31st March 2014 is given below:

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

\* Other Directorships exclude directorships held in Private Limited Companies

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

### B. Board Meetings:

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

Four Board Meetings were held during the year ended 31<sup>st</sup> March, 2014 i.e. on 30<sup>th</sup> May, 2013, 8<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, 14<sup>th</sup> February, 2014.

The table hereunder gives the attendance record of the Directors during the financial year 2013-14

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ramautar S. Jhawar	4	4	Yes
Shri Vinod S. Jhawar	4	4	Yes
Shri Mahesh S. Jhawar	4	4	Yes
Shri N.C. Sharma	4	4	Yes
Shri Durgesh Kabra	4	1	No
Shri Mihir Mehta	4	4	No

1. The Board evaluated Each of Independent Directors participation in the Board and their vast Experience, Expertise and contribution to the Board and Company. Each and every related party transactions very well scrutinized and checks were made so that the Company is a beneficiary.
2. During the Period the company received notices/Declarations from the Independent Directors as per Schedule IV and section 149 (6) of the Companies Act, 2013.
3. The Company recommended for the consideration of the members about the appointment of all the independent directors for a period of 5- years effective from 1<sup>st</sup> October 2014. Details of Directors separately mentioned in the Explanatory Statement to the Notice .
4. The Chairman also set up a Whistleblower mechanism in line with the policy of the company and as per SEBI notification CIR/CFD/POLICY CELL/2/2014 read with section 177 of Companies Act, 2013.

#### **B. Board Committees:**

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

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

#### **1. Audit Committee:**

As required under Section 177 of the Companies Act, 2013, read with the provisions of Clause 49 of the Listing Agreement, the Board has constituted an Audit Committee. It comprises of Three(3) Non-Executive, Directors in which Two (2) are Independent Directors. The Committee is headed by Shri N. C. Sharma and comprises of Shri Durgesh Kabra and Shri Ramautar S. Jhawar as its Members.

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

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

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

The meetings of the Audit Committee are also attended by the Statutory Auditors as special invitees. During the financial year ended 31st March, 2014, Four (4) Audit Committee Meetings were held on i.e. on 30<sup>th</sup> May, 2013, 8<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013 and 14<sup>th</sup> February, 2014.

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

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

The Committee has recommended to the Board the appointment of M/s. S. G. Kabra & Co., Chartered Accountants, as the Statutory and Independent Auditors of the company for the Financial Year ending 31st March, 2015 and that necessary resolution for appointing them as Auditors be placed before the Shareholders.

**2. Remuneration Committee:**

As on 31st March 2014, the Remuneration Committee consists of Two (2) members, Shri N.C. Sharma and Shri Durgesh Kabra, all of them being Non-Executive Independent Directors. Shri N. C. Sharma is the Chairman of the Remuneration Committee.

## a) Remuneration Policy:

Non-Executive Directors are paid sitting fees for each meeting of the Board attended by them. Remuneration including perquisites and commission paid to the Managing Director of the Company are recommended by the Remuneration Committee approved by the Board and is within the limits set by the Shareholders at the General Meetings. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

## b) Details of Remuneration to Executive Directors for the financial year ended 31st March, 2014:

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

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

Name of Non-Executive Director	Equity Shares held (Number)	Sitting Fees
Shri Ramautar S. Jhawar	778408	0.30
Shri Mahesh S. Jhawar	11000	0.30
Shri N.C. Sharma	NIL	0.30
Shri Durgesh Kabra	NIL	0.08
Shri Mihir Mehta	NIL	0.30

During the year ended 31<sup>st</sup> March 2014, no meeting of the Remuneration Committee was held.

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

As at 31st March, 2014, the Shareholders'/Investors' grievance Committee consists of Shri N. C. Sharma and Shri Durgesh Kabra, both of them being Non-Executive, Independent Directors. Shri N. C. Sharma is the Chairman of the Committee and acts as the Compliance Officer.

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

#### Meetings and Attendance:

Four Committee meetings were held during the year ended 31<sup>st</sup> March, 2014. The attendance record of members is given in the table hereunder:

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

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

Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31<sup>st</sup> March, 2014:

The total number of complaints received and replied to the satisfaction of the Shareholders during the year ended 31<sup>st</sup> March, 2014 was none. There were no pending/unattended complaints as on 31<sup>st</sup> March, 2014.

### 3. Management Committee:

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

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

#### Meetings and Attendance:

There were only Two Management Committee Meetings during the year ended 31<sup>st</sup> March, 2014 i.e. on 20<sup>th</sup> July, 2013 and 11<sup>th</sup> January, 2014 to review the half yearly working of the Company.

Table hereunder gives the attendance record of the members.

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

**D. General Body Meetings:**

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

Year	Date	Venue/ Details of Special Resolution passed	Time
2011	24/09/2011	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. No Special Resolution was passed.	1:00 P.M.
2012	11/08/2012	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. Special Resolution was passed.	1.00 P.M
2013	21/09/2013	Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204. No Special Resolution was passed.	1.00 P.M.

**Disclosures:**

\* There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Annexure to the Auditor's Report which form a part of the Auditors' Report for the year ended 31<sup>st</sup> March, 2014.

\* There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years period.

\* The Company has not established the non - mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

\* The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and has framed the Remuneration Committee which is amongst the Non-Mandatory Requirements.

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

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

**G. Certificate on Corporate governance:**

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

**H. CEO Declaration:**

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



**I. General Shareholder Information :**

- |   |  |
|---|--|
| 1. Date, time and venue of Annual General Meeting of Shareholders | 20 <sup>th</sup> September 2014, 1.00 p.m. Manpada Road, Bhopar Village, Dombivli (East), Thane- 421 204.  |
| 2. Financial Year   | 2013-2014  |
| 3. Dates of book closures   | 15 <sup>th</sup> September 2014 to 19 <sup>th</sup> September 2014(both days Inclusive)  |
| 4. Financial Calendar<br>(tentative and subject to change)        | <p><b>Financial reporting for quarter ended</b></p> <p>June 30, 2014 : by August 14, 2014</p> <p>September 30,2014 : by November 14, 2014</p> <p>December 31,2014 : by February 14, 2015</p> <p>March 31, 2015 : by May30, 2015</p> <p>Annual General Meeting<br/>for year ended 31<sup>st</sup> March 2015 – September 30<sup>th</sup>, 2015.</p> |
| 5. Listing on stock exchanges                                     | Bombay Stock Exchange Limited  |
| 6. Stock Code   | 521151   |
| 7. Listing fees   | Paid for year 2013-2014 to The Bombay Stock Exchange, Mumbai   |
| 8. Registered office  | Manpada Road, Bhopar Village, Dombivli (East),<br>Thane- 421 204. Maharashtra  |
| 9. Registrar and Share Transfer agents                            | <p>Bigshare Services Private Limited</p> <p>E-2/3, Ansa Industrial Estate,<br/>Sakivihar Road, Saki Naka, Andheri (E),<br/>Mumbai 400 072</p> <p>Tel No.:091-022-8473474 / 28470653<br/>28473747 / 40430200</p> <p>Fax No: 091-022-28475207</p> <p>E-mail: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a></p>                |

**10. Share Transfer System:**

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

Not a Single share transferred in physical form during the year 2013-14.

**11. Stock Market price data:**

Monthly high and low at the Bombay Stock Exchange Limited Mumbai for financial year ended 31<sup>st</sup> March 2014:

Month	Dhanlaxmi Fabrics Limited.		
	Volume	High (Rs)	Low (Rs)
April, 2013	10	16.80	10.80
May, 2013	-	-	-
June, 2013	-	-	-
July, 2013	-	-	-
August, 2013	-	-	-
September, 2013	700	16.00	15.25
October, 2013	-	-	-
November, 2013	14,996	14.50	14.45
December, 2013	3,00,143	13.78	9.32
January, 2014	52	9.15	8.27
February, 2014	1,90,435	11.02	8.68
March, 2014	987	13.77	11.57

**12. Distribution of Shareholding as on 31<sup>st</sup> March 2014**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Amount (Rs.)	% of Total
1 - 5,000	752	80.3419	1578260	1.8392
5,001 - 10,000	67	7.1581	596780	0.6955
10,001 - 20,000	35	3.7393	563170	0.6563
20,001 - 30,000	12	1.2821	304390	0.3547
30,001 - 40,000	7	0.7479	246470	0.2872
40,001 - 50,000	9	0.9615	422930	0.4929
50,001 - 1,00,000	8	0.8547	611280	0.7124
1,00,001 - & Above	46	4.9145	81487720	94.9619
<b>Total</b>	<b>936</b>	<b>100.00</b>	<b>85811000</b>	<b>100.00</b>

**13. Categories of Shareholding as on 31<sup>st</sup> March 2014**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	31	3.3120	61,34,936	71.4936
Private Corporate Bodies	33	3.5256	17,74,939	20.6843
NRIs/OCBs	5	0.5342	868	0.0101
Indian Public	867	92.6282	6,70,357	7.8120
<b>Total</b>	<b>936</b>	<b>100.00</b>	<b>8581100</b>	<b>100.00</b>

**14. Dematerialisation of shares and liquidity**

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

**15. Plant Location:**

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

**16. Address for correspondence:**

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

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

There are no outstanding convertible instruments as on date.

For and on behalf of the Board

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014.

**Ramautar S. Jhawar**

Chairman

**PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
DHANLAXMI FABRICS LIMITED  
MUMBAI.

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Fabrics Limited ("the Company") for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

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

Ramesh Chandra Mishra  
Company Secretary

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

FCS No : 5477

**CEO/CFO CERTIFICATION TO THE BOARD**

I Certify that:-

- a. I have reviewed the financial statements and the cash flow statement for the year 2013- 14 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2013-2014 which are fraudulent, illegal or violative of the companies code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee –
- Significant changes in internal control over the financial reporting during the year 2013-14
  - Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

For DHANLAXMI FABRICS LIMITED

Sd/-

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

Vinod S. Jhawar  
Managing Director

**CODE OF CONDUCT  
FOR  
DIRECTORS AND SENIOR MANAGEMENT**

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

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

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

The provisions of this Code be read as under:

**1. Honest & Ethical Conduct**

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

**2. Conflict Of Interest**

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

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

**3. Confidentiality Of Information**

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

#### **4. Insider Trading**

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

#### **5. Protection Of Assets**

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

#### **6. Shareholders**

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

#### **7. Equal Opportunities Employer**

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

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

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

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

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

#### **8. Safety, Health And Environment**

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

#### **9. Ethical Conduct**

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

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

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

**10. Transparency And Accountability**

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

**11. Political Non Alignment**

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

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

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

**13. Reporting Concerns**

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

**14. Where To Seek Clarification**

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

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

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

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

For Dhanlaxmi Fabrics Limited

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

**Vinod S. Jhavar**  
Managing Director

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Financial Statements:-**

We have audited the accompanying financial statements of Dhanlaxmi Fabrics Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements:-**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility:-**

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

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

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

**Opinion:-**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**Report on other Legal and Regulatory Requirements:-**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Mumbai.  
Date : 30<sup>th</sup> May 2014

S.G.Kabra  
Partner  
M.No. 38867

**THE ANNEXURE TO INDEPENDENT AUDITORS' REPORT.**

**(Referred to in paragraph 1 under the heading of " Report on other Legal and Regulatory Requirements" of report of even date.)**

**1. In respect of its Fixed assets:-**

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

**2. In respect of its inventories:-**

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

**3. In respect of the Loans secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintain U/S. 301 of the Companies Act 1956"**

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

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

5. In Respect of contracts or arrangements referred to in Section 301 of the Companies Act 1956.

- (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

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

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**9. In respect of Statutory dues**

- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations give to us and as per books and records of the Company, there are no disputed dues which have remained unpaid as on March 31, 2014 on account of any pending dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. In our opinion, the term loans that have been raised by the Company have been applied for the purpose for which these were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2014	AS AT 31-03-2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' fund</b>			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	2,878.75	2,698.17
<b>Total</b>		<b>3,736.86</b>	<b>3,556.28</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	2,000.35	417.64
(b) Deferred tax liabilities (net)	4	623.70	490.30
(c) Other long-term liabilities	5	34.68	21.52
(d) Long-term provisions	6	419.17	347.93
<b>Total</b>		<b>3,077.90</b>	<b>1277.39</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	738.84	325.03
(b) Trade payables	8	1,527.83	793.39
(c) Other current liabilities	9	61.59	98.80
(d) Short-term provisions	10	88.25	77.83
<b>Total</b>		<b>2,416.51</b>	<b>1295.05</b>
<b>TOTAL</b>		<b>9,231.27</b>	<b>6,128.72</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		4,087.38	2,175.08
(ii) Capital work-in-progress		755.81	885.29
(b) Non-current investments	12	67.08	67.08
(c) Long-term loans and advances	13	722.10	638.08
<b>Total</b>		<b>5,632.37</b>	<b>3,765.53</b>
<b>2 Current assets</b>			
(a) Inventories	14	1,290.02	215.49
(b) Trade receivables	15	2,166.81	1,988.69
(c) Cash and cash equivalents	16	64.86	28.38
(d) Shortterm loans and advances	17	77.21	130.63
<b>Total</b>		<b>3,598.90</b>	<b>2,363.19</b>
<b>TOTAL</b>		<b>9,231.27</b>	<b>6128.72</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per our report of even date attached,

