Jakharia
Spinning your stories

To,
The Manager
Listing & Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra,
Mumbai- 400051.

Date : 6th September, 2019

Company ID : JAKHARIA
ISIN : INE00N401018

Sub: Annual Report for the Financial Year 2018-19

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached herewith the Annual Report for the financial year 2018-19.

Kindly take the same on your record.

Thanking You,

For JAKHARIA FABRICS LIMITED

Bhavin J. waghela

JAKHARIA FABRIC LTD THANE

BHAVIN WAGHELA
Company Secretary & Compliance Officer

Encl : Annual Report

Jakharia Fabric Limited
(Formerly known as JAKHARIA FABRIC PVT LTD)
CIN - U17200MH2007PLC171939
Reg Office -1224,Deoji nagar,
Narpoli village,Bhiwandi,
Thane-421302, Maharashtra

02522 278892 | +91 9820128583
info@jakhariafabric.com
www.jakhariafabric.com



JAKHARIA FABRIC LIMITED*

(FORMERLY KNOWN AS JAKHARIA FABRIC PRIVATE LIMITED)

CIN : L17200MH2007PLC171939

**Changed from "JAKHARIA FABRIC PRIVATE LIMITED" to "JAKHARIA FABRIC LIMITED" by passing a Special Resolution by the Shareholders of the Company in the Extra-Ordinary General Meeting held on Friday- 20th day of April, 2018.*

12th ANNUAL REPORT

2018-2019

CORPORATE INFORMATION

BOARD OF DIRECTORS:

JIGNESH H. SHAH
Chairman & Executive Director

NITIN K. SHAH
Managing Director

DIXIT SHAH
Whole Time Executive Director

HIMATLAL SHAH
Whole Time Executive Director

MANEKCHAND SHAH
Whole Time Executive Director

ANANT SAWANT
Non-Executive Independent Director

MUKUL VORA
Non-Executive Independent Director

RAJASHRI KOVIL
Non-Executive Independent Director

MANOJKUMAR TIWARI
CHIEF FINANCIAL OFFICER

BHAVIN WAGHELA
COMPANY SECRETARY & COMPLIANCE OFFICER

STATUTORY AUDITORS
SHAH SHROFF & ASSOCIATES
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITORS
DHARA U. SHAH & ASSOCIATES
PRACTICING COMPANY SECRETARIES

INTERNAL AUDITORS
ABHIJEET H GOLE & ASSOCIATES
CHARTERED ACCOUNTANTS

REGISTRAR AND TRANSFER AGENTS:
Bigshare Services Private Limited

BANKERS TO THE COMPANY:
Kotak Mahindra Bank Ltd.

Listing at (SME Platform)
National Stock Exchange of India Limited (NSE EMERGE)
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

REGISTERED OFFICE :
OFFICE NO.1224, DEOJI NAGAR, NARPOLI VILLAGE, BHIWANDI, THANE - 421 302.

Tel No: +91-25-2227 8892
Email: info@jakhariafabric.com
Website: www.jakhariafabric.com

UNIT 1:
Plot No 13/1 , MIDC Saravli Village, Kalyan Bhiwandi Road, Bhiwandi, District - Thane – 421 302.

UNIT 2:
Plot No A 13, MIDC Tarapur, Boisar District – Palghar 401 506.

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2	Directors Report
3	Annexures to Director's Report
	Annexure-I- Form no. MGT-9- Extract of Annual Return
	Annexure-II- Conservation of Energy, Technology absorption and Foreign exchange earnings & outgo
	Annexure-III-Annual Report on Corporate Social Responsibility (CSR) Activities
	Annexure-IV-Secretarial Audit Report
	Annexure-V- Management Discussion & Analysis Report
	Annexure VI - Particulars of Employees
4	Independent Standalone Auditor's Report on as on 31st March 2019
5	Standalone Audited Financial Statements as on 31st March, 2019
6	Notes on Standalone Audited Financial Statements as on 31st March, 2019
7	Independent Consolidated Auditor's Report on as on 31st March 2019
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NOTICE OF THE 12TH ANNUAL GENERAL MEETING

To:
The Members of
JAKHARIA FABRIC LIMITED
(CIN: L17200MH2007PLC171939)
OFFICE NO.1224, DEOJI NAGAR, NARPOLI VILLAGE, BHIWANDI, THANE – 421302.

Notice is hereby given that the **12th Annual General Meeting** of the members of **JAKHARIA FABRIC LIMITED**will be held on**Monday, 30th September, 2019 at 2.00 P.M**.atthe Registered Office of the Company at Office No.1224, Deoji Nagar, Narpoli Village, Bhiwandi, Thane - 421 302, Maharashtra, Indiato transact with orwithout modification(s) the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited financial statements and Consolidated Audited Financial Statements of the Company for the year 2018-19 ended 31st March 2019, comprising of the Standalone & Consolidated Balance Sheet as at 31st March 2019, Standalone & Consolidated Statement of Profit & Loss and Standalone & Consolidated Statement of Cash Flow for the year 2018-19 ended 31st March 2019, together with the Report of the Statutory Auditors and Board's Report thereon

2. To appoint a Director in place of **Mr. Himatlal P. Shah (DIN:02415630),** who retires by rotation and being eligible, offers himself forre-appointment.

NOTES:

I. The Company got listed with NSE on SME platform on July 11, 2018.

II. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), is not required in respect of the business under above Items. The relevant details of the Director seeking re-appointment under Item No. 2 , pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, is provided in **Annexure A**.

III. 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 the proxy need not be a member of the company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in other aggregate not more than 10% of the

total share capital of the Company carrying voting rights. If a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

IV. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation (Including any statutory Modification or re-enactment thereof for the time being in force), the Company is not providing e-Voting facility as per provisions of the Companies Act, 2013 , SME Listed Company is not Mandatory to provide e-Voting Facility.

e-Voting Facility shall not apply to companies referred to in Chapter XB or Chapter XC of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "ICDR Regulations") along with companies with less than 1000 members. Chapter XB of ICDR Regulations deals with the issue of specified securities by small and medium enterprises and chapter XC of the ICDR Regulations relates to listing on the exchange made possible without bringing on initial public offer by small and medium enterprises ("SMEs").

V. The Register of Members and Share transfer Books of the Company will remain closed from **Monday the 23rd September, 2019 to Monday 30th September, 2019 (both days inclusive).** The Record date / cut-off date to determine the eligibility of members for the purpose of voting at the 12th AGM is **Saturday, the 28th September, 2019.**

VI. A route map giving directions to reach the venue of the 12TH Annual General Meeting is given at the end of the Notice.

VII. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

VIII. The Company was not having any pending unclaimed dividend to be transferred to Investor Education and Protection Fund (IEPF) in Pursuant to the provisions of Section 125 of the Companies Act, 2013.

IX. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.

X. Members desirous of seeking any information concerning the accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

XI. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.

XII. In view of the Circular issued by the SEBI for appointing common agency for both the

modes of transfers i.e. Physical as well as Demat, the Company has already appointed M/s. Bigshare Services Pvt. Ltd. as Registrar & Transfer Agent for both the modes of transfers i.e. Physical as well as Demat. Members are therefore requested to send their grievances to them for early disposal at the address given below:

BIGSHARE SERVICES PVT. LTD.
1st Floor, Bharat Tin Works Bldg.,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (E), Mumbai – 400059

XIII. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given above and in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

XIV. All documents referred to in the Notice and in the Explanatory Statements are open for inspection at the Company's registered office of the Company during normal business hours on all working days except public holidays between 11.00 AM and 1.00 P.M. upto the date of the Annual General Meeting.