For and on behalf of the Board,

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

Chartered Accountants

FR NO. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

**Ramautar S. Jhawar**

Chairman

**Vinod S. Jhawar**

Managing Director

**Mahesh S. Jhawar**

Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2014	FOR THE YEAR ENDED 31-03-2013
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	18	6,306.04	5,708.45
2 Other income	19	104.04	94.16
<b>3 Total revenue</b>		<b>6,410.08</b>	<b>5802.61</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	2,161.04	2,080.92
(b) Purchases of stock-in-trade	21	2,460.95	1,594.51
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(918.55)	(2.44)
(d) Employee benefits expenses	23	616.05	504.55
(e) Finance costs	24	184.88	53.91
(f) Depreciation	25	594.29	476.03
(g) Other expenses	26	918.90	923.37
<b>Total expenses</b>		<b>6,017.56</b>	<b>5,630.85</b>
<b>5 Profit before tax</b>		<b>392.52</b>	<b>171.76</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		78.54	166.34
(b) Less- Deferred tax Credit		0.00	113.66
(c) Add. Deffered Tax Liability		133.40	0.00
(d) Add. Current tax payment relating to prior year		0.00	0.02
<b>Net tax expense</b>		<b>211.94</b>	<b>52.70</b>
<b>7 Profit for the year</b>		<b>180.58</b>	<b>119.06</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.	27	2.10	1.39
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 33		

As per our report of even date attached

For and on behalf of the Board,

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

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

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Rs. in Lacs)

Particulars	For the year ended 31/03/2014	For the year ended 31/03/2013
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	392.52	171.76
<i>Adjustments for:</i>		
Depreciation and amortisation	594.29	476.03
(Profit) / loss on sale / write off of assets	(3.72)	4.61
Finance costs	184.88	53.91
Interest income	(12.70)	(6.73)
Rental Income from Investment Property	(57.13)	(46.70)
Operating profit / (loss) before working capital changes	1,098.14	652.88
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,074.53)	48.39
Trade and other receivables	(124.70)	(913.29)
Other non-current assets	(84.02)	(161.83)
Trade and other Payables	707.65	539.95
Cash generated from operations	(575.60)	(486.78)
Net income tax (paid) / refunds	(78.53)	(166.37)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>444.01</b>	<b>(0.27)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(2,407.59)	(543.24)
Sale of fixed assets	34.20	9.01
Interest received	12.70	6.73
Rental income from investment properties	57.13	46.70
Long Term Liabilities	13.16	4.50
Long term Provisions	71.25	166.34
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(2219.15)</b>	<b>(309.96)</b>
<b>C. Cash flow from financing activities</b>		
Issue of Equity Shares	0.00	0.00
Capital subsidy received	0.00	6.62
Repayment of long-term borrowings	1,582.70	(173.87)
Net increase / (decrease) in working capital borrowings	413.80	325.03
Finance cost	(184.88)	(53.91)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1811.62</b>	<b>103.87</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>36.48</b>	<b>(206.36)</b>
Cash and cash equivalents at the beginning of the year	28.38	234.74
Cash and cash equivalents at the end of the year	64.86	28.38
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>36.48</b>	<b>( 206.36)</b>

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

In terms of our report attached.

For and on behalf of the board

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

Chartered Accountants

FR NO. 104507 W

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

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2014**Ramautar S.Jhawar**  
Chairman**Vinod S. Jhawar**  
Managing Director**Mahesh S. Jhawar**  
Director

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### A) Basis of Preparation of Financial Statements

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

### B) Use of Estimates

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

### C) On Fixed Assets

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

### D) Leased Assets

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

### E) Depreciation

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

### F) Impairment of Assets

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

### G) Foreign Currency Transactions.

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or approximates the actual rate at the date of the transaction.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities where they relate to aquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

### H) Investments

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

**I) Inventories**

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

**J) Revenue Recognition.**

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

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

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

**L) Employee Benefits.**

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

**M) Employee Retirement Benefits :**

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

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

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

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

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

**P) Disclosure under section 22**

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



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

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

<b>1 SHARE CAPITAL</b>	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
<b>Authorised Share Capital</b>		
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares)	1500.00	1500.00

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

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

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

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

The details of Shareholders holding more than 5% Shares

	<b>As at 31/03/2014</b>		<b>As at 31/03/2013</b>	
	<b>No of Shares</b>	<b>%</b>	<b>No of Shares</b>	<b>%</b>
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics Pvt Ltd	4,38,000	5.10	4,38,000	5.10
Ramautar Sohanlal Jhawar	7,78,408	8.79	6,78,087	7.90

<b>2 RESERVES &amp; SURPLUS</b>	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
<b>General Reserve</b>	65.00	65.00
<b>Capital subsidy Reserve</b>	43.46	43.46
<b>Equity Share Premium reserve</b>	896.00	896.00
<b>Profit &amp; Loss A/c</b>	1693.71	1574.65
As per last Balance sheet	180.58	119.06
Add Profit for the year	1874.29	1693.71
<b>Total</b>	<b>2,878.75</b>	<b>2698.17</b>

**3 LONG TERM BORROWINGS**

(Rs. in Lacs)

	As at 31/03/2014	As at 31/03/2013
<b>Secured Loans</b>		
Term Loan from ING Vysya Bank	598.23	384.24
Term Loan from Shamrao Vithal Co-Op. Bank	1,368.72	0.00
<b>Unsecured Loans</b>		
From Promtech Impex Pvt Ltd	33.40	33.40
<b>Total</b>	<b>2,000.35</b>	<b>417.64</b>

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

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

3.3 Repayment schedule of Bank Term Loan.

Term Loan No.	2014-15	2015-16	2016-17
ING 8853	15.08	0.00	0.00
ING 40415	85.38	78.16	0.00
ING 02925	16.40	16.40	2.95
ING 00443	68.75	68.75	68.75
SVC 00137	179.82	359.64	359.64
<b>Total</b>	<b>365.43</b>	<b>522.95</b>	<b>431.34</b>

**4 DEFERRED TAX LIABILITIES (NET)**

As at 31/03/2014

As at 31/03/2013

**Deferred Tax Liabilities**

At Beginning of the year	490.30	603.96
Deferred Tax Liability / (Assets) for the year	133.40	(113.66)
At closing of the year	623.70	490.30

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

**5. OTHER LONG TERM LIABILITIES**

As at 31/03/2014

As at 31/03/2013

Deposits received from Licensee	34.68	21.52
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5.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No. 402 to 406 at Kailas Corporate Lounge Vikroli Mumbai and Commercial Galas in Raj Laxmi Park, Kalher Bhiwandi given on rent to them.

1. Yukti Mercantile Pvt Ltd	0.96	
2. John Keells Logistics Pvt Ltd	9.83	For 1 year
3. ITT Corporation India Pvt Ltd	7.19	For 3 year
4. Synergy Property Development Services Pvt Ltd	16.70	For 4 year
<b>Total</b>	<b>34.68</b>	

**6 LONG TERM PROVISIONS**

(Rs. in Lacs)

	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
Provision for IT	419.17	347.93

**6.1** Provision for IT for the Financial year 2010-11 Rs. 96.51 of the year 2011-12 Rs. 77.79, for the year 2012-13 Rs. 166.34 and for the year 2013-14 Rs. 78.53 has been made which will be written off after actual assesment of IT and difference will be appropriated by Debiting/ Crediting the P&L A/c in that year.

**7 SHORT TERM BORROWINGS.**

<b>Secured Borrowing</b>	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
Cash credit from ING Vysya Bank	358.31	125.03
Cash credit from Shamrao Vithal Co-Op. Bank Ltd.	380.53	0.00
Working capital Demand loan from ING Vysya Bank	0.00	200.00
<b>Total</b>	<b>738.84</b>	<b>325.03</b>

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

**8 TRADE PAYABLES**

	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
Creditors	1,527.83	793.39

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

**9 OTHER CURRENT LIABILITIES**

	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
Charity Fund	9.94	5.50
Unclaimed Dividends	1.09	2.34
Statutory Liabilities	48.10	52.63
Advance received from customers	2.46	38.33
<b>Total</b>	<b>61.59</b>	<b>98.80</b>

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

**10 SHORT TERM PROVISIONS**

	<b>As at 31 /03/2014</b>	<b>As at 31/03/2013</b>
Provision for outstanding Expenses	88.25	77.83

**11 FIXED ASSETS**

(Rs. in Lacs)

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-04-2013	Addition during the year	Sold during the year	Total as at 31-03-2014	Upto 31-03-2013	Provided for the year	Adjusted during the year	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
1. Land	125.16	48.16	0.00	173.32	0.00	0.00	0.00	0.00	173.32	125.16
2. Building	416.18	219.06	0.00	635.24	209.91	15.00	0.00	224.91	410.33	206.27
3. Plant & Machinery	3343.38	2191.91	205.97	5329.32	2198.67	386.25	175.49	2409.43	2919.89	1144.71
4. Electrical Installation	100.86	43.78	0.00	144.64	70.26	5.65	0.00	75.91	68.73	30.60
5. Pipe Fitting	34.62	0.00	0.00	34.62	28.07	3.58	0.00	31.65	2.97	6.55
6. Furniture & Fixture	104.29	4.27	0.00	108.56	65.16	6.67	0.00	71.83	36.73	39.14
7. Laboratory Equipment	25.71	0.00	0.00	25.71	10.59	1.22	0.00	11.81	13.90	15.12
8. Office Equipment	6.88	1.70	0.00	8.58	4.57	0.36	0.00	4.93	3.65	2.31
9. Air Conditioner	8.95	6.56	0.00	15.51	5.56	0.50	0.00	6.06	9.45	3.38
10. Computer	38.50	1.95	0.00	40.45	34.96	0.85	0.00	35.81	4.64	3.54
11. Motor Vehicle	82.43	0.00	0.00	82.43	35.62	7.83	0.00	43.45	38.98	46.81
12. Misc. Fixed Assets	28.79	19.68	0.00	48.47	11.41	1.69	0.00	13.10	35.37	17.38
13. House Property	222.23	0.00	0.00	222.23	11.68	7.42	0.00	19.10	203.13	210.55
<b>SUB-TOTAL</b>	<b>4537.98</b>	<b>2537.07</b>	<b>205.97</b>	<b>6869.08</b>	<b>2686.46</b>	<b>437.02</b>	<b>175.49</b>	<b>2947.99</b>	<b>3921.09</b>	<b>1851.52</b>
Wind Power Division										
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00
2. Plant And Machinery	1521.00	0.00	0.00	1521.00	1207.44	157.27	0.00	1364.71	156.29	313.56
Sub Total	1531.00	0.00	0.00	1531.00	1207.44	157.27	0.00	1364.71	166.29	323.56
<b>Total</b>	<b>6068.98</b>	<b>2537.07</b>	<b>205.97</b>	<b>8400.08</b>	<b>3893.90</b>	<b>594.29</b>	<b>175.49</b>	<b>4312.70</b>	<b>4087.38</b>	<b>2175.08</b>
PREVIOUS YEAR	6061.44	28.48	20.94	6068.98	3425.19	476.03	7.32	3893.90	2175.08	

Capital Work in Progress **Rs. 755.81** Lacs (Previous Year Rs. 885.29Lacs)**12 NON-CURRENT INVESTMENTS**

In equity shares of subsidiary companies

**As at 31/03/2014****As at 31/03/2013**

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

65.08

65.08

1.00

1.00

1.00

1.00

**Total****67.08****67.08****13 LONG TERM LOANS & ADVANCES****As at 31/03/2014****As at 31/03/2013**

Balances with Excise dept.