XV. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at theentrance with signature. In the absence thereof, they may not be admitted to the meeting venue.

XVI. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at themeeting.

XVII. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.

XVIII. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

XIX. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's Website i.e. www.jakhariafabric.comand may be accessed by the members.

By order of the Board
For JAKHARIA FABRIC LIMITED
Sd/-
BHAVIN WAGHELA
COMPANY SECRETARY

DATE : 27TH MAY, 2019

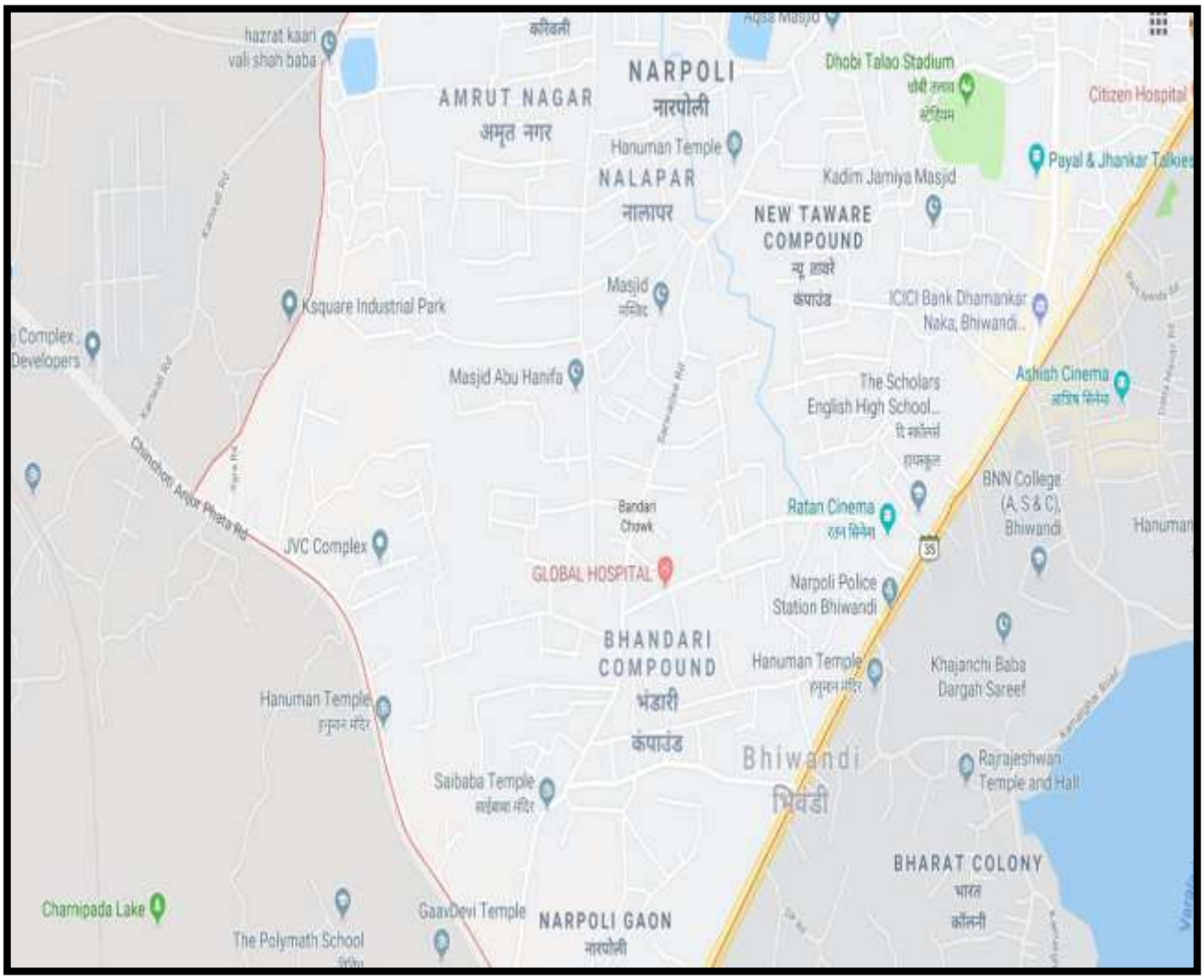
REGISTERED OFFICE:
JAKHARIA FABRIC LIMITED
Office No.1224, Deoji Nagar,
Narpoli Village, Bhiwandi,
Thane - 421 302
Email:info@jakhariafabric.com

Annexure A

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Name	**Mr. Himatlal P. Shah**
Directors Identification Number (DIN)	**02415630**
Age	**67 Years**
Qualification	**Secondary Education**
Expertise in Specific Area	**Experience in the Textile Field**
Date of first Appointment on the Board of the Company	**22nd June, 2007**
Shareholding in JAKHARIA FABRIC LIMITED	**60,834 Equity Shares**
List of Directorship held in other companies	**Director - Jakharia Synthetics Pvt. Ltd.**
Membership/Chairmanships of Audit and StakeholdersRemuneration Committee	**NIL**

ROUTE MAP OF VENUE



Venue : Office No.1224, Deoji Nagar, Narpoli Village, Bhiwandi, Thane - 421 302



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present the first Annual report after listing of securities at "EMERGE"platform of National Stock Exchange of India Limited on 11th July 2018. It feels great to address you as a Chairman because it gives me a chance to say thanks to everyone for their role in making our venture a success. On behalf of Board of Directors, I express my gratitude for faith, confidence, and conviction kept towards us by the stakeholders. The expansion project undertaken by the group during the year is going ahead of the schedule. This could be possible with the support of you, being the new investor in the company, Kotak Mahindra Bank Ltd, who granted Term Loan and most sincere and dedicated efforts put in to implement the project ahead of time. The overwhelming response of Our Initial Public Offer proves the confidence of stake holder in our company.