39.60

39.60

Security Deposits

114.37

94.23

Interest Receivable under TUF Scheme

137.26

137.87

TDS Receivables

270.87

206.38

Advance tax Paid

160.00

160.00

**Total****722.10****638.08**

	As at 31/03/2014	(Rs. In Lacs) As at 31/03/2013
<b>14 INVENTORIES</b>		
Fabric	499.50	124.77
Yarn	456.01	0.00
Stock in Process	101.04	13.23
Dyes	105.70	32.18
Chemicals	66.90	30.47
Packing Material	5.51	1.57
Coal	4.14	3.56
Diesel	0.60	0.58
Stores & Spares	50.62	9.13
<b>Total</b>	<b>1,290.02</b>	<b>215.49</b>
<b>15 TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
Over Six Months	717.37	175.22
Other	1449.44	1813.47
<b>Total</b>	<b>2166.81</b>	<b>1988.69</b>
<b>16 CASH AND BANK BALANCES</b>		
Cash on hand	14.66	2.04
Balance with banks	3.97	6.26
Fixed deposits with banks	46.23	20.08
<b>Total</b>	<b>64.86</b>	<b>28.38</b>
16.1	Balance with bank as at 31.03.2014 includes unclaimed dividend Rs.0.72 Lacs for the year 2006-2007. and Rs. 0.37 Lacs for the year 2007-2008.	
16.2	Fixed Deposit with Banks will be matured as under:-	
	Date of Maturity	
Fixed Deposit value		
Rs. 96000	18/07/2017	
Rs. 270000	24/12/2018	
Rs. 6500	31/12/2018	
Rs. 346000	25/05/2019	
Rs.10000	28/06/2013	
Rs.1280000	19/03/2016	
Rs.1350000	08/02/2017	
Rs. 920000	18/03/2017	
Rs.175000	23/06/2017	
Rs.160000	03/06/2016	
Rs.10000	03/06/2016	
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
Loan to staff	1.27	1.19
Prepaid Expenses	6.11	6.35
Advance to Suppliers	61.85	120.83
Others	7.98	2.26
<b>Total</b>	<b>77.21</b>	<b>130.63</b>

(Rs. In Lacs)

17.1 Other loans advances includes primarily interest receivable on FD with Bank and advances given against purchase.

For the year ended  
31/03/2014                      31/03/2013

**18 REVENUE FROM OPERATIONS**

Process Charges of Fabrics	3852.60	3037.48
Process Charges of Yarn	440.16	859.52
Weaving Job Work Income	18.69	0.00
Fabric Sales	1823.31	1445.00
Yarn Sales	13.36	37.37
Garment Sales	0.00	139.98
Power Sales	157.92	186.41
Trading Sales of Coal	0.00	2.69
<b>Total</b>	<b>6306.04</b>	<b>5708.45</b>

**19 OTHER INCOME**

Interest accrued on FD	12.47	3.05
Interest on IT refund	0.23	1.79
Other Interest	0.00	1.89
Duty Drawback	1.74	1.06
Foreign exchange differences	0.00	4.64
Profit on sale of Assets	3.72	(4.61)
Sundry balance W/off	0.00	0.01
Misc. Income	0.19	0.17
Profit on Commodities & Share Trading	28.56	39.46
Rent from house property	57.13	46.70
<b>Total</b>	<b>104.04</b>	<b>94.16</b>

**20 COST OF RAW MATERIALS CONSUMED**

Dyes	278.58	254.23
Chemicals	731.99	831.09
Packing Material	194.62	219.60
Coal	810.86	634.67
Diesel	6.58	4.72
Store & Spares	138.41	136.61
<b>Total</b>	<b>2161.04</b>	<b>2080.92</b>

**20.1 Store & spares Consumption**

Indigenous	129.09	123.13
Imported	9.32	13.48
<b>Total</b>	<b>138.41</b>	<b>136.61</b>

**21 PURCHASES OF STOCK IN TRADE**

Fabric	1223.17	1590.64
Yarn	1237.78	1.22
Coal	0.00	2.65
<b>Total</b>	<b>2460.95</b>	<b>1594.51</b>

	(Rs. in Lacs)	
	For the year ended	
	31/03/2014	31/03/2013
<b>22 CHANGES IN INVENTORIES</b>		
<b>Inventory ( At close)</b>		
Fabric	499.50	124.77
Yarn	456.01	0.00
Work in Progress	101.04	13.23
<b>Total</b>	<b>1056.55</b>	<b>138.00</b>
<b>Inventory ( At commencement)</b>		
Fabric	124.77	58.65
Yarn	0.00	7.61
Work in Progress	13.23	69.30
<b>Total</b>	<b>138.00</b>	<b>135.56</b>
<b>Net Change</b>	<b>(918.55)</b>	<b>(2.44)</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Charges	416.06	335.36
Salary	191.22	160.59
Contribution to P.F & ESIC	2.92	2.89
Contribution to Gratuity Fund	2.90	4.41
Staff welfare Expenses	2.95	1.30
<b>Total</b>	<b>616.05</b>	<b>504.55</b>
<b>24 FINANCE COST</b>		
Interest on Working capital	13.16	16.43
Interest on Term Loan	171.72	37.48
<b>Total</b>	<b>184.88</b>	<b>53.91</b>
24.1 The benefit of TUF subsidy on interest will be considered on receipt basis from the year 2013-2014.		
<b>25 DEPRECIATION</b>		
Depreciation on Fixed Assets	594.29	476.03
<b>25.1 Depreciation provided on straight line method on triple shift basis</b>		
<b>26 OTHER EXPENSES</b>		
<b>26 (a) Manufacturing expenses</b>		
Electricity Charges	361.59	414.24
Water Expenses	233.91	204.76
Repairs to building	30.40	9.82
Repairs to Machinery	55.80	42.36
Job charges paid	76.48	82.63
Freight & forwarding expenses	20.91	21.75
Laboratory expenses	0.47	0.48
Insurance	10.81	10.70
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.91	0.75
Analysis Charges	1.59	0.68
<b>Total</b>	<b>793.47</b>	<b>788.77</b>
<b>26(b) Selling &amp; distribution expenses</b>		
Sales promotion	1.75	0.03
Commission & brockrage	21.43	20.01
<b>Total</b>	<b>23.18</b>	<b>20.04</b>

(Rs. in Lacs)

For the year ended

31/03/2014

31/03/2013

**26.(c) ADMINISTRATIVE EXPENSES**

Property tax	5.22	4.74
Printing & stationery	10.10	11.11
Rent, Rates & Taxes	8.47	2.62
Travelling expenses	3.87	4.02
Postage & courier charges	1.22	1.02
Legal & professional fees	8.00	6.68
Advertisement charges	1.58	1.39
Repairs to others	9.38	8.95
conveyance expenses	2.46	3.49
General expenses	6.12	9.84
Bank Loan processing fees & Stamp duty	3.23	22.39
Registration fee	0.13	0.15
Expenses on Demurger	0.00	1.50
Listing fees	0.28	0.28
Bank charges	1.66	0.64
Demate Charges	0.35	0.34
Vehicle expenses	8.02	6.75
Trunk & telephone	3.54	3.90
Auditor Remuneration	2.13	1.78
Medical expenses	0.22	0.24
Keyman expenses	7.94	7.94
Directors remuneration	13.44	13.44
Sitting Fees	1.28	1.35
Real Estate Expenses	2.66	0.00
Excise Duty Penalty	0.95	0.00
<b>Total</b>	<b>102.25</b>	<b>114.56</b>
<b>Total 26(a)+26(b)+26(c.)</b>	<b>918.90</b>	<b>923.37</b>

**26.1 Payment to auditors****(a) Auditor**

Statutory audit Fees	0.83	0.73
Tax Audit Fee	1.04	0.96

**(b) Cost Audit Fees**

	0.27	0.09
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**Total**

	<b>2.13</b>	<b>1.78</b>
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**27 EARNING PER SHARE(EPS)**

(i) Net Profit after tax as per statement of Profit & Loss Attributable to equity Shareholders	180.58	119.06
(ii) Weighted average number of Equity shares used as denominator for calculating EPS	85.81	85.81
(iii) Basic and Diluted Earnings per share	2.10	1.39
(iv) Face Value per Equity share	<b>Rs.10/-</b>	<b>Rs.10/-</b>



(Rs. in Lacs)

**28 CONTINGENT LIABILITIES****As at 31<sup>st</sup> March 2014****Contingent Liabilities not provided for in respect of**

1. Bank Guarantees	46.24
2. Property tax the year 2013-2014	4.74
3. Maharashtra State Electricity Distribution Co.Ltd For Wheeling & Rewheeling Charges.	74.66
4. Shri Dhairyasheel Mane Textile Park, Ichalkaranji Bills for Common Infrastructure & interest raised by park are under dispute as per M.O.U signed by the park. Legal case pending before Tribunal	528.96

**29 FOREIGN EXCHANGE EARNING AND OUTGO**

	<b>For the year ended</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>
a) Earning	Nil	Nil
b) Outgo - Import of Spares and Machinery	1412.80	12.28

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

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

**Subsidiary Companies:-**

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

**Management Personnel and Relatives**

1. Vinod S. Jhawar - Managing Director

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

<b>Nature of transaction</b>				<b>Rs. In Lacs Total</b>
	<b>Subsidiaries</b>	<b>Associates</b>	<b>Key Managerial Personnel</b>	
Revenue from operation	1272.99	0.00	0.00	1272.99
Purchases	7.90	0.00	0.00	7.90
Expenditure on service	0.60	0.00	0.00	0.60
<b>Outstanding balance As at 31-03-2014</b>				
Receivables	228.22	0.00	0.00	228.22
Payables	0.00	33.40	0.00	33.40
<b>Manageral remuneration</b>	0.00	0.00	13.44	13.44

**31 SEGMENT INFORMATION**

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

**31(a) Primary Segment :**

Particulars	<b>( Rs. In Lacs)</b>					
	<b>Textile Division</b>		<b>Power Division</b>		<b>Total</b>	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Revenue	6148.12	5522.04	157.92	186.41	6306.04	5708.45
Other Income	104.04	94.16	0.00	0.00	104.04	94.16
<b>Total Income</b>	<b>6252.16</b>	<b>5616.20</b>	<b>157.92</b>	<b>186.41</b>	<b>6410.08</b>	<b>5802.61</b>
Operating Profit	604.44	216.44	(27.04)	9.23	577.40	225.67
Financial Cost	184.88	53.91	0.00	0.00	184.88	53.91
Taxes	211.94	52.70	0.00	0.00	211.94	52.70
<b>Net Profit</b>	<b>207.62</b>	<b>109.83</b>	<b>(27.04)</b>	<b>9.23</b>	<b>180.58</b>	<b>119.06</b>
Segment Fixed Assets	4676.90	2736.81	166.29	323.56	4843.19	3060.37
Segment Long term Borrowing	2000.35	417.64	0.00	0.00	2000.35	417.64
Capital Employed	6000.88	3841.07	360.03	623.15	6360.91	4464.22
Depreciation	437.02	318.76	157.27	157.27	594.29	476.03

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

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

In terms of our report attached.

For and on behalf of the Board.

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

Chartered Accountants

FR No- 104507W

**S.G.Kabra**

**Partner**

Membership No.38867

Place : Mumbai

Date :30th May 2014

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

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

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

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

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

**I Registration Details**

Registration No.	68861	State Code 11
Balance Sheet Date	31-03-2014	
	For the year ended 31-03-2014	(Rs. in Lacs) For the year ended 31-03-2013

**II Capital Raised during the year**

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

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

Total Liabilities	9231.27	6128.72
Total Assets	9231.27	6128.72

**Source of Funds**

Paid-up-Capital	858.11	858.11
Reserves & Surplus	2878.75	2698.17
Non Current Liabilities	3077.90	1277.39
Current Liabilities	2416.51	1295.05

**Application of Funds**

Net Fixed Asset	4087.38	2175.08
Capital Work In Progress	755.81	885.29
Net Current Assets	722.10	638.08
Investments	67.08	67.08
Current Assets	3598.90	2363.19

**IV Performance of Company**

Turnover	6410.08	5802.61
Total Expenditure	6017.56	5630.85
Profit (Loss) before Tax	392.52	171.76
Profit (Loss) after Tax	180.58	119.06
Earning per Share (Rs.)	2.10	1.39

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

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

For and on behalf of the Board,

As per our report of even date attached,

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

Chartered Accountants

FR No. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

**Ramautar S. Jhawar**

Chairman

**Vinod S. Jhawar**

Managing Director

**Mahesh S. Jhawar**

Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

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

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

Sr. No.	Subsidiary Company	Western Chlorides & Chemicals Pvt. Ltd.	Dhanesh Fabrics Pvt.Ltd.	DFL Fabrics Pvt. Ltd.
1	Financial year of the Subsidiary Company ended on	31-03-2014	31-03-2014	31-03-2014
2	Year from which it become subsidiary Companies	01-12-1992	16-08-2007	07-02-2009
3	Country of Incorporation	India	India	India
4	(a) No. of Shares held by the Company & face value	2999 Equity Shares of Rs. 100/-	9999 Equity Shares of Rs.10/-	9980 Equity Shares of Rs.10/-
	(b) Extent of holding	99.99%	99.99%	99.80%
5	Net aggregate amount of subsidiary's Profit/ (Loss) so far as it concerns the members of the Holding Company.			
	a) Not dealt with in the accounts of the Holding Company.			
	For the financial year ended 31 <sup>st</sup> March, 2014	0.18	4.10	19.20
	For the Previous Financial Years, since it became the Holding Company's Subsidiary.	-0.15	14.02	20.89
	b) Dealt with in the accounts of the Holding Company.			
	For the financial year ended 31 <sup>st</sup> March, 2014.	Nil	Nil	Nil
	For the Previous Financial Years, since it became the Holding Company's Subsidiary.	Nil	Nil	Nil

**Directors' Report**

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

Your Directors present herewith the 43<sup>rd</sup> Annual Report and the audited accounts of the Company for the year ended 31<sup>st</sup> March , 2014.

**FINANCIAL RESULTS :**

	<b>Year ended 31/03/2014</b>	<b>( Rs. In Lacs.) Year ended 31/03/2013</b>
Profit/(Loss) before Depreciation	0.26	0.19
Less : Depreciation	0.00	0.09
Profit/(Loss) Before Tax	0.26	0.10
Less : Provision for Tax	0.08	0.03
Profit /(Loss) After Tax	0.18	0.07
Add: Balance brought forward from Previous year	( 0.15)	(0.22)
Balance carried to Balance sheet	0.03	(0.15)

**DIVIDEND :**

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

**DIRECTORS:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT :**

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

The Directors confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2014 and of the profit for the year ended on that date.
- Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.

**AUDITORS :**

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

**AUDITORS' REPORT:**

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

**FIXED DEPOSITS:**

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

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

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs.60,00,000/- or more per annum, if employed throughout the year, or Rs.5,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under section 217(A) of the Companies Act, 1956 and the rules made there under.