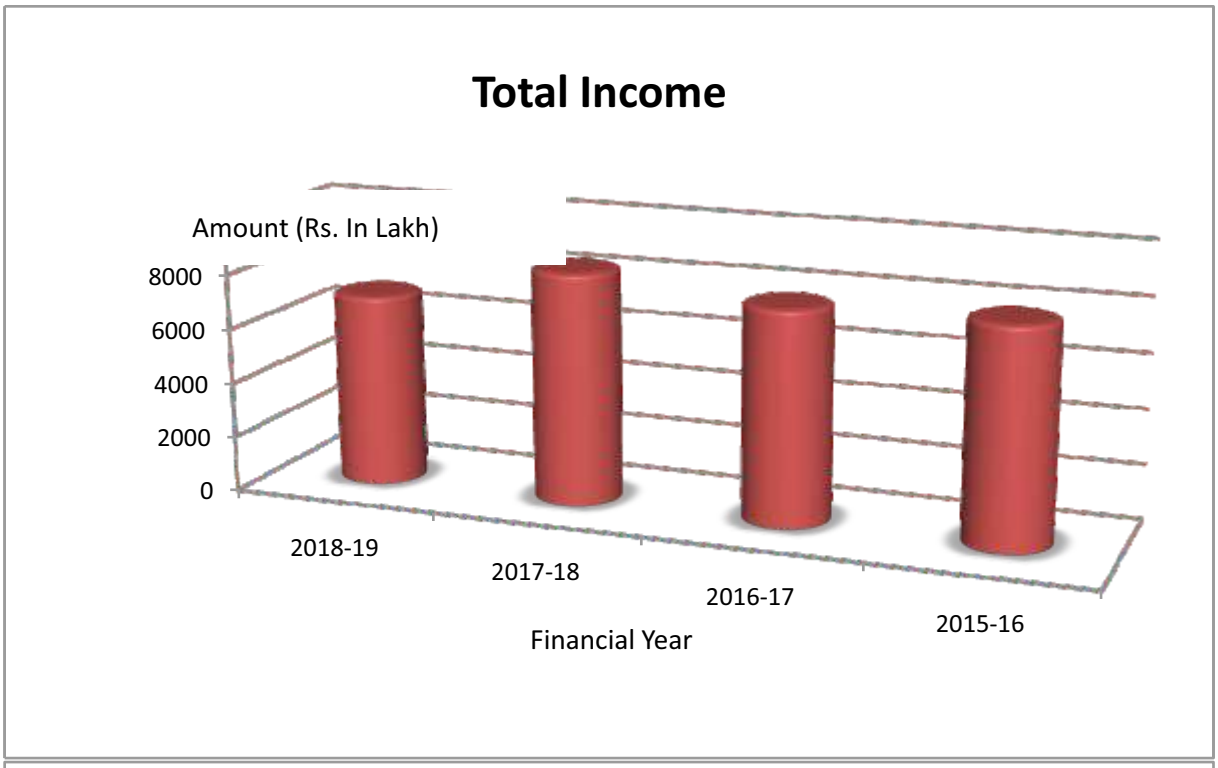
There is series of important events in financial year ended on 31.03.2019. The company has come with the IPO by way of new Equity shares.The overwhelming response to IPO is displaying the trust and faith towards the company. Our Company is a textile fabrics processing unit with an aggregate installed capacity of 720 lakh meters p.a operating through 2 units located at Tarapur, MIDC and Saravali, MIDC. Our Group has acquired land at MIDC, Tarapur in the name of M/s. Jakharia Industries, a partnership firm, in which your Company is a partner with 96% share of profit. We believe that our Company will earn benefits of economies of scale by increasing its processing capabilities and also earn share of profit from such Partnership firm which would in turn add to the operating results of our Company in the future.

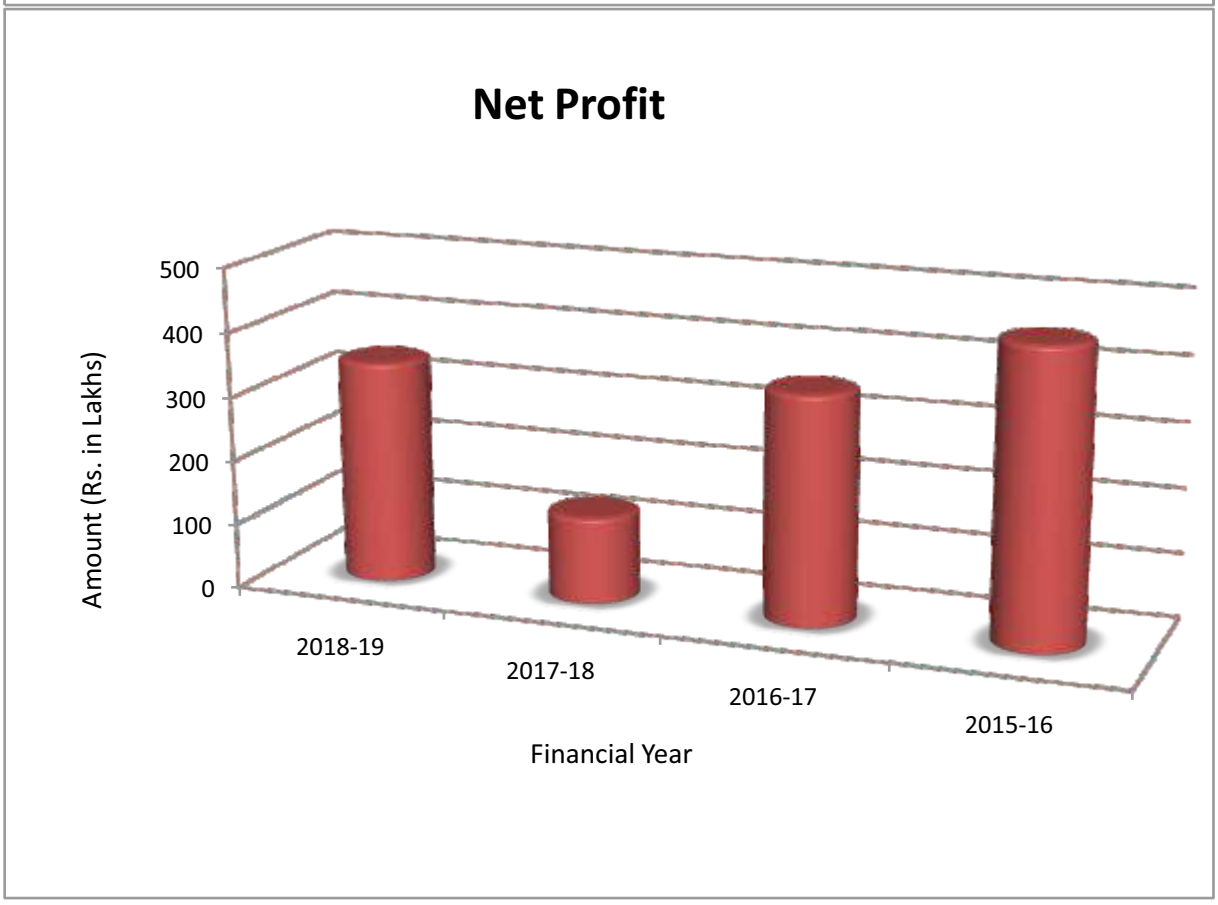
The Indian economy is running towards exception growth and rapid development. The leadership of our Prime Minister is taking the economy at higher level. "Make in India" concept is getting phenomenal response from the public. The management of the company is very much impressed with various new concepts of development floated by the government. The company tried to increase the brand value of India by giving best quality in its products which are exported out of India. With great endeavor of whole team, the company is stepping towards the progress in quality as far as in profitability.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance, heartfelt thanks to all the customers, business associates, suppliers, bankers, lead manager, underwriter, market maker, CDSL and NSDL, NSE, SEBI, and RTA for their support. Lastly, I would like to extend my gratitude towards all our shareholders for their continuing faith and confidence in the management of the company. We aim to earn your trust every day and will work towards achieving the greater heights of success in coming years.

With best wishes,
Sincerely,
Sd/-
Jignesh Shah
Chairman & Executive Director
(DIN:00256315)

FINANCIAL HIGHLIGHTS





DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasurein presenting the 12th Annual Report togetherwiththe Audited Financial Statements of accounts of the Company for the Financial Year ended 31st March, 2019.