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

There were no foreign exchange earnings or outgo during the year 2013-14.

**CONSERVATION OF ENERGY :**

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

**TECHNOLOGY ABSORPTION:**

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

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board

Ramautar S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Mahesh S. Jhawar  
Director

### Independent Auditor's Report

To the Members of  
Western Chlorides And Chemicals Pvt Ltd.

#### **Report on Financial Statements:-**

We have audited the accompanying financial statements of Western Chlorides & Chemicals Pvt Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management Responsibility for the Financial Statements:-**

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

#### **Auditors Responsibility:-**

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

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

1. The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

S. G. Kabra  
(Partner)  
Membership No. : 38867

Place: Mumbai  
Date: 30<sup>th</sup> May 2014



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2014	AS AT 31-03-2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	3.00	3.00
(b) Reserves and surplus	2	11.10	10.92
<b>Total</b>		<b>14.10</b>	<b>13.92</b>
<b>2 Non-Current liabilities</b>			
Long Term Provisions	3	0.08	0.03
<b>Total</b>		<b>0.08</b>	<b>0.03</b>
<b>2 Current liabilities</b>			
Other current liabilities	4	0.05	0.17
<b>Total</b>		<b>0.05</b>	<b>0.17</b>
<b>TOTAL</b>		<b>14.23</b>	<b>14.12</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	5	0.00	0.00
(b) Long-term loans and advances	6	0.48	0.52
<b>Total</b>		<b>0.48</b>	<b>0.52</b>
<b>2 Current assets</b>			
(a) Cash and Cash equivalents	7	0.99	0.92
(b) Short-term loans and advances	8	12.76	12.68
<b>Total</b>		<b>13.75</b>	<b>13.60</b>
	<b>TOTAL</b>	<b>14.23</b>	<b>14.12</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 13		

As per our report of even date attached,

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board,

**Ramautar S. Jhavar**  
Director

**Mahesh S. Jhavar**  
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2014	FOR THE YEAR ENDED 31-03-2013
<b>A CONTINUING OPERATIONS</b>			
<b>1 Revenue from operations</b>			
Other income	9	1.60	1.36
<b>Total revenue</b>		<b>1.60</b>	<b>1.36</b>
<b>2 Expenses</b>			
(a) Employee benefits expenses	10	1.02	1.02
(b) Depreciation and amortisation expenses	11	0.00	0.09
(c) Other expenses	12	0.32	0.15
<b>Total</b>		<b>1.34</b>	<b>1.26</b>
<b>3 Profit before tax</b>		<b>0.26</b>	<b>0.10</b>
4 (a) Current tax expense for current year		0.08	0.03
(b) Current tax expenses relating to prior year		0.00	0.00
<b>5 Net Profit/ (Loss) for the year</b>		<b>0.18</b>	<b>0.07</b>
<b>6 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.		<b>6.00</b>	<b>2.35</b>
Significant Accounting Policies			
Notes on Financial Statements		1 to 12	

As per our report of even date attached,

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board,

**Ramautar S. Jhawar**  
Director

**Mahesh S. Jhawar**  
Director

**Significant Accounting Policies**

1. The Company follows accrual basis of accounting & recognizing Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the company are as stated below.
  - a) Fixed Assets are shown at cost.
  - b) Depreciation is provided on fixed assets using written down value method provided in schedule (xiv) of the Companies Act , 1956.
  - c) Investment are valued at cost of acquisition.
  - d) Retirement benefits : Gratuity / Retirement benefits are recorded only on crystallization of liability on account thereof.
  - e) Recognition of income & Expenditure – Items of Income & Expenditure are generally recognized on accrual basis.
  
2. **Contingent Liabilities :** NIL
  
3. In the opinion of the Board of Directors, the Current Assets , Loans & Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
  
4. The Company has leased out its factory land at Dombivli to the Holding Company for setting up Textile process house.
  
5. Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.
  
6. Additional information pursuant to provision 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
  - i. Licensed Capacity Not Applicable
  - ii. Installed Capacity Not Applicable
  - iii. The Company did not have
    - a) Any employee drawing aggregate remuneration.
      - i. Of Rs. 60 lakhs per annum or more in respect of employees employed through out the year.
      - ii. At a rate equal to Rs.5 lakhs per month or more in respect of employees employed for part of the year
    - b) Any imports during the year .
    - c) Any earnings / expenditure in foreign currency.
    - d) Any non-resident shareholders.
  
7. Figures of the previous year have been regrouped wherever necessary.
  
8. **Deferred Tax –**  
 The Company has adopted Accounting Standard -22, "Accounting for Taxes on Income" with effect from 1<sup>st</sup> April 2003. Since the Company has provided depreciation in its books of account as per Income Tax Act-1956. Therefore there is no difference between the depreciation provided in books and depreciation considered in Income Tax return, so this Accounting Standard is not applicable to the Company.

**Notes on Financial Statement for the year ended 31st March-2014**

(Rs. In Lacs)

Particulars	As AT 31/03/2014	AS AT 31/03/2013
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>	<b>5.00</b>	<b>5.00</b>
5000 Equity Shares of Rs. 100/- each (Previous year 5000 Equity Shares Rs.100/-each)		
<b>Issued,Subscribed &amp; Paid up</b>	<b>3.00</b>	<b>3.00</b>
3000 Equity Shares of Rs. 100/- each fully paid up in cash (Previous year 3000 Equity shares Rs.100/-each.)		
1.1 The details of Shareholders holding more than 5% Shares		
	No.of Shares %	No.of Shares %
Dhanlaxmi Fabrics Ltd. (Holding Company)	2999 99.97	2999 99.97
<b>2 RESERVES &amp; SURPLUS</b>	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
<b>General Reserve</b>	<b>10.62</b>	<b>10.62</b>
<b>Investment Allowance Reserve</b>	<b>0.45</b>	<b>0.45</b>
<b>Profit &amp; Loss A/C</b>		
As per last Balance Sheet	(0.15)	(0.22)
Add profit for the year	0.18	0.07
Net at the end of year	<b>0.03</b>	<b>(0.15)</b>
<b>Total</b>	<b>11.10</b>	<b>10.92</b>
<b>3 NON-CURRENT LIABILITIES</b>	<b>As at 31/03/2014</b>	<b>As At 31/03/2013</b>
Provision for IT	0.08	0.03
<b>Total</b>	<b>0.08</b>	<b>0.03</b>
<b>4 CURRENT LIABILITIES</b>	<b>As at 31/03/2014</b>	<b>As At 31/03/2013</b>
Sundry Creditors for Expenses	0.05	0.17
<b>Total</b>	<b>0.05</b>	<b>0.17</b>
<b>5 FIXED ASSETS</b>		
Fixed Assets (Gross Block)	4.25	4.25
Less Depreciation	4.25	4.25
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**NOTE : 5**

(Rs. in Lacs)

**Fixed Assets**

Description of the Assets	Gross Block at Cost				Depreciation				Net Block	
	As at 1-4-2013	Addition during the year	Sold during the year	Total as at 31-3-2014	Upto 31-3-2013	Provided during the year	Adjusted during the year	Upto 31-3-2014	As at 31-3-2014	As at 31-3-2013
Building	3.22	0.00	0.00	<b>3.22</b>	3.22	0.00	0.00	<b>3.22</b>	<b>0.00</b>	0.00
Weighing Scale	0.20	0.00	0.00	<b>0.20</b>	0.20	0.00	0.00	<b>0.20</b>	<b>0.00</b>	0.00
Furniture & Fixture	0.28	0.00	0.00	<b>0.28</b>	0.28	0.00	0.00	<b>0.28</b>	<b>0.00</b>	0.00
Office Equipment	0.21	0.00	0.00	<b>0.21</b>	0.21	0.00	0.00	<b>0.21</b>	<b>0.00</b>	0.00
Factory Equipment	0.32	0.00	0.00	<b>0.32</b>	0.32	0.00	0.00	<b>0.32</b>	<b>0.00</b>	0.00
Hand Cart & Cycle	0.02	0.00	0.00	<b>0.02</b>	0.02	0.00	0.00	<b>0.02</b>	<b>0.00</b>	0.00
<b>TOTAL</b>	<b>4.25</b>	<b>0.00</b>	<b>0.00</b>	<b>4.25</b>	<b>4.25</b>	<b>0.00</b>	<b>0.00</b>	<b>4.25</b>	<b>0.00</b>	<b>0.00</b>
PREVIOUS YEAR	4.25	0.00	0.00	<b>4.25</b>	4.16	0.09	0.00	<b>4.25</b>	<b>0.00</b>	

		(Rs. In Lacs)	
		As at 31/03/2014	As at 31/03/2013
<b>6</b>	<b>LONG TERM LOAN AND ADVANCES</b>		
	T.D.S.Receivable net to provision	0.13	0.17
	Deposits	0.35	0.35
	<b>Total</b>	<b>0.48</b>	<b>0.52</b>
<b>7</b>	<b>CASH &amp; BANK BALANCES</b>		
	Cash Balance	0.90	0.64
	Balance with Bank	0.09	0.28
	<b>Total</b>	<b>0.99</b>	<b>0.92</b>
<b>8</b>	<b>SHORT TERM LOAN AND ADVANCES</b>		
		<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
	Interest Receivable	0.76	0.68
	D. B. Chemicals	12.00	12.00
	<b>Total</b>	<b>12.76</b>	<b>12.68</b>
<b>9</b>	<b>OTHER INCOME</b>		
		<b>For the Year Ended</b>	
		<b>31/03/2014</b>	<b>31/03/2013</b>
	Lease Charges Received	0.60	0.60
	Interest	0.84	0.76
	Interest Received on Income Tax	0.01	0.00
	Mis. Income	0.03	0.00
	Sundry Balance W/off	0.11	0.00
	<b>Total</b>	<b>1.60</b>	<b>1.36</b>
<b>10</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
		<b>31/03/2014</b>	<b>31/03/2013</b>
	Salary	1.02	1.02
	<b>Total</b>	<b>1.02</b>	<b>1.02</b>
<b>11</b>	<b>DEPRECIATION</b>		
		<b>31/03/2014</b>	<b>31/03/2013</b>
	Depreciation on Fixed Assets	0.00	0.09
	<b>Total</b>	<b>0.00</b>	<b>0.09</b>
<b>12</b>	<b>OTHER EXPENSES</b>		
		<b>31/03/2014</b>	<b>31/03/2013</b>
	Audit Fee	0.06	0.06
	Filing Fees	0.05	0.03
	Legal & Professional Fee	0.21	0.06
	<b>Total</b>	<b>0.32</b>	<b>0.15</b>
<b>13</b>	Additional information pursuant to provision of part IV of schedule VI to the Companies Act,1956 is as per Annexure 1.		
	As per our report of even date attached For S.G. Kabra & Co. Chartered Accountants. FR No. 104507W S.G.Kabra Partner M. No. 38867 Place : Mumbai Date : 30 <sup>th</sup> May 2014	For and on Behalf of the Board  Ramautar Jhawar Director  Mahesh S.Jhawar Director	

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

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

<b>I</b>	<b>Registration Details.</b>		
	Registration No.	14919	State Code 11
	Balance Sheet Date	31-03-2014	
			<b>(Rs. In Lacs)</b>
		<b>For the year ended</b>	<b>For the year ended</b>
		<b>31/03/2014</b>	<b>31/03/2013</b>
<b>II.</b>	<b>Capital Raised during the year</b>		
	Public Issue	Nil	Nil
	Bonus Issue	Nil	Nil
	Right Issue	Nil	Nil
	Private Placement / Others	Nil	Nil
<b>III.</b>	<b>Position of Mobilisation and Deployment of Funds.</b>		
	Total Liabilities	14.23	14.12
	Total Assets	14.23	14.12
	<b>Sources of Funds</b>		
	Paid-Up-Capital	3.00	3.00
	Reserves & Surplus	11.10	10.92
	Non-Current liabilities	0.08	0.03
	Current liabilities	0.05	0.17
	<b>Application of Funds</b>		
	Non Current Assets	0.48	0.52
	Current Assets	13.75	13.60
<b>IV.</b>	<b>Performance of Company</b>		
	Turnover	1.60	1.36
	Total Expenditure	1.34	1.26
	Profit before Tax	0.26	0.10
	Profit after Tax	0.18	0.07
	Earning per Share ( Rs.)	6.00	2.33
<b>V.</b>	Generic Names of Principal product / services of Co.		
	Item No. N.A.		

**Signatures to Notes**

As per our report of even date attached

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

S. G. Kabra  
Partner  
M. No. 38867  
Place : Mumbai  
Date : 30<sup>th</sup> May 2014

For and on behalf of the Board

Ramautar S. Jhawar  
Director

Mahesh S Jhawar  
Director

**DIRECTOR'S REPORT**

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

Your Directors present herewith 15<sup>th</sup> Annual Report and the audited accounts of the Company for the year ended on 31<sup>st</sup> March, 2014.

**FINANCIAL RESULT :**

	<b>Year Ended 31/03/2014</b>	<b>(Rs. in Lacs) Year Ended 31/03/2013</b>
Revenue from operation	1201.77	712.33
Profit /(Loss) Before Tax	6.19	5.39
Less Current Tax	2.09	1.63
Net Profit /(Loss) for the year	4.10	3.76
Add Balance Brought from Previous Year	14.02	10.26
Balance Carried to Balance Sheet	18.12	14.02

**DIVIDEND:**

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

**DIRECTORS:**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

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

The Directors confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company and of the profit for the year ended 31<sup>st</sup> March 2014.
- Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.