COMPANIES SPECIFIC INFORMATION:

1. FINANCIAL RESULTS :

The Company's financial performance for the year ended 31st March, 2019 is summarized below:

Particulars	(Rs. In lakhs)	
	2018-2019	2017-2018
Revenue from Operation	6997.31	8397.08
Other Income	22.49	37.18
Total Income	**7019.80**	**8434.25**
Expenses:		
Cost of Material consumed	3273.78	4711.19
Change in Inventory	(3.81)	(21.77)
Employee Benefit	1313.48	1155.45
Finance Cost	109.57	97.65
Depreciation & Amortization Exp.	168.79	173.48
Other Expenses	1651.41	2060.57
Total Expenses	**6513.22**	**8176.00**
Net Profit Before Prior Period Item	**513.88**	**257.68**
Prior Period Expenses	(7.30)	(39.13)
Net Profit/ (Loss) Before Tax	**506.58**	**218.55**
Tax Expenses		
- Current Tax	**140.47**	(78.60)
- Excess/(short) Provision in earlier year		6.38
- Deferred Tax	20.46	(12.37)
Net Profit/ (Loss) After Tax	**345.65**	**133.96**
Opening Balance of Profit & Loss A/c	**1520.54**	**1386.58**
Add: Profit/ (Loss) for the year	**345.65**	**133.96**
Transfers:		
- General Reserves		
Closing Balance of Profit & Loss A/c	**1866.20**	**1520.54**
Earnings per share		
- Basic	9.16	5.20
- Diluted	9.16	5.20

2. OPERATIONAL PERFORMANCE :

Your Company delivered yet another year of consistent and profitable growth. During the year the Company has earned a profit of₹ 345.65Lakhs as against ₹133.96 Lakhs in previous year. The Company is operating only in one segment i.e. Fabricand there is no change in the nature of the Business of the Company.

In accordance with section 136 of the Companies Act, 2013, the audited financial statementsare available on www.jakhariafabric.com. These documents will also be available for inspection during working hours at the registered office of your Company. Any member interested in obtaining such document may write to the Company Secretary and the same shall be furnished on request.

3. UPDATE ON EXPANSION PLAN

The company has made investment in M/s Jakharia Industries (Partnership firm) in which your company is a partner. The status of project as implemented by the firm is as under:-

The civil work at the factory is completed and the firmhas already applied to MIDC for obtaining the building completion certificate. The construction of main plant, laboratory building, material storage area, etc. is complete.

The main plant & machinery has been installed and trial runs in terms of taking trial batches at the plant has commenced. Out of the balance machinery, some have already arrived at the factory and the installation work is under progress and the balance would arrive by end of June 2019. The electrification in terms of control panel, cabling etc is completed and tested. The power has been released.

The trail runs have commenced& technically, the plant would be in a position to commence commercial production from 1st July 2019.

4. INITIAL PUBLIC OFFER/ LISTING OF SECURITIES

On April 27, 2018 the company has received certificate of incorporation consequent upon conversion to public limited company. Further on June 01, 2018 the company has also received in principle approval for Initial public issue of 10,92,000 as NSE emerge (being the SME platform of NSE) from National Stock Exchange of India limited.

The Company, pursuant to the provisions of Section 26 and 32 of the Companies Act, 2013 read with rules made there under, including the SEBI (ICDR) Regulations, 2009 (as amended), and in terms of Prospectus Dated 21st June 2018, offered 10,92,000 (Ten lakh Ninety Two Thousand) equity shares of face value of ` 10/- each, at a ` of `180/- per equity share, through Fixed Price process, in the Initial Public Offer (IPO) for part funding the project of M/s Jakharia Industries wherein your company is a partner.

The IPO Issue opened on 29th June 2018 and closed on 03rd July 2018. The issue and allotment of equity shares in the capital of the Company was made on 07th July 2018. The designated Stock Exchange - National Stock Exchange of India Limited, has approved, the listing and trading of equity shares in the capital of the Company, on its SME Platform namely NSE EMERGE, effective from 11th July 2018.

Your Directors place their sincere thanks to all the investors and the NSE, SEBI, Merchant Bankers and all the agencies for their guidance and support. The Company's equity shares are regularly being traded at the floor of the NSE EMERGE Platform.

5. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

During the year under review the company has not transferred any amount to the general reserves. However, the Company has received security premium amount of `Rs. 1856.40 Lakhs in the public issue of 10.92 Lakhs equity shares of ` 10/- each at a premium of ` 170/- per share allotted on 7thJuly, 2018 and transferred the same to Securities Premium Reserves. Further that the Company has utilized the amount of Securities Premium Reserves to the extent of Rs.

67.34 Lakhsfor the purpose of writing off public issue expenses.The Profit of ₹ 345.65 Lakhs is transferred to the Reserve and Surplus Account for the year under review.

6. DIVIDEND

To strengthen the financial position and funding to the ongoing projects of the company, No dividend is recommended by the Board for the financial year ended March 31, 2019. (previous year NIL)

7. CAPITAL STRUCTURE

The Capital Structure of the Company as on 31.03.2019 are as follows:

The Authorized Share Capital of the Company is Rs. 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

The Issued, Subscribed & Paid up Capital of the Company is Rs. 4,06,38,300 (Rupees Four Crore Six Lakh Thirty-Eight Thousand Three Hundred only) divided into 40,63,830 (Forty Lakh Sixty-Three Thousand Eight Hundred and Thirty) Equity Shares of Rs. 10/- (Rupees Ten) each.

During the year under review the Company has issued and allotted 10,92,000 fully paid-up Equity Shares of face value of ` 10/- each, at a premium of `170/- per equity share, to successful applicants under its Initial Public Offer as per Prospectus dated 21st June, 2018. The Company has not issued any shares with differential voting rights or sweat equity or granted stock options.

BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

BONUS SHARES

No Bonus Shares were issued during the year under review.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

8. CREDIT RATING OF SECURITIES

Company has obtained credit rating from CRISIL Limited vide letter number-JKHFP/201167/BLR/061800469 dated 13th June 2018, and rating is "CRISIL BB/Negative (Reaffirmed)"

The aforesaid ratings will be due for surveillance anytime by CRISIL Limited before 30.06.2019.

9. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CHANGE IN NATURE OF BUSINESS :

There has been no change in the nature of any business of the company during the financial year under review.

CHANGE OF NAME

Pursuant to Section 13 and other applicable provisions and rules, if any, of the Companies Act, 2013, the Board has passed the Resolution for Change in the name of Company from "Jakharia Fabric Private Limited" to "Jakharia Fabric Limited" in the Extra-ordinary General Meeting of the Company held on April 20, 2018. Subsequently, Registrar of Companies, Maharashtra has issued a fresh certificate of incorporation dated April 27, 2018 certifying the change of name of Company as per Rule 29 of the Companies (Incorporation) Rules, 2014.

The approval of members was accorded for the conversion of the status of the Company from Private Limited Company to Public Limited Company pursuant to Section 14 and other applicable provisions and rules, if any, of the Companies Act, 2013.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR

TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review there has been no such significant and material orders passed by theregulators or courts or tribunals impacting the going concern status and company's operations in future.There are no significant and material orders passed by any regulator or court or tribunal impacting the going concern status and Company's Operation in future.

11.SUBSIDIARIES, ASSOCIATE COMPANIES& JOINT VENTURES:

The details of Subsidiaries, Associate companies & Joint Ventures are provided in **Form MGT - 9** annexure to the Director's Report as **"Annexure-I"**

12. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 as required under section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014 is enclosed as **"Annexure-I"**

Kindly Take Note that the Annual Return is available on the Website of the Company on www.jakhariafabric.com.

13.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure II".**

14. BOARD OF DIRECTORS, THEIR MEETINGS & KMP(S):

I. Constitution of the Board

The Board of directors are comprising of total 8 (Eight) Directors, which includes 3 (Three) Independent and 1 (One) Women director. The Chairman of the Board is Promoter and Executive Director. The Board members are highly qualified with the varied experience in the relevant field of the business activities of the Company, which plays significant roles for the business policy and decision-making process and provide guidance to the executive management to discharge their functions effectively.

II. Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (LODR)Regulations, 2015 and Section 149(6) of the Companies Act, 2013. The Company is havingfollowing independent directors:

(i) Mr. Anant Rajaram Sawant
(ii) Mr. Mukul Vora
(iii) Mrs. Rajashri Rajesh Kovil.

As per provisions of the Companies Act, 2013, Independent Directors were appointed for aterm of 5 (five) consecutive years and shall not be liable to retire by rotation.

III. Declaration by the Independent Directors

All the Independent Directors have given their declaration of Independence stating that theymeet the criteria of independence as prescribed under section 149(6) of the Companies Act,2013. Further that the Board is of the opinion that all the independent directors fulfill thecriteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015during the year 2018-19.

IV. Directors liable to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Himatlal Panachand Shah (DIN: 02415630), Whole Time Director of the Company is liable to retire by rotation at ensuing Annual General Meeting and being eligible offers himself for re-appointment.

V. Changes in Directors & Key Managerial Personnel

Followings are the brief details of the Directors as per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The directors are appointed in the financial year 2018-2019.

(1) Name, Current Designation, Address & DIN	Mrs. Rajashri Kovil - Non-Executive Independent Director Address: 15/304, Indradarshan Oshiwara, Andheri (West), Mumbai – 400 053 DIN: 07011925
Date of Appointment as Additional Non- Executive Independent Director:	April 12, 2018
Date of Appointment as Non-Executive Independent Director:	April 20, 2018
Term:	Appointed as Non-executive Independent Director for a period of Five years i.e. till April 19, 2023
Occupation:	Freelancer
Nationality	Indian
Age	44 Years
Other directorship	1) Model Watch India Pvt. Ltd. 2) Model World India Pvt. Ltd
(2) Name, Current Designation, Address & DIN	Mr. Anant Sawant - Non-Executive Independent Director Address: 11 Arunoday, Opp. Pushtipati Ganesh Mandir, Odhav Nagar, Borivali East, Mumbai – 400 066 DIN: 08093208
Date of Appointment as Additional Non- Executive Independent Director:	April 12, 2018
Date of Appointment as Non-Executive Independent Director:	April 20, 2018
Term:	Appointed as Non-executive Independent Director for a period of Five years i.e. till April 19, 2023
Occupation:	Consultant
Nationality	Indian
Age	69 Years
Other directorship	Nil
(3) Name, Current Designation, Address & DIN	Mr. Mukul Vora - Non-Executive Independent Director Address: 701, Sujal Building, Cotatge Lane of S.V. Road, Near Danabhai Jewellers, Santacruz West, Mumbai – 400 054 DIN: 08108391
Date of Appointment as Additional Non- Executive Independent Director:	April 12, 2018
Date of Appointment as Non-Executive Independent Director:	April 20, 2018
Term:	Appointed as Non-executive Independent Director for a period of Five years i.e. till April 19, 2023
Occupation:	Professional
Nationality	Indian
Age	61 years
Other directorship	Nil

CHANGES IN KEY MANAGERIA PERSONNEL

There are following changes in Key Managerial Personnel during the year under review.

Sr. No.	Name	Date of event
1	Rajashri Kovil -Independent Director	20.04.2018 Appointment
2	Anant Sawant -Independent Director	20.04.2018 Appointment
3	Mukul Vora -Independent Director	20.04.2018 Appointment
4	Manojkumar Tiwari -C.F.O.	12.04.2018 Appointment
5	Bhavin Waghela -Company Secretary & Compliance Officer	12.04.2018 Appointment

VI. Meetings and Attendance of the Board

The Board meets at regular intervals to discuss and decide on company/business policy and strategy apart from other Board business. The notice of Board meeting is given well in advanceto all the Directors. Meetings of the Board are held in Bhiwandi, at the Registered Office. TheAgenda of the Board meetings is circulated at least a week prior to the date of the meeting.The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met 17 (Seventeen) times in the Financial Year 2018-19. The maximum interval between any two meetings did not exceed 120 days. Attendance of each director in board meeting as follows:

Sr. no.	Date of Meeting	Board Strength	No. of Directors Present
1	12.04.2018	8	8
2	27.04.2018	8	8
3	02.05.2018	8	8
4	03.05.2018	8	8
5	04.05.2018	8	8
6	08.05.2018	8	8
7	10.05.2018	8	8
8	21.05.2018	8	8
9	24.05.2018	8	8
10	04.06.2018	8	8
11	21.06.2018	8	8
12	07.07.2018	8	8
13	24.10.2018	8	8
14	23.11.2018	8	8
15	13.11.2018	8	8
16	02.01.2019	8	8
17	30.03.2019	8	8

VII. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 30.03.2019to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

VIII. Company's Policy on Directors' Appointment and Remuneration:

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive at tributes, independence of a Director and other matters provided under section 178(3), are given below which is also uploaded on company's websitewww.jakhariafabric.com. The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of your Company. The NRC reviews and meets potential candidates, prior to recommending their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected is communicated to the appointee. The NRC has formulated the criteria for determining qualification, positive attributes/ and

independence of Directors in terms of provisions of Section 178(3) of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015 as stated as under:

Independence: A Director will be considered as an "Independent Director" if he/she meets with the criteria for "Independence" as laid down in the act, regulations 16 of the SEBI (LODR), Regulations and the Governance Guidelines.

Competency: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board comprises a mix of members with different educational qualifications, knowledge and who possess adequate experience in banking and finance, accounting and taxation, economics, legal and regulatory matters, consumer industry, hospitality sector and other disciplines related to the company's businesses.

Additional positive attributes:

i. The Directors should not have any other pecuniary relationship with your company, its subsidiaries, associates or joint venture and the company's promoters, except as provided under law.
ii. The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
iii. The Directors should not be the subject of proved allegations of illegal or unethical behaviour, in their private or professional live.
iv. The Directors should have the ability to devote sufficient time to the affairs of your company.

IX. Annual Evaluation by the Board:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual Directors and theBoard as a whole. Based on the criteria the exercise of evaluation was carried out through a structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings & Strategic perspectives or inputs regarding future growth of company, etc. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

15. COMMITTEES OF THE BOARD:

The Company has following committees:

I. Audit Committee

The Company has constituted an Audit Committee on 27.04.2018 in accordance with Section 177(1) of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. the details of which have been provided on www.jakhariafabric.com forming part of this Annual Report. There has been no instance where the Board of Directors had not accepted any recommendation of the Audit Committee.

The Audit Committee comprises of the following Directors of the Company:

Sr. No.	Name	No. of meeting held during the year	No. of meeting Attended during the year
1	Mr. Mukul Vora -Independent Director (Chairman of committee)	5	5

2	Mr. Anant Sawant -Independent Director (Member of committee)	5	5
3	Mr. Jignesh Shah - Chairman & Executive Director (Member of committee)	5	5

During the financial year ended 31st March, 2019, Five(5) Audit Committee Meetings were held on the following dates:

(1) 8th May, 2018 (2) 7th July, 2018 (3) 24th October, 2018 (4) 13th November, 2018 and (5) 30th March, 2019

II. Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee on 27.04.2018 in accordance with section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the details of which have been provided on www.jakhariafabric.com.

The Nomination and Remuneration Committee comprises of the following Directors of the Company.