**AUDITORS :**

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

**AUDITORS' REPORT:**

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

**FIXED DEPOSITS:**

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

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

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs.60,00,000/- or more Per annum, if employed throughout the year, or Rs.5,00,000/- or more per month, in case employed for part of the year. Hence there are no particulars to be annexed to this report as required under section 217 (2A) of the Companies Act, 1956 and the rules made there under.

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

There was no foreign exchange earnings or outgo during the year 2013-2014.

**CONSERVATION OF ENERGY :**

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

**TECHNOLOGY ABSORPTION:**

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

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board

Mahesh S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2014

Vinod S. Jhawar  
Director



**Independent Auditor's Report**

To the Members of  
Dhanesh Fabrics Pvt Ltd.

**Report on Financial Statements:-**

We have audited the accompanying financial statements of Dhanesh Fabrics Pvt Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements:-**

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

**Auditors Responsibility:-**

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

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

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

**Opinion:-**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

**Report on other Legal and Regulatory Requirements:-**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

S. G. Kabra  
(Partner)  
Membership No. : 38867

Place: Mumbai  
Date: 30<sup>th</sup> May 2014

**THE ANNEXURE TO INDEPENDENT AUDITORS' REPORT.**

**(Referred to in paragraph 1 under the heading of " Report on other Legal and Regulatory Requirements" of report of even date.)**

**1. In respect of its Fixed assets:-**

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

**2. In respect of its inventories:-**

(a) The inventories have been physically verified by the management during the year. In our opinion, the of frequency verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company has maintained proper records of its inventories. As explain to us, there were No material discrepancies noticed on physical verification as compared to book records.

**3. In respect of the Loans secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintain U/S. 301 of the Companies Act 1956"**

(a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(b) In respect of Loan taken by the Company the Loan is interest free and repayable on demand.

(c) There is no overdue amount in respect of Loan taken by the Company.

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

5. In Respect of contracts or arrangements referred to in Section 301 Companies Act 1956.

(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeds Rupees five lacs in a year has been made at price which appeared reasonable as per information available with the Company.

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

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act<sup>9</sup>. In respect of Statutory dues.

9. In respect of statutory dues :-

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations give to us and as per books and records of the Company, there are no disputed dues which have remained unpaid as on March 31, 2014 on account of any pending dispute.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment<sup>4</sup>. repayment of dues to a financial institution, bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. As the Company is not dealing in Shares, Securities, etc. Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. Based on our audit procedures and on the information given by the management, we report that the company has not raised term loans during the year.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. The Company has no outstanding debentures during the period under audit.

20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

S. G. Kabra  
(Partner)  
Membership No. : 38867

Place: Mumbai  
Date: 30<sup>th</sup> May 2014

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2014	AS AT 31-03-2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1.00	1.00
(b) Reserves and surplus	2	18.12	14.02
<b>Total</b>		<b>19.12</b>	<b>15.02</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	0.00	0.00
(b) Long-term tax provisions	4	3.47	2.51
(c) Deferred tax Liability	4	0.24	0.00
<b>Total</b>		<b>3.71</b>	<b>2.51</b>
<b>3 Current liabilities</b>			
(a) Trade payable	5	240.92	163.38
(b) Other current liabilities	6	1.78	1.86
<b>Total</b>		<b>242.70</b>	<b>165.24</b>
<b>TOTAL</b>		<b>265.53</b>	<b>182.77</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed Assets			
i) Trangible Asset	7	5.10	5.22
(b) Long-term loans and advances	8	1.99	3.17
<b>TOTAL</b>		<b>7.09</b>	<b>8.39</b>
<b>2 Current assets</b>			
(a) Inventories	9	78.53	81.72
(b) Trade Receivable	10	163.23	90.36
(c) Cash and Cash Equivalents	11	15.46	2.30
(d) Short-term loans and advances	12	1.22	0.00
(e) Other Current Assets	13	0.00	0.00
<b>Total</b>		<b>258.44</b>	<b>174.38</b>
<b>TOTAL</b>		<b>265.53</b>	<b>182.77</b>

Significant Accounting Policies

Notes on Financial Statements

1 to 22

As per our report of even date attached,

For and on behalf of the Board,

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

Chartered Accountants

FR NO. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

**Vinod S. Jhawar**

Director

**Mahesh S. Jhawar**

Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2014	FOR THE YEAR ENDED 31-03-2013
<b>A CONTINUING OPERATIONS</b>			
1 (a) Revenue from operations	14	1,201.61	712.33
(b) Other income	15	0.16	0.00
<b>Total revenue</b>		<b>1,201.77</b>	<b>712.33</b>
<b>2 Expenses</b>			
(a) Purchases of stock-in-trade	16	1,055.97	595.86
(b) Changes in inventories of stock-in-trade	17	3.19	(21.39)
(c) Employee benefits expenses	18	22.64	21.36
(d) Finance costs	19	0.00	0.00
(e) Depreciation	20	0.53	0.26
(f) Other expenses	21	113.25	110.85
<b>Total expenses</b>		<b>1,195.58</b>	<b>706.94</b>
<b>3 Profit before tax</b>		<b>6.19</b>	<b>5.39</b>
<b>4 Tax expense:</b>			
(a) Current tax expense for current year		1.85	1.62
(b) Deferred tax		0.24	0.00
(c) Current tax expense for earlier year		0.00	0.01
<b>Net tax expense</b>		<b>2.09</b>	<b>1.63</b>
<b>5 Profit for the year</b>		<b>4.10</b>	<b>3.76</b>
<b>6 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted		<b>41.02</b>	<b>37.65</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 22		

As per our report of even date attached

For and on behalf of the Board,

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

**Vinod S. Jhawar**  
Director

**Mahesh S. Jhawar**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

**Significant Accounting Policies**

1. The Company follows accrual basis of accounting & recognising Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
2. In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
3. Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.
4. Additional information pursuant to provisions 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
  - i. Licensed Capacity Not Applicable
  - ii. Installed Capacity Not Applicable
  - iii. The Company did not have
    - (a) Any employee drawing aggregate remuneration.
      - i. Of Rs. 60,00,000/-per annum or more in respect of employees employed throughout the year.
      - ii. At a rate equal to Rs. 5,00,000/- per month or more in respect of employees employed for part of the year.
    - (b) Any Imports during the year
    - (c) Any Earnings / Expenditure in foreign currency.
    - (d) Any non-resident shareholders.
5. Contingent Liability: NIL
6. Figures for previous year have been regrouped / rearranged wherever necessary

**Notes on Financial Statement for the year ended 31<sup>st</sup> March-2014****(Rs. In Lacs)**

<b>Particulars</b>	<b>As At 31/03/2014</b>	<b>As At 31/03/2013</b>
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
10000 Equity Shares of Rs. 10/- each (Previous year 10000 Equity Shares of Rs.10/-each)	1.00	1.00
<b>Issued,Subscribed &amp; Paid up</b>	<b>1.00</b>	<b>1.00</b>
10000 Equity Shares of Rs. 10/- each fully paid up in cash (Previous year 10000 Equity Shares of Rs.10/-each)		
1.1 The details of Shareholders holding more than 5 % Shares		
	No.of Shares	%
	No.of Shares	%
Dhanlaxmi Fabrics Ltd. (Holding Company)	9999	99.99
	9999	99.99
<b>2 RESERVES AND SURPLUS</b>		
<b>Profit &amp; Loss A/c</b>		
As per last Balance sheet	14.02	10.26
Add Profit for the year	4.10	3.76
<b>Total</b>	<b>18.12</b>	<b>14.02</b>
<b>3 LONG TERM BORROWINGS</b>		
(Unsecured Loan)		
Dhanlaxmi Fabrics Ltd.	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>4 LONG TERM TAX PROVISIONS</b>		
Provision for income tax	3.47	2.51
Provision for Deffered Tax	0.24	0.00
<b>Total</b>	<b>3.71</b>	<b>2.51</b>
<b>5 TRADE PAYABLE</b>		
Sundry creditors	240.92	163.38
<b>Total</b>	<b>240.92</b>	<b>163.38</b>
<b>6 OTHER CURRENT LIABILITIES</b>		
Salary payable -	1.53	1.71
T.D.S.on Contractors-	0.14	0.15
T.D.S.on Brokragen& Commission	0.11	0.00
Outstanding Expenses	0.00	0.00
<b>Total</b>	<b>1.78</b>	<b>1.86</b>



Particulars	(Rs. In Lacs)	
	As at 31/03/2014	As at 31/03/2013
<b>7 <u>FIXED ASSETS</u></b>		
<b>Motor Car</b>		
Gross Block	5.88	5.48
Less Depreciation	0.78	0.26
Net Block	<b>5.10</b>	<b>5.22</b>
<b>8 <u>LONG TERM LOAN AND ADVANCES</u></b>		
Advance Income Tax	1.90	2.90
T.D.S.Receivable	0.09	0.27
<b>Total</b>	<b>1.99</b>	<b>3.17</b>
<b>9 <u>INVENTORIES</u></b>		
Stock of cloth	78.53	81.72
<b>Total</b>	<b>78.53</b>	<b>81.72</b>
<b>10 <u>TRADE RECEIVABLES</u></b>		
More Than 6 Months	17.42	13.66
others	145.81	76.70
<b>Total</b>	<b>163.23</b>	<b>90.36</b>
<b>11 <u>CASH AND BANK BALANCES</u></b>		
Cash Balance	0.32	0.10
Balance with Bank	15.14	2.20
<b>Total</b>	<b>15.46</b>	<b>2.30</b>
<b>12 <u>SHORT TERM LOANS AND ADVANCES</u></b>		
Staff	0.22	0.00
Jagdishprasad Baheti-	1.00	0.00
<b>Total</b>	<b>1.22</b>	<b>0.00</b>
<b>13 <u>OTHER CURRENT ASSETS</u></b>		
Miscellaneous Expences to the Extent not written off		
Preliminary Expences	0.00	0.02
Less 1/5 Expences Written Off	0.00	(0.02)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
	<b>For the year ended</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>
<b>14 <u>REVENUE FROM OPERATIONS</u></b>		
Net Cloth sales	1201.61	712.33
<b>Total</b>	<b>1201.61</b>	<b>712.33</b>
<b>15 <u>OTHER INCOME</u></b>		
Miscellaneous Income	0.16	0.00
<b>Total</b>	<b>0.16</b>	<b>0.00</b>
<b>16 <u>PURCHASE OF STOCK IN TRADE</u></b>		
Purchases of Cloth	1055.97	595.86
<b>Total</b>	<b>1055.97</b>	<b>595.86</b>

Particulars	(Rs. In Lacs)	
	For the year ended 31/03/2014	31/03/2013
<b>17 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	81.72	60.33
Closing Stock	78.53	81.72
<b>Total</b>	<b>3.19</b>	<b>(21.39)</b>
<b>18 EMPLOYEE BENEFITS EXPENSES</b>		
Salary & Wages	22.62	21.35
Staff Welfare	0.02	0.01
<b>Total</b>	<b>22.64</b>	<b>21.36</b>
<b>19 FINANCE COST</b>		
Interest	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>20 DEPRECIATION</b>		
Provision for the year	0.53	0.26
<b>Total</b>	<b>0.53</b>	<b>0.26</b>
<b>21 OTHER EXPENSES</b>		
Processing Charges	102.95	99.93
Printing & Engraving Charges	0.63	1.04
Screen Charges	1.45	4.96
Transport Charges	2.12	0.96
Gray Checking Charges	0.13	0.77
Sampling Expenses	0.82	0.04
Insurance expenses	1.00	1.00
Trunck & Telephone Expenses	0.02	0.02
Travelling Expenses	0.27	0.15
Conveyance	0.72	0.71
Printing & Stationary	0.00	0.02
Bank Charges	0.00	0.02
Audit Fees	0.07	0.07
Tax Audit Fees	0.04	0.04
Filling Fees	0.02	0.05
Commision & Brokerage	2.88	0.92
Legal & professional fees	0.08	0.06
Postage & Telegram	0.01	0.02
Preliminary Expenses W/O	0.00	0.02
General Expenses	0.02	0.05
Sales Pramotion	0.02	0.00
<b>Total</b>	<b>113.25</b>	<b>110.85</b>

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

As per our report of even date attached

For and on Behalf of the Board

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

S.G.Kabra  
Partner  
M. No. 38867

Vinod S.Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2014

Mahesh S.Jhawar  
Director

**Annexure 1 (Refer Note No.22 of Notes on Financial Statements)**

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

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

Registration No.	120739	State Code	11
Balance Sheet Date	31-03-2014		

(Rs. in Lacs)

**II. Capital Raised during the year**

	For the year ended 31/03/2014	For the year ended 31/03/2013
Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement / Others	NIL	NIL

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

Total Liabilities	265.53	182.77
Total Assets	265.53	182.77

**Sources of Funds**

Paid-Up-Capital	1.00	1.00
Reserves & Surplus	18.12	14.02
Non Current Liabilities	3.71	2.51
Current Liabilities	242.70	165.24

**Application of Funds**

Net Fixed Assets	5.10	5.22
Non Current Assets	1.99	3.17
Current Assets	258.44	174.38

**IV. Performance of Company**

Turnover	1201.77	712.33
Expenditure	1195.58	706.94
Profit before Tax	6.19	5.39
Profit after Tax	4.10	3.76
Earning per Share ( Rs.)	41.02	37.65
Dividend (%)	0.00	0.00

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

Item No. N.A.

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

FR No. 104507W

**S.G. Kabra****Partner M. No.. 38867****For and On behalf of the board****Vinod S. Jhavar****Director****Place : Mumbai****Date : 30<sup>th</sup> May 2014****Mahesh S. Jhavar****Director**

**DIRECTORS' REPORT**

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

Your Directors present herewith Sixth Annual Report and the audited accounts of the Company for the Year ended 31<sup>st</sup> March, 2014.

<b>FINANCIAL RESULT :</b>	<b>Year Ended 31/03/2014</b>	<b>( Rs. in Lacs) Year Ended 31/03/2013</b>
Revenue from operation	798.07	365.58
Profit Before Tax	27.97	20.07
Less Current Tax	8.77	6.21
Net Profit for the year	19.20	13.86
Balance Brought Forward From Previous year	20.89	7.03
Balance Carried to Balance Sheet	40.09	20.89

**DIVIDEND :**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

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

The Directors confirm that :

- \* The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- \* The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the state of affairs of the Company and of the profit for the financial year ended 31<sup>st</sup> March 2014
- \* Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- \* The Annual Accounts have been prepared on a going concern basis.

**AUDITORS :**

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

**AUDITORS' REPORT:**

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

**FIXED DEPOSITS:**

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

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

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 60,00,000/- or more per annum, if employed throughout the year, or Rs. 5,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under section 217(2A) of the Companies Act, 1956 and the rules made there under.

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

There were no foreign exchange earnings or outgo during the year 2013-14

**CONSERVATION OF ENERGY:**

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

**TECHNOLOGY ABSORPTION:**

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

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board

Mahesh S. Jhawar  
Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2014

Vinod S. Jhawar  
Director

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements :**

We have audited the accompanying Financial Statements of DFL Fabrics Pvt. Ltd. ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements :**

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

**Auditors Responsibility :**

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

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

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

**Opinion:-**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March, 31<sup>st</sup> 2014 ;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

**Report on other Legal and Regulatory Requirements:-**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

S. G. Kabra  
(Partner)  
Membership No. : 38867

Place: Mumbai  
Date: 30<sup>th</sup> May 2014

**THE ANNEXURE TO INDEPENDENT AUDITORS' REPORT.**

**(Referred to in paragraph 1 under the heading of " Report on other Legal and Regulatory Requirements" of report of even date.)**

**1. In respect of its Fixed assets:-**

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

**2. In respect of its inventories:-**

(a) The inventories have been physically verified by the management during the year. In our opinion, the of frequency verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company has maintained proper records of its inventories. As explain to us, there were No material discrepancies noticed on physical verification as compared to book records.

**3. In respect of the Loans secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintain U/S. 301 of the Companies Act 1956"**

(a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(b) In respect of Loan taken by the Company the Loan is interest free and repayable on demand.

(c) There is no overdue amount in respect of Loan taken by the Company.

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

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

(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeds Rupees five lacs in a year has been made at price which appeared reasonable as per information available with the Company.

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

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act. In respect of Statutory dues.

**9. In respect of statutory dues :-**

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.



(b) According to the information and explanations give to us and as per books and records of the Company, there are no disputed dues which have remained unpaid as on March 31, 2014 on account of any pending dispute.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment<sup>4</sup>. repayment of dues to a financial institution, bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. As the Company is not dealing in Shares, Securities, etc. Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. Based on our audit procedures and on the information given by the management, we report that the company has not raised term loans during the year.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. The Company has no outstanding debentures during the period under audit.

20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Place: Mumbai  
Date: 30<sup>th</sup> May 2014

S. G. Kabra  
(Partner)  
Membership No. : 38867

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2014	AS AT 31-03-2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1.00	1.00
(b) Reserves and surplus	2	40.09	20.89
Total		<b>41.09</b>	<b>21.89</b>
<b>2 Non-current liabilities</b>			
(a) Long-term provisions	3	15.06	9.20
(b) Deffered Tax Liability	4	0.22	0.00
Total		<b>15.28</b>	<b>9.20</b>
<b>3 Current liabilities</b>			
(a) Trade payables	5	239.65	190.08
(b) Other current liabilities	6	7.95	0.05
Total		<b>247.60</b>	<b>190.13</b>
<b>TOTAL</b>		<b>303.97</b>	<b>221.22</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fix Assets	7	11.83	0.00
(b) Long-term loans and advances	8	15.69	10.78
Total		<b>27.52</b>	<b>10.78</b>
<b>2 Current assets</b>			
(a) Inventories	9	17.27	21.36
(b) Trade receivables	10	139.71	65.73
(c) Cash and cash equivalents	11	0.60	3.08
(d) Short-term loans and advances	12	118.87	120.27
Total		<b>276.45</b>	<b>210.44</b>
<b>TOTAL</b>		<b>303.97</b>	<b>221.22</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 20		

As per our report of even date attached,

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board,

**Mahesh S. Jhavar**  
Director

**Vinod S. Jhavar**  
Director

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2014	FOR THE YEAR ENDED 31-03-2013
<b>A CONTINUING OPERATIONS</b>			
1 (a) Revenue from operations	13	774.55	344.38
(b) Other income	14	23.52	21.20
<b>Total revenue</b>		<b>798.07</b>	<b>365.58</b>
<b>2 Expenses</b>			
(a) Purchases of stock-in-trade	15	711.05	246.56
(b) Changes in inventories of stock-in-trade	16	4.09	16.41
(c) Employee benefits expenses	17	4.75	3.66
(d) Depreciation	18	0.18	0.00
(e) Other expenses	19	50.03	78.88
<b>Total expenses</b>		<b>770.10</b>	<b>345.51</b>
<b>3 Profit before tax</b>		<b>27.97</b>	<b>20.07</b>
<b>4 Tax expense:</b>			
(a) Current tax expense for current year		8.42	6.20
(b) Deffered tax		0.22	0.00
(c) Current tax expenses relating to prior year		0.13	0.01
<b>Net tax expense</b>		<b>8.77</b>	<b>6.21</b>
<b>5 Profit for the year</b>		<b>19.20</b>	<b>13.86</b>
<b>6 Earnings per Equity share of face value of Rs.10/- each</b>			
7 (a) Basic and Diluted		<b>191.96</b>	<b>138.60</b>
Significant Accounting Policies			
Notes on Financial Statements		1 to 20	

As per our report of even date attached,

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board,

**Mahesh S. Jhawar**  
Director

**Vinod S. Jhawar**  
Director

**Significant Accounting Policies**

1. The Company follows accrual basis of accounting & recognising Income and Expenditure on accrual basis. The accounts are prepared on historical cost convention and materially comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
2. In the opinion of the Board of Directors the Current Assets, Loans & Advances have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
3. Disclosure under section 22 of the Micro, Small and Medium enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.
4. Additional information pursuant to provisions 3 & 4 of part II of Schedule VI of the Company's Act, 1956.
  - i. Licensed Capacity Not Applicable
  - ii. Installed Capacity Not Applicable
  - iii. The Company did not have
    - (a) Any employee drawing aggregate remuneration.
      - i. Of Rs. 60,00,000/-per annum or more in respect of employees employed throughout the year.
      - ii. At a rate equal to Rs. 5,00,000/- per month or more in respect of employees employed for part of the year.
    - (b) Any Imports during the year
    - (c) Any Earnings / Expenditure in foreign currency.
    - (d) Any non-resident shareholders.
5. Contingent Liability: NIL
6. Figures for previous year have been regrouped / rearranged wherever necessary

**Notes on Financial Statement for the year ended 31<sup>st</sup> March-2014**

Particulars	(Rs. In Lacs)	
	AS AT 31/03/2014	AS AT 31/03/2013
<b>1 <u>SHARE CAPITAL</u></b>		
<b>Authorised</b>		
10000 Equity Shares of Rs. 10/- each	1.00	1.00
(Previous year 10000 Equity Shares Rs.10/-each)		
<b>Issued,Subscribed &amp; Paid up</b>		
10000 Equity Shares of Rs. 10/- each fully paid up in cash	1.00	1.00
(Previous year 10000 Equity Shares of Rs.10/-each)		
 1.1 Details of Shareholders holding more than 5% Shares		
	No.of Shares	%
	No.of Shares	%
Dhanlaxmi Fabrics Ltd. (Holding Company)	9980	99.98
	9980	99.98
 <b>2 <u>RESERVES &amp; SURPLUS</u></b>		
<b>Profit &amp; Loss A/c</b>		
As per last Balance Sheet	20.89	7.03
Add Profit for the year	19.20	13.86
<b>Total</b>	<b>40.09</b>	<b>20.89</b>
 <b>3 <u>LONG TERM TAX PROVISIONS</u></b>		
Provision for income tax	15.06	9.20
<b>Total</b>	<b>15.06</b>	<b>9.20</b>
 <b>4 <u>DEFERRED TAX LIABILITY</u></b>		
Provision for Deferred tax	0.22	0.00
<b>Total</b>	<b>0.22</b>	<b>0.00</b>
 <b>5 <u>TRADE PAYABLE</u></b>		
Sundry creditors	239.65	190.08
<b>Total</b>	<b>239.65</b>	<b>190.80</b>
 <b>6 <u>OTHER CURRENT LIABILITIES</u></b>		
Salary Payable	0.31	0.03
TDS on Contractors	0.07	0.02
Cheque on Hand	6.64	0.00
Adv.Received from customer	0.93	0.00
<b>Total</b>	<b>7.95</b>	<b>0.05</b>

Particulars	(Rs. In Lacs)	
	As at 31/03/2014	As at 31/03/2013
<b>7 Fixed Assets</b>		
Motor Car		
Gross Block	12.01	0.00
Less Depreciation	0.18	0.00
<b>Total</b>	<b>11.83</b>	<b>0.00</b>
<b>8 LONG TERM LOAN &amp; ADVANCES</b>		
Advance Income Tax	9.90	7.49
TDS Receivable	5.79	3.29
<b>Total</b>	<b>15.69</b>	<b>10.78</b>
<b>9 INVENTORIES</b>		
Stock of cloth	17.27	21.36
<b>Total</b>	<b>17.27</b>	<b>21.36</b>
<b>10 TRADE RECEIVABLES</b>		
More Than 6 Months	71.10	3.71
others	68.61	62.02
<b>Total</b>	<b>139.71</b>	<b>65.73</b>
<b>11 CASH AND BANK BALANCES</b>		
Cash Balance	0.60	0.20
Balance with Bank	0.00	2.88
<b>Total</b>	<b>0.60</b>	<b>3.08</b>
<b>12 SHORT TERM LOAN &amp; ADVANCES</b>		
Mahashakti Grains & Minerals (i) Pvt.Ltd.	50.00	50.00
Lord Venkatesh Yarn Pvt. Ltd.	68.50	65.00
Pratik Syntex Pvt. Ltd.	0.00	5.00
Loan to staff	0.37	0.27
<b>Total</b>	<b>118.87</b>	<b>120.27</b>
	<b>For the year ended</b>	
	<b>As at 31/03/2014</b>	<b>As at 31/03/2013</b>
<b>13 REVENUE FROM OPERATIONS</b>		
Net Cloth sales	730.84	318.57
Job Wok Charges received	43.71	25.81
<b>Total</b>	<b>774.55</b>	<b>344.38</b>
<b>14 OTHER INCOME</b>		
Interest Received	23.52	21.20
<b>Total</b>	<b>23.52</b>	<b>21.20</b>
<b>15 PURCHASE OF STOCK IN TRADE</b>		
Purchases of Cloth	711.05	246.56
<b>Total</b>	<b>711.05</b>	<b>246.56</b>

Particulars	(Rs. In Lacs)	
	For the year ended	
	31/03/2014	31/03/2013
<b>16 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	21.36	37.77
Closing Stock	17.27	21.36
<b>Total</b>	<b>4.09</b>	<b>16.41</b>
<b>17 EMPLOYEE BENEFITS EXPENSES</b>		
Salary & Wages	4.75	3.65
Staff Welfare	0.00	0.01
<b>Total</b>	<b>4.75</b>	<b>3.66</b>
<b>18 DEPRECIATION</b>		
Depreciation for the year	0.18	0.00
<b>Total</b>	<b>0.18</b>	<b>0.00</b>
<b>19 OTHER EXPENSES</b>		
Processing Charges	45.81	71.56
Transport Charges	0.35	2.77
Gray Checking Charges	0.02	0.17
Sampling Expenses	0.02	0.23
Insurance	0.69	0.13
Electricity Charges	0.00	0.09
Repairs & Maintenance	0.00	0.61
Trunck & Telephone Expenses	0.34	0.32
Travelling Expenses	0.00	1.54
Conveyance	0.05	0.04
Bank Charges	0.02	0.03
Audit Fees	0.07	0.07
Tax Audit Fees	0.04	0.04
Commision & Brokerage	0.00	0.01
Motor Car Expenses	1.75	1.08
Sales Promotion	0.70	0.00
Printing Stationary	0.02	0.03
Medical Exp.	0.06	0.00
General Exp.	0.01	0.08
Filling Fees	0.02	0.02
Legal & Professional Charges	0.06	0.06
<b>Total</b>	<b>50.03</b>	<b>78.88</b>

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

As per our report of even date attached  
For S.G. Kabra & Co.  
Chartered Accountants.  
FR No. 104507W  
S.G.Kabra  
Partner  
M. No. 38867  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

For and on Behalf of the Board

Mahesh S.Jhawar  
Director

Vinod S.Jhawar  
Director

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

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

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

**I Registration Details.**

Registration No. 186271 State Code 11  
 Balance Sheet Date 31-03-2014

(Rs. In Lacs)

For the year ended 31/03/2014 For the year ended 31/03/2013

**II. Capital Raised during the year**

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

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

Total Liabilities	303.97	221.22
Total Assets	303.97	221.22

**Sources of Funds**

Paid-Up-Capital	1.00	1.00
Reserves & Surplus	40.09	20.89
Non Current Liabilities	99.28	9.20
Current Liabilities	163.60	190.13

**Application of Funds**

Net Fixed Assets	11.83	0.00
Non Current Assets	15.69	10.78
Current Assets	276.45	210.44

**IV. Performance of Company**

Turnover	798.07	365.58
Expenditure	770.10	345.51
Profit before Tax	27.97	20.07
Profit after Tax	19.20	13.86
Earning per Share ( Rs.)	191.96	138.60

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

Item No. N.A.