Sr. No.	Name	No. of meeting held during the year	No. of meeting Attended during the year
1	Mrs. Rajashri Kovil -Independent Director (Chairman of Committee)	5	5
2	Mr. Anant Sawant -Independent Director (Member of Committee)	5	5
3	Mr. Mukul Vora -Independent Director (Member of Committee)	5	5

During the financial year ended 31st March, 2019, Five(5)Nomination and Remuneration Committee Meetings were held on the following dates:

(1) 12th April, 2018 (2) 7th July, 2018 (3) 24th October, 2018 (4) 13th November, 2018 and (5) 30th March, 2019

III. Stakeholders' Relationship Committee:

The Company has constituted a Stakeholders' Relationship Committee on 27.04.2018 in accordance with section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the details of which have been provided on www.jakhariafabric.com. The Committee considers and approves various requests regarding annual report and to redress complaints of the shareholders.

The Stakeholders' Relationship Committee comprises the following Directors:

Sr. No.	Name	No. of meeting held during the year	No. of meeting Attended during the year
1	Mr. Anant Sawant -Independent Director (Chairman of Committee)	4	4
2	Mrs. Rajashri Kovil -Independent Director (Member of Committee)	4	4
3	Mr. Nitin Shah -Managing Director (Member of Committee)	4	4

During the financial year ended 31st March, 2019,Four(4)Stakeholders' Relationship Committee Meetings were held on the following dates:

(1) 8th May, 2018 (2) 7th July, 2018 (3) 24th October, 2018 and (4) 30th March, 2019

IV. Corporate Social Responsibility (CSR) Committee:

The Company has constituted a CSR Committee on 27.04.2018 in accordance with the provisions of section 135 of the Companies Act,

2013. The CSR Committee comprises the following Directors:

Sr. No.	Name	No. of meeting held during the year	No. of meeting Attended during the year
1	Mr. Anant Sawant -Independent Director (Chairman of Committee)	2	2
2	Mr. Jignesh Shah -Chairman & Executive Director (Member of Committee)	2	2
3	Mr. Nitin Shah -Managing Director (Member of Committee)	2	2

During the financial year ended 31st March, 2019, Two(2) Corporate Social Responsibility Committee Meetings were held on the following dates

(1) 8th May, 2018 and (2) 30th March, 2019

16. CORPORATE SOCIAL RESPONSIBILITY:

In pursuant to Section 135 of the Companies Act, 2013 read with rules framed there under a CSR Policy to ensure Social Responsibilities has been adopted. The CSR Policy has been uploaded on the website of the Company.

In view of the profits and turnover of the company, your Company was required to undertake CSR projects during the year 2018-19 under the provisions of section 135 of the Companies Act, 2013 and the rules made their under.

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken various activities, which are in accordance with CSR Policy of the Company and Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as **"Annexure III"**

17. STATUTORY AUDITOR & AUDIT REPORT :

M/s. SHAH SHROFF & ASSOCIATES,Chartered Accountants, Mumbai (Firm Registration No. 0128920W), were appointed as Statutory Auditors of the Company in the 9th Annual General Meeting held on 30th September, 2016. As per Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014, they are eligible to continue as the statutory auditors of the Company. Further they have confirmed that they are not disqualified from continuing as Auditors of the Company and their eligibility to the effect that their reappointment, if made would be within the prescribed limits under the Act and that they are not disqualified.

As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Board is pleased to inform that there is no such observation made by the Auditors in their report which needs any explanation by the Board. The Notes on financial statement referred to in the Standalone & Consolidated Auditors' Reports are self-explanatory and do not call for any further comments. The Standalone & Consolidated Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

18. SECRETARIAL AUDITOR

The Board of Directors, on the recommendations of the Audit Committee, of the Company, has appointed M/s DHARA U. SHAH & ASSOCIATES, Company Secretaries, Mumbai, [ICSI Membership No. ACS- 46383 & Certificate of Practice No. 16977], as the Secretarial Auditors of the Company for the financial year 2018-2019.

The Secretarial Audit Report in Form No. MR-3 submitted by the said Secretarial Auditors, do not contain any adverse remarks and qualifications, hence do not call for any further explanation/s by the Company. The Secretarial Audit Report in Form No. MR-3 submitted by the said Secretarial Auditors, for the financial

year 2018-2019 forms part of the Annual Report as **"Annexure IV"** to the Board's report.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

M/s. DHARA U. SHAH & ASSOCIATES**,** Practicing Company Secretaries has issued a certificate required under the Listing Regulations, Confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed with this report As **"Annexure-IV"**

19. INTERNAL AUDITORS:

Pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 (as amended), the Board of Directors, on the recommendations of the Audit Committee, of the Company, has appointed M/s **ABHIJEET H GOLE & ASSOCIATES**, Chartered Accountants, Mumbai, [ICAI Firm Registration No.-139716W], as the Internal Auditors of the Company for the financial year 2018-2019 ended on 31.03.2019. The Internal Audit Finding/s and Report/s submitted by the said Internal Auditors, during the financial year, to the Audit Committee and Board of Directors of the Company, do not contain any adverse remarks and qualifications hence do not call for any further explanation/s by the Company.

20. COST AUDITORS:

As per the requirement of the Central Government and pursuant to section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company hereby confirms that the provisions of this section are not applicable, hence your company need not required to appoint cost auditor for the financial
year 2018-19.

21. DISCLOSURE FOR FRAUD AGAINST THE COMPANY:

In terms of provision of section 134(3)(ca) of the Companies Act, 2013, There were no instances of fraud which are reported by Auditors of the Company under section 143(12) of the Companies Act, 2013 to the Audit Committee.

22. CODE OF CONDUCT:

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and specified employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behavior in any form and the Board has laid down certain directives to counter such acts. The Company has adopted a Code of Conduct for all Directors and Senior Management of the Company and same is hosted on the website of the company i.e. www.jakhariafabric.com

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. A declaration to this effect signed by the Managing Director of the Company appears elsewhere in this annual report.

23. CORPORATE GOVERANANCE:

The Company being listed on the EMERGE Platform of National Stock Exchange of India Limited, therefore pursuant to Regulation 15(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

and Part C of Schedule V relating to compliance of Corporate Governance shall not be applicable to the Company. Further, The Company need not require complying with requirements as specified in Part E of Schedule II pursuant to Regulation 27(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and submitting Compliance Report on Corporate Governance on quarterly basis pursuant to Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence no Corporate Governance Report is required to be disclosed with Annual Report. It is pertinent to mention that the Company follows majority of the provisions of the corporate governance voluntarily as a part of Good Corporate Governance.

24. INDUSTRIAL RELATIONS:

During the year under review your Company enjoyed cordial relationship with workers and employees at all levels.

25. CHANGE IN THE NATURE OF BUSINESS:

During the year under review there is no change in the nature of the business and commercial activities of the company.

26. DEPOSITS:

During the financial year 2018-2019 ended 31 March 2019 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended). As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2014 (as amended) are required to be given or provided.

27. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (9) of the Companies Act, 2013 and the regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, The Company has adopted a Whistle-Blower Policy for Directors and employees to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. The details of the Vigil Mechanism Policy has posted on the website of the Company at www.jakhariafabric.com

28. PREVENTION OF INSIDER TRADING:

In view of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The details of the Insider Trading Policy has posted on the website of the Company at www.jakhariafabric.com

The Code requires Trading Plan, pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. However, there were nosuch instances in the Company during the year 2018- 19.

29. RISK MANAGEMENT:

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, iftriggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for

implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

The Company has not made Risk Management Committee, but the Board of Directors and Audit Committee is looking after the Risk Management of the Company.

30. MEETINGS OF THE MEMBERS:

During the year under review Annual General Meeting of the Company was held on 08.06.2018 and Extra Ordinary General Meeting of the members were held on 20.04.2018 and 2.05.2018.

31. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended for that period;

(iii)the directors had 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) the directors had prepared the annual accounts on a going concern basis;

(v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORTS:

As per Regulation 34 (e) read with schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the management Discussion and Analysis Report of the Company for the year ended is set out in this Annual Report as **"Annexure-V**

33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of Loans (Secured or unsecured), Guarantee provided in connection with any loan/s availed and Investments pursuant to the section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) are given in the notes to the Financial Statements, if any.

34. INTERNAL CONTROL SYSTEMS:

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

35. INTERNAL FINANCIAL CONTROL FOR FINANCIAL STATEMENTS

Your Company has an effective internal financial control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedure. The Company's internal financial control system is

commensurate with its size, scale and complexities of its operations.

36. HUMAN RESOURCES:

The Company treats its "Human Resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. The Company thrust is on the promotion of talent internally through job rotation and job enlargement.

37. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND PARTICULARS OF EMPLOYEES:

Pursuant to provision of section 197 of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of employees given in the **"Annexure-VI**

During the year, none of the employees received remuneration in excess, in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

38. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered during the financial year, were on the arm's length basis and were in the ordinary course of business and do not attract the provisions of section 188 of the Companies Act, 2013. Thus, disclosure in form AOC-2 is not required. All Related Party Transactions were placed before the Audit Committee for approval. A policy on the related party Transitions was framed & approved by the Board and posted on the Company's website at www.jakhariafabric.com

However, you may refer to Related Party transactions, as per the Accounting Standards, in the Notes forming part of financial statements.

39. INVESTORS EDUCATION AND PROTECTION FUND

During the financial year 2018-2019 ended 31 March 2019 under review, there were no amount/s which is required to be transferred to the Investor Education and Protection Fund by the Company. As such, no specific details are required to be given or provided.

40. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION,PROHIBITION & REDRESSAL) ACT, 2013:

To prevent sexual harassment of women at work place, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December 2013. The Company has zero tolerance for sexual harassment at workplace in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under for prevention and redressal of complaints of sexual harassment at workplace. During the year under review, no complaints were received by the Company relating to sexual harassment at workplace. The Management of the Company endeavors to provide safe environment for the female employees of the Company.

41. REGISTRAR AND SHARE TRANSFER AGENT:

The Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent. The Corporate Office of Bigshare Services Pvt. Ltd. situated at "1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra.

42. DEMATERIALISATION OF SECURITIES:

The Company's Equity Shares are admitted in the system of Dematerialization by both the Depositories namely NSDL and CDSL. As on 31st March 2019, 38,30,500equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents whole 94.26**%** of the total issued, subscribed and paid-up capital of the Company as on that date. 2,33,330 equity

shares are in physical form. The ISIN allotted to your Company isINE00N401018.

43. COMPLIANCES OF SECRETARIAL STANDARDS:

The Board of Directors confirms that the Company, has duly complied and is in compliance, with the applicable Secretarial Standard/s, namely Secretarial Standard-1 ('SS-1') on Meetings of the Board of Directors and Secretarial Standard -2 ('SS-2') on General Meetings, during the financial year 2018-2019 ended 31 March 2019.

44. GREEN INITIATIVE

Companies Act permits paperless compliance and as a measure of green initiative, we appeal to all those members who have not registered their e-mail addresses so far are requested to register their email address in respect of electronic holding with their concerned Depository Participants and/or with the Company.

45. ACKNOWLEDGEMENT:

The Board of Directors acknowledges with gratitude for the co-operation and assistance received fromNational Stock Exchange of India Limited (NSE), Securities Exchange Board of India (SEBI), Merchant Banker, Lead Manager, Underwriter and Market Maker, Auditors, Advisors & Consultants, other Intermediary service provider/s for successful accomplishment of the Company's maiden IPO. The Board of Directors also take this opportunity to extend its sincere thanks for co-operation and assistance received by the Company from the Central - State - Local Government and other regulatory authorities, Bankers, Members, Customers, Suppliers.

The Directors also record their appreciation of the dedication of all the employees at all levels for their support and commitment to ensure that the Company continues to grow.

By order of the Board

Sd/-
JIGNESH SHAH
CHAIRMAN & EXECUTIVE DIRECTOR
DIN:00256315

Place: BHIWANDI
Date: 27th May, 2019

Annexure-I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17200MH2007PLC171939
2.	Registration Date	22/06/2007
3.	Name of the Company	JAKHARIA FABRIC LIMITED (Formerly known as Jakharia Fabric Private Limited)
4.	Category/Sub-category of the Company	Indian Non-Government Company (Company limited by shares)
5.	Address of the Registered office & contact details	OFFICE NO.1224, DEOJI NAGAR, NARPOLI VILLAGE, BHIWANDI, THANE – 421302. Tel No: +91-25-2227 8892 Email: info@jakhariafabric.com
6.	Whether listed company	Yes - National Stock Exchange of India Limited (NSE Emerge)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059 Tel No.: +91 – 22 – 6263 8200;
8.	PAN no:	AABCJ8510G

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	%to total turnover of the company
1	Manufacture of other textiles/textile products n.e.c. (Job work)	13999	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	% of Shares held	Applicable Section
1)	M/s Jakharia Industries	N.A.	96% share in profit	Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

IV. SHARE HOLDING PATTERN

A) (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	-	2123500	2123500	71.45	2123500	-	2123500	52.25	-19.20
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	615000	615000	20.69	615000	-	615000	1.51	-19.18
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
2) **Foreign Holdings**	-	-	-	-	-	-	-	-	-
a) Individual	-	-	-	-	-	-	-	-	-
b) Body Corporate	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**-**	**2738500**	**2738500**	**92.15**	**2738500**	**-**	**2738500**	**67.39**	**-24.76**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	-	233330	233330	7.85	377461	116664	494125	12.16	4.31
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	140800	116666	257466	6.33	6.33
c) Others (Body Corporate)	-	-	-	-	372139	-	372139	9.16	9.16
Non Resident Indians	-	-	-	-	3200	-	3200	0.08	0.08
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	-	-	-	-	2400	-	2400	0.06	0.06
Market Makers	-	-	-	-	196000	-	196000	4.82	4.82
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	233330	233330	7.85	1092000	233330	1325330	32.61	24.76
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**2971830**	**2971830**	**100**	**3830500**	**233330**	**4063830**	**100**	**-**

2

The Company has allotted 10,92,000 Equity Shares of Face Value of Rs. 10/- each at an issue price of Rs.180/- per share under Initial Public Offer on 7th July 2018.

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Himatlal Shah	474500	15.97	-	60834	1.50	-	-14.47
2	Jignesh Shah	137000	4.61	-	137000	3.37	-	-1.24
3	Nitin Shah	467000	15.71	-	912833	22.46	-	6.75
4	Dixit Shah	347000	11.68	-	347000	8.54	-	-3.14
5	Manekchand Shah	317000	10.67	-	505833	12.45	-	1.78
6	Champaben Shah	225000	8.22	-	25000	0.61	-	-7.61
7	Jakharia Synthetics Pvt. Ltd.	615000	22.46	-	615000	15.13	-	-7.33
8	Suryaben Shah	60000	2.19	-	60000	1.48	-	-0.71
9	Kantaben Shah	21000	0.77	-	0	0.00	-	-0.77
10	Shejal Shah	75000	2.74	-	75000	1.85	-	-0.89
TOTAL :		**2738500**	**100%**	**-**	**2738500**	**67.39**	**-**	**-32.61**

*Change in % of Shareholding of Promoter group is due to increase in total paid up equity capital as the Company has allotted 10,92,000 Equity Shares of Face Value of Rs.10/- each at an issue price of Rs.180/- per share under Initial Public Offer on 7th July 2018.