As per our report of even date attached

For and On behalf of the board

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

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

Mahesh S. Jhawar  
 Director

Place : Mumbai  
 Date : 30<sup>th</sup> May, 2014

Vinod S. Jhawar  
 Director



# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Dhanlaxmi Fabrics Ltd.

#### Report on the Consolidated Financial Statements :

We have audited the accompanying consolidated financial statements of Dhanlaxmi Fabrics Ltd. ("the Company"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management Responsibility for the Financial Statements :

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial performance and Consolidated cash flows of the Group Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors Responsibility :

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

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

#### Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITORS' REPORT

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March, 31, 2014 ;
- b) in the case of the Consolidated Statement of Profit and Loss of the profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### **Other Matters :**

Financial Statements of Dhanlaxmi Fabrics Ltd. and all others subsidiaries which reflect the total assets (net) of Rs. 9810.00 Lacs as at March 31, 2014, total revenue (net) Rs. 8411.51 Lacs and net cash flows amounting to Rs. 47.24 Lacs for the year ended on that date, have been audited by us.

Our opinion is not qualified in respect of other matters.

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

Place : Mumbai.  
Date : 30<sup>th</sup> May 2014

S.G.Kabra  
Partner  
M.No. 38867

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT 31-03-2014	AS AT 31-03-2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	858.11	858.11
(b) Reserves and surplus	2	2,948.06	2,744.00
Total		<b>3,806.17</b>	<b>3,602.11</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	2000.34	417.64
(b) Deferred tax liabilities (net)	4	624.16	490.30
(c) Other long-term liabilities	5	34.68	21.52
(d) Long-term provisions	6	437.78	359.67
Total		<b>3,096.96</b>	<b>1,289.13</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	738.84	325.03
(b) Trade payables	8	2015.10	1146.85
(c) Other current liabilities	9	64.68	100.88
(d) Short-term provisions	10	88.25	77.83
Total		<b>2,906.87</b>	<b>1,650.59</b>
<b>TOTAL</b>		<b>9810.00</b>	<b>6,541.83</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		4,104.31	2,180.30
(iii) Capital work-in-progress		755.81	885.29
(b) Non-current investments	12	62.08	62.08
(c) Long-term loans and advances	13	740.26	652.55
Total		<b>5,662.45</b>	<b>3,780.22</b>
<b>2 Current assets</b>			
(a) Inventories	14	1385.82	318.57
(b) Trade receivables	15	2,469.75	2,144.78
(c) Cash and cash equivalents	16	81.92	34.68
(d) Short-term loans and advances	17	210.06	263.58
Total		<b>4,147.55</b>	<b>2,761.61</b>
<b>TOTAL</b>		<b>9,810.00</b>	<b>6541.83</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 26

As per our report of even date attached,

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

Chartered Accountants

FR NO. 104507 W

**S. G. Kabra**

Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board,

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014 (Rs. in Lacs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2014	FOR THE YEAR ENDED 31-03-2013
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	18	8282.20	6,765.16
2 Other income	19	129.31	116.72
<b>3 Total revenue</b>		<b>8411.51</b>	<b>6,881.88</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	2161.04	2080.92
(b) Purchases of stock-in-trade	21	4227.97	2436.93
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(911.27)	(7.42)
(d) Employee benefits expenses	23	644.46	530.59
(e) Finance costs	24	184.88	53.91
(f) Depreciation and amortisation expenses	25	594.99	476.38
(g) Other expenses	26	1082.50	1113.25
<b>Total expenses</b>		<b>7984.57</b>	<b>6,684.56</b>
<b>5. Profit before tax</b>		<b>426.94</b>	<b>197.32</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		88.88	174.19
(b) Less- Deferred tax liability Credit		133.87	113.66
(c) Add Current tax relating to prior year		0.13	0.05
<b>Net tax expense</b>		<b>222.88</b>	<b>60.58</b>
<b>7 Profit for the year</b>		<b>204.06</b>	<b>136.74</b>
<b>8 Earnings per Equity share of face value of Rs.10/- each</b>			
(a) Basic and Diluted in Rs.		2.38	1.59
<b>9 Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 26		

As per our report of even date attached

For and on behalf of the Board,

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

Chartered Accountants  
FR NO. 104507W

**S. G. Kabra**

Partner

M. No. 38867

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

**Ramautar S. Jhawar**  
Chairman

**Vinod S. Jhawar**  
Managing Director

**Mahesh S. Jhawar**  
Director

# CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March, 2014		(Rs. in Lacs)	
Particulars	For the year ended 31/03/2014	For the year ended 31/03/2013	
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax	426.94		197.32
<i>Adjustments for:</i>			
Depreciation and amortisation	594.99		476.38
(Profit) / loss on sale / write off of assets	(3.72)		4.61
Finance costs	184.88		53.91
Interest income	(37.08)		(28.69)
Rental Income from Investment Property	(57.73)	681.34	(47.30)
Operating profit / (loss) before working capital changes	1108.28		656.23
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories	(1067.25)		43.41
Trade and other receivables	(271.45)		(977.44)
Other non-current assets	(87.71)		(195.53)
Trade and other Payables	842.47		619.09
Cash generated from operations	(583.94)		(510.47)
Net income tax (paid) / refunds	(89.01)		(174.24)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>435.33</b>		<b>(28.48)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets	(2420.00)		(548.73)
Sale of fixed assets	34.20		9.01
Interest received	37.08		28.69
Rental income from investment properties	57.73		47.30
Long Term Liabilities	13.16		4.50
Long term Provisions	78.11		174.20
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(2199.72)</b>		<b>-285.03</b>
<b>C. Cash flow from financing activities</b>			
Capital Subsidiary Recd.	-		6.62
Repayment of long-term borrowings	1582.70		(173.87)
Net increase / (decrease) in working capital borrowings	413.81		325.03
Finance cost	(184.88)		(53.91)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1811.63</b>		<b>103.87</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>47.24</b>		<b>(209.64)</b>
Cash and cash equivalents at the beginning of the year	81.92		244.32
<b>Cash and cash equivalents at the end of the year</b>	<b>34.68</b>		<b>34.68</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>47.24</b>		<b>(209.64)</b>
As per our report of even date attached			
<b>For S. G. Kabra &amp; Co.</b>		For and on behalf of the Board,	
Chartered Accountants			
FR NO. 104507W			
<b>S. G. Kabra</b>		<b>Vinod S. Jhavar</b>	
Partner		Managing Director	
M. No. 38867		<b>Mahesh S. Jhavar</b>	
<b>Ramautar S. Jhavar</b>		Director	
Chairman			
Place : Mumbai			
Date : 30 <sup>th</sup> May, 2014			

# CONSOLIDATED FINANCIAL STATEMENTS

Notes on Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2014

(Rs. in Lacs)

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

## 1. SHARE CAPITAL

### Authorised Share Capital

	As at 31/03/2014	As at 31/03/2013
1,50,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/- Each )	1500.00	1500.00

### Issued, Subscribed and Paid up

85,81,100 Equity Shares of Rs.10/- each (Previous Year 85,81,100 Equity Shares of Rs. 10/- Each)	858.11	858.11
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1.1 60,21,100 Equity Shares issued in the year 1994 at Face value of Rs.10/- each through Public issue.

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

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

1.4 The details of Shareholders holding more than 5% Shares

	No of Shares	%	No of Shares	%
Eskay Niryat Pvt Ltd.	12,80,000	14.92	12,80,000	14.92
Promtech Impex Pvt Ltd	12,80,000	14.92	12,80,000	14.92
Jhawar Commodities Pvt Ltd	14,57,446	16.98	14,57,446	16.98
Dhanlaxmi export fabrics Pvt Ltd	4,38,000	5.10	4,38,000	5.10
Ramautar Shohanlal Jhawar	7,784,08	8.79	6,78,087	7.90

## 2. RESERVES & SURPLUS

	As at 31/03/2014	As at 31/03/2013
<b>General Reserve</b>	75.62	75.62
<b>Investment allowance Reserve</b>	0.45	0.45
<b>Capital subsidy Reserve</b>	43.46	43.46
<b>Equity Share Premium reserve</b>	896.00	896.00
<b>Profit &amp; Loss A/c</b>		
As per last Balance sheet	1728.47	1591.73
Add Profit for the year	240.06	136.74
<b>Total</b>	<b>1932.53</b>	<b>1728.47</b>
<b>Total</b>	<b>2948.06</b>	<b>2744.00</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## 3 LONG TERM BORROWINGS

	As at 31/03/2014	(Rs. in Lacs) As at 31/03/2013
<b>Secured Loans</b>		
Term Loan from ING Vysya Bank	598.23	384.24
Term Loan from Shamrao Vithal Co-op Bank	1368.71	0.00
<b>Unsecured Loans</b>		
From Promtech Impex Pvt Ltd	33.40	33.40
<b>Total</b>	<b>2000.34</b>	<b>417.64</b>

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

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

3.3 Repayment schedule of bank term loan.

Term Loan No.	2014-15	2015-16	2016-17
<b>ING Vysya Bank</b>			
<b>8853</b>	15.08		
<b>40415</b>	85.38	78.16	
<b>2925</b>	16.40	16.40	2.95
<b>443</b>	68.75	68.75	68.75
<b>The Shamrao Vithal Co-Op. Bank</b>			
<b>137</b>	179.82	359.64	359.64
<b>Total</b>	<b>365.43</b>	<b>522.95</b>	<b>431.34</b>

## 4 DEFERRED TAX LIABILITIES (NET)

	As at 31/03/2014	As at 31/03/2013
<b>Deferred Tax Liabilities</b>		
At Beginning of the year	490.30	603.96
Add/ Less During the year	133.86	(113.66)
At closing of the year	624.16	490.30

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

## 5. OTHER LONG TERM LIABILITIES

	As at 31 /03/2014	As at 31/03/2013
Deposits received from Licensee	34.68	21.52
5.1 Security deposits received against Leave and Licence Agreement entered with the following Licensee for office No.402 and 406 at Kailas Corporate Lounge Vikroli Mumbai and Commercial Galas in Raj Laxmi Park, Kalher Bhiwandi given on rent to them.		
1. John Keells Logistics Pvt Ltd	9.83	9.83
2. ITT Corporation India Pvt Ltd	7.19	7.19
3. Yukti Mercantile Pvt. Ltd.	0.96	4.50
4. Synergy Property Development Services Pvt. Ltd.	16.70	0.00
<b>Total</b>	<b>34.68</b>	<b>21.52</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## 6 LONG TERM PROVISIONS

(Rs. in Lacs)

	As at 31/03/2014	As at 31/03/2013
Provision for IT	437.78	359.67

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

## 7 SHORT TERM BORROWINGS.

Secured Borrowing	As at 31/03/2014	As at 31/03/2013
Cash credit from ING Vysya Bank	358.31	125.03
Cash credit from The Shamrao Vithal Co-op Bank	380.53	0.00
Working capital Demand loan from ING Vysya Bank	0.00	200.00
<b>Total</b>	<b>738.84</b>	<b>325.03</b>

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

## 8 TRADE PAYABLES

	As at 31/03/2014	As at 31/03/2013
Creditors	2015.10	1146.85

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

## 9 OTHER CURRENT LIABILITIES

	As at 31/03/2014	As at 31/03/2013
Charity Fund	9.94	5.50
Unclaimed Dividends	1.09	2.34
Statutory Liabilities	50.26	54.71
Advance received from customers	3.39	38.33
<b>Total</b>	<b>64.68</b>	<b>100.88</b>

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

## 10 SHORT TERM PROVISIONS

	As at 31 /03/2014	As at 31/03/2013
Provision for outstanding Expenses	88.25	77.83



# CONSOLIDATED FINANCIAL STATEMENTS

11 FIXED ASSETS										(Rs. in Lacs)	
Description of the Assets	Gross Block at Cost				Depreciation				Net Block		
	As at 1-04-2013	Addition during the year	Sold during the year	Total as at 31-03-2014	Upto 31-03-2013	Provided for the year	Adjusted during the year	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013	
1. Land	125.15	48.16	0.00	173.31	0.00	0.00	0.00	0.00	173.31	125.15	
2. Building	419.40	219.06	0.00	638.46	213.13	15.00	0.00	228.13	410.34	206.27	
3. Plant & Machinery	3343.70	2191.90	205.97	5329.63	2198.99	386.25	175.49	2409.75	2919.89	1144.70	
4. Electrical Installation	100.86	43.78	0.00	144.65	70.26	5.65	0.00	75.91	68.73	30.60	
5. Pipe Fitting	34.62	0.00	0.00	34.62	28.07	3.58	0.00	31.65	2.97	6.55	
6. Furniture & Fixture	104.57	4.27	0.00	108.84	65.44	6.67	0.00	72.11	36.73	39.14	
7. Laboratory Equipment	25.70	0.00	0.00	25.70	10.59	1.22	0.00	11.81	13.90	15.12	
8. Office Equipment	7.09	1.70	0.00	8.79	4.78	0.36	0.00	5.14	3.65	2.31	
9. Air Conditioner	8.95	6.56	0.00	15.51	5.56	0.50	0.00	6.06	9.44	3.38	
10. Computer	38.50	1.95	0.00	40.45	34.95	0.85	0.00	35.80	4.65	3.54	
11. Motor Vehicle	87.92	12.41	13.81	100.32	35.88	8.53	0.00	44.41	55.91	52.04	
12. Misc. Fixed Assets	29.01	19.68	0.00	48.70	11.63	1.69	0.00	13.32	35.38	17.38	
13. House Property	222.23	0.00	0.00	222.23	11.68	7.42	0.00	19.10	203.13	210.55	
<b>SUB-TOTAL</b>	<b>4547.70</b>	<b>2549.48</b>	<b>205.97</b>	<b>6891.21</b>	<b>2690.96</b>	<b>437.72</b>	<b>175.49</b>	<b>2953.19</b>	<b>3938.02</b>	<b>1856.76</b>	
Wind Power Division											
1. Land	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	10.00	
2. Plant And Machinery	1521.00	0.00	0.00	1521.00	1207.44	157.27	0.00	1364.71	156.29	313.56	
<b>Sub Total</b>	<b>1531.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1531.00</b>	<b>1207.44</b>	<b>157.27</b>	<b>0.00</b>	<b>1364.71</b>	<b>166.29</b>	<b>323.56</b>	
<b>Total</b>	<b>6078.70</b>	<b>2549.48</b>	<b>205.97</b>	<b>8422.21</b>	<b>3898.39</b>	<b>594.99</b>	<b>175.49</b>	<b>4317.90</b>	<b>4104.31</b>	<b>2180.30</b>	
PREVIOUS YEAR	6065.69	33.96	20.94	6078.70	3429.34	476.39	7.32	3898.41	2180.30		

Capital Work in Progress **Rs. 755.81 Lacs** (Previous Year Rs. 885.29 Lacs)

12 NON-CURRENT INVESTMENTS		
In equity shares of subsidiary companies	As at 31/03/2014	As at 31/03/2013
<b>1. Western Chlorides &amp; Chemicals Pvt Ltd</b>		
2999 Equity Shares @ Rs.2170/- Per Share, face	62.08	62.08
Value Rs.100/- Per shares (i.e at premium of Rs.2070 per share)		
<b>Total</b>	<b>62.08</b>	<b>62.08</b>

13 LONG TERM LOANS & ADVANCES		
	As at 31/03/2014	As at 31/03/2013
Balances with Excise dept.	39.60	39.60
Security Deposits	114.72	94.58
Interest Receivable under TUF Scheme	137.26	137.87
TDS Receivables	276.88	210.11
Advance tax Paid	171.80	170.39
<b>Total</b>	<b>740.26</b>	<b>652.55</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2014	(Rs. In Lacs) As at 31/03/2013
<b>14 INVENTORIES</b>		
Fabric	595.30	227.85
Yarn	456.01	0.00
Stock in Process	101.04	13.23
Dyes	105.70	32.18
Chemicals	66.90	30.47
Packing Material	5.51	1.57
Coal	4.14	3.56
Diesel	0.60	0.58
Stores & Spares	50.62	9.13
<b>Total</b>	<b>1385.82</b>	<b>318.57</b>
<b>15 TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
Over Six Months	805.89	192.59
Other	1663.86	1952.19
<b>Total</b>	<b>2469.75</b>	<b>2144.78</b>
<b>16 CASH AND BANK BALANCES</b>		
Cash on hand	16.48	2.98
Balance with banks	19.20	11.62
Fixed deposits with banks	46.24	20.08
<b>Total</b>	<b>81.92</b>	<b>34.68</b>
16.1 Balance with bank includes unclaimed dividend.		
16.2 Fixed Deposit with Banks will be matured as under:-		
Fixed Deposit value	Date of Maturity	
Rs.96000	18/07/2017	
Rs.270000	24/12/2018	
Rs.6500	31/12/2018	
Rs.346000	25/05/2019	
Rs.10000	28/06/2013	
Rs.1280000	19/03/2016	
Rs.1350000	08/02/2017	
Rs.920000	18/03/2017	
Rs.175000	23/06/2017	
Rs.160000	03/06/2016	
Rs.10000	03/06/2016	
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
Loan to staff	2.87	1.46
Prepaid Expenses	6.11	56.35
Advance to Suppliers	61.85	120.83
Others	139.23	134.94
<b>Total</b>	<b>210.06</b>	<b>263.58</b>

# CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. In Lacs)	
	For the year ended	
	31/03/2014	31/03/2013
<b>18 REVENUE FROM OPERATIONS</b>		
Process Charges of Fabrics	3896.31	3063.29
Process Charges of Yarn	440.16	859.52
Weaving Job Works	18.69	0.00
Fabric Sales	3755.76	2475.90
Yarn Sales	13.36	37.37
Garment Sales	0.00	139.98
Power Sales	157.92	186.41
Trading Sales of Coal	0.00	2.69
<b>Total</b>	<b>8282.20</b>	<b>6765.19</b>
<b>19 OTHER INCOME</b>		
Interest occurred on FD	12.47	3.05
Interest on IT refund	0.25	1.79
Other Interest	24.36	23.85
Duty Drawback	1.73	1.06
Foreign exchange differences	0.00	4.64
Profit on sale of Assets	3.72	(4.61)
Sundry balance W/off	0.12	0.01
Misc. Income	0.37	0.17
Profit on Commodities & Share Trading	28.66	39.46
Rent from house property	57.73	47.30
<b>Total</b>	<b>129.31</b>	<b>116.72</b>
<b>20 COST OF RAW MATERIALS CONSUMED</b>		
Dyes	278.58	254.23
Chemicals	731.99	831.09
Packing Material	194.63	219.60
Coal	810.86	634.67
Diesel	6.58	4.72
Store & Spares	138.40	136.61
<b>Total</b>	<b>2161.04</b>	<b>2080.92</b>
20.1 Store & spares Consumption		
Indigenous	129.08	123.13
Imported	9.32	13.48
<b>Total</b>	<b>138.40</b>	<b>136.61</b>
<b>21 PURCHASES OF STOCK IN TRADE</b>		
Fabric	2990.19	2433.06
Yarn	1237.78	1.22
Coal	0.00	2.65
<b>Total</b>	<b>4227.97</b>	<b>2436.93</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended	
	31/03/2014	31/03/2013
<b>22 CHANGES IN INVENTORIES</b>		
<b>Inventory ( At close)</b>		
Fabric	595.30	227.85
Yarn	456.01	0.00
Work in Progress	101.04	13.23
<b>Total</b>	<b>1152.35</b>	<b>241.08</b>
<b>Inventory ( At commencement)</b>		
Fabric	227.85	156.75
Yarn	0.00	7.61
Work in Progress	13.23	69.30
<b>Total</b>	<b>241.08</b>	<b>233.66</b>
<b>Net Change</b>	<b>911.27</b>	<b>7.42</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Labour Charges	416.06	335.36
Salary	219.61	186.61
Contribution to P.F & ESIC	2.92	2.89
Contribution to Graduty Fund	2.90	4.41
Staff welfare Expenses	2.97	1.32
<b>Total</b>	<b>644.46</b>	<b>530.59</b>
<b>24 FINANCE COST</b>		
Interest on Working capital	13.16	16.43
Interest on Term Loan	171.72	37.48
<b>Total</b>	<b>184.88</b>	<b>53.91</b>
24.1 The benefit of TUF Subsidy on interest will be considered on receipt basis from the year 2013-2014.		
<b>25 DEPRECIATION</b>		
Depreciation on Fixed Assets	594.99	478.38
25.1 Depreciation provided on straight line method on triple shift basis		
<b>26 OTHER EXPENSES</b>		
<b>26 (a) Manufacturing expenses</b>		
Electricity Charges	361.59	414.33
Water Expenses	233.91	204.76
Repairs to building	30.40	9.82
Repairs to Machinery	55.80	42.36
Job charges paid	227.49	261.06
Freight & forwarding expenses	23.37	25.48
Laboratory expenses	0.47	0.48
Insurance	12.50	11.83
Lease rent for factory land	0.60	0.60
Contribution to Hazzardous waste	0.91	0.75
Analysis Charges	1.59	0.68
<b>Total</b>	<b>948.63</b>	<b>972.15</b>
<b>26(b) Selling &amp; distribution expenses</b>		
Sales promotion	3.30	0.30
Commission & brockrage	24.31	20.94
<b>Total</b>	<b>27.61</b>	<b>21.24</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

For the year ended  
31/03/2014                      31/03/2013

## 26.(c) Administrative expenses

Property tax	5.22	4.74
Printing & stationery	10.12	11.16
Rent, Rates & Taxes	9.42	2.62
Travelling expenses	4.13	5.71
Postege & courier charges	1.24	1.04
Legal & professional fees	8.34	6.86
Advertisement charges	1.58	1.39
Repairs to others	9.38	9.56
conveyance expenses	3.24	4.24
General expenses	8.90	10.07
Bank Loan processing fees & Stamp duty	3.23	22.39
Registration fee	0.13	0.15
Expenses on Demurger	0.00	1.50
Listing fees	0.28	0.28
Bank charges	1.67	0.69
Demate Charges	0.35	0.34
Vehicle expenses	9.77	7.83
Trunk & telephone	3.90	4.24
Auditor Remuneration	2.41	2.06
Medical expenses	0.28	0.24
Keyman expenses	7.94	7.94
Directors remuneration	13.44	13.44
Sitting Fees	1.28	1.35
Priliminary Expenses W/off	0.00	0.02
<b>Total</b>	<b>106.26</b>	<b>119.86</b>
<b>Total 26(a)+26(b)+26(c.)</b>	<b>1082.50</b>	<b>1113.25</b>

# DHANLAXMI FABRICS LIMITED

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

## PROXY

I/We .....  
.....  
district of ..... being a member/members  
of the above named company hereby appoint .....  
..... of ..... in the district  
of ..... or failing him  
..... of  
of ..... as my/ our proxy  
to attend and vote for me / us and on my/ our behalf at the 22<sup>nd</sup> Annual General Meeting of the the company to be held on  
Saturday 20<sup>th</sup> September, 2014 at Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204 (Maharashtra)  
at 1.00 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2014.

Signed by the said .....

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

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

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

Affix  
One  
Rupee  
Revenue  
Stamp

# DHANLAXMI FABRICS LIMITED

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

## ATTENDANCE SLIP

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company held on Saturday 20<sup>th</sup> September  
2014 at Manpada Road, Bhopar Village, Dombivli (E), Thane -421 204 (Maharashtra) at 1.00 p.m.

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

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

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

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

Signature of the Shareholder(s) or

Proxy or Company Representative .....

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

**BOOK-POST**

If undelivered please return to :

**DHANLAXMI FABRICS LIMITED**

Bhopar Village, Manpada Road,

Dombivli (East) - 421 204.

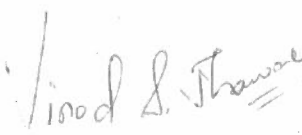
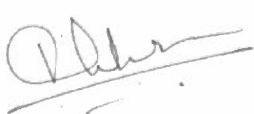

Dist. Thane, Maharashtra.

# Dhanlaxmi FABRICS LTD.



Bhopar Village, Manpada Road, Dombivli (East) - 421 204.  
Phone : 0251-2870589 / 2870590 / 91/ 92 • Fax : 0251-2870545  
e-mail : info@dfi.net.in • Website : www.dfi.net.in

## FORM A AS PER CLAUSE 31 OF THE LISTING AGREEMENT

Sl. No.	Descriptions	Details
1	Name of the Company	M/s. Dhanlaxmi Fabrics Limited
2	Annual Financial Statement for the Year ended	31 <sup>st</sup> March, 2014
3	Type of Audit Observation	Unqualified
4	Frequency of observations	Not Applicable
5	To be Signed by	
	1) MR. VINOD .S.JHAWAR MANAGING DIRECTOR	
	2) Mr. HITESH JHAWAR CFO/Finance Head	
	3) Mr. S.A. KABRA & CO. Auditor of the Company	
	4) Mr.N.C.SHARMA Audit Committee Chairman	