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

SN	**Particulars**	Shareholding at the beginning of the year		Increase/ Decrease in Top Ten Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Addition / Deduction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Himatal Shah	474500	15.97	2.05.2018	200000-Addition	674500	16.60		
				3.05.2018	613666-Deduction	60834	1.50	60834	1.50
2	Jignesh Shah	137000	4.61	-	-	-	-	137000	3.37
3	Nitin Shah	467000	15.71	4.05.2018	445833-Addition	912833		912833	22.46
4	Dixit Shah	347000	11.68	-	-	-	-	347000	8.54
5	Manekchand Shah	317000	10.67	3.05.2018	188833-Deduction	505833		505833	12.45
6	Champaben Shah	225000	8.22	2.05.2018	200000-Deduction	25000		25000	0.61
7	Jakharia Synthetics Pvt. Ltd.	615000	22.46	-	-	-	-	615000	15.13
8	Suryaben Shah	60000	2.19	-	-	-	-	60000	1.48
9	Kantaben Shah	21000	0.77	3.05.2018	424833-Addition	445833	10.97	-	-
				4.05.2018	445833-Deduction				
10	Shejal Shah	75000	2.74	-	-	-	-	75000	1.85

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease in Top Ten Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Addition / Deduction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ARYAMAN CAPITAL MARKETS LIMITED	-	-	7.07.2018	60,000 - Addition	60000	1.48		
				13.07.2018	2,400-Deduction	57600	1.42		
				20.07.2018	60,000-Addition	117600	2.89		
				27.07.2018	21,600-Addition	139200	3.43		
				3.08.2018	72,800-Deduction	66400	1.63		
				10.08.2018	1,600-deduction	64800	1.59		
				17.08.2018	800-Addition	65600	1.61		
				7.09.2018	800-Addition	66400	1.63		
				28.09.2018	800-Addition	67200	1.65		
				5.10.2018	800-Addition	68000	1.67		
				12.10.2018	800-Addition	68800	1.69		
				19.10.2018	28000- Addition	96800	2.38		
				26.10.2018	800-Deduction	96000	2.36		
				16.11.2018	38400-Addition	134400	3.31		
				21.12.2018	94400-Dediuction	40000	0.98		
				28.12.2018	2400-Addition	42400	1.04		
				18.01.2019	800- Addition	43200	1.06		
				25.01.2019	9600-Deduction	33600	0.83		
				1.02.2019	8000- Addition	41600	1.02		
				8.02.2019	1600- Addition	43200	1.06		
				15.02.2019	19200- Addition	62400	1.54		
				22.02.2019	24000- Addition	86400	2.13		
				1.03.2019	11200- Addition	97600	2.40		
				8.03.2019	53600- Addition	151200	3.72		
				15.03.2019	23200- Addition	174400	4.29		
				22.03.2019	21600- Addition	196000	4.82	**196000**	**4.82**

2	OVERSKUD MULTI ASSET MANAGEMENT PVT. LTD.	-	-	13.07.2018	3200- Addition	3200	0.08		
				20.07.2018	74400- Addition	77600	1.91		
				27.07.2018	36800-Deduction	40800	1.00		
				3.08.2018	40800-Deduction	0	0.00		
				7.12.2018	20800- Addition	20800	0.51		
				21.12.2018	94400- Addition	115200	2.83		
				28.12.2018	2400-Deduction	112800	2.78		
				25.01.2019	9600- Addition	122400	3.01		
				15.02.2019	24800-Deduction	97600	2.40		
				22.02.2019	28000- Addition	125600	3.09		
				1.03.2019	18400- Addition	144000	3.54		
				8.03.2019	22400- Addition	166400	4.09		
				15.03.2019	19200- Addition	185600	4.57	**185600**	**4.57**
3	NIRAJKUMAR PARMESWAR CHANDGOTHIA	-	-	13.07.2018	53600- Addition	53600	1.32		
				20.07.2018	56800- Addition	110400	2.72	**110400**	**2.72**
4	NOPEA CAPITAL SERVICES PVT. LTD.	-	-	27.07.2018	85600- Addition	85600	2.11		
				3.08.2018	108000- Addition	193600	4.76		
				30.11.2018	9600-Deduction	184000	4.53		
				1.02.2019	16800-Deduction	167200	4.11		
				15.02.2019	6400-Deduction	160800	3.96		
				22.02.2019	8800-Deduction	152000	3.74		
				1.03.2019	8800-Deduction	143200	3.52		
				8.03.2019	2400- Addition	145600	3.58		
				15.03.2019	28800-Deduction	116800	2.87		
				22.03.2019	21600-Deduction	95200	2.34	**95200**	**2.34**
5	PROGYAN CONSTRUCTION AND ENGINEERS PVT LTD.	-	-	20.07.2018	40800- Addition	40800	1.00	**40800**	**1.00**
6	VASANT VITHALDAS JOSHI (H.U.F)	-	-	1.06.2018	33666-Addition	33666	0.83	**33666**	**0.83**
7	VASANT VITHALDAS JOSHI	-	-	1.06.2018	33000-Addition	33000	0.81	**33000**	**0.81**
8	AJAYKUMAR	-	-	7.07.2018	30400-Addition	30400	0.75	**30400**	**0.75**

	RASIKLAL SHAH								
9	KISHOR BHIKAJI WAGRE (HUF)	-	-	1.06.2018	25000-Addition	25000	0.62	**25000**	**0.62**
10	KISHOR BHIKAJI WAGRE	-	-	1.06.2018	25000-Addition	25000	0.62	**25000**	**0.62**

*The dates of changes in shareholding and number of shares have been taken as per information made availableby the share transfer agent based on the benpos.

E) **Shareholding of Directors and Key Managerial Personnel:**

SN	**Shareholding of each Directors and each Key Managerial Personnel**	Shareholding at the beginning of the year		Increase/ Decrease in Top Ten Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Addition / Deduction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jignesh Shah (Chairman & Executive Director)	137000	4.61	-	-	-	-	**137000**	**3.37**
2	Nitin Shah (Managing Director)	467000	15.71	4.05.2018	445833-Addition	912833		**912833**	**22.46**
3	Himatlal Shah (Whole Time Executive Director)	474500	15.97	2.05.2018	200000-Addition	674500	16.60		
				3.05.2018	613666-Deduction	60834	1.50	**60834**	**1.50**
4	Dixit Shah (Whole Time Executive Director)	347000	11.68	-	-	-	-	**347000**	**8.54**

SN	**Shareholding of each Directors and each Key Managerial Personnel**	Shareholding at the beginning of the year		Increase/ Decrease in Top Ten Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Addition / Deduction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Manekchand Shah (Whole Time Executive Director)	317000	10.67	3.05.2018	188833-Deduction	505833		**505833**	**12.45**
6	RAJASHRI RAJESH KOVIL (Non-Executive Independent Director)	-	-		-	-	-	**-**	**-**
7	ANANT RAJARAM SAWANT (Non-Executive Independent Director)	-	-		-	-	-	**-**	**-**
8	MUKUL JAYANTILAL VORA (Non-Executive Independent Director)	-	-	5.07.2018	800-Addition	800	0.02	**800**	**0.02**
9	MANOJKUMAR JAIPRAKASH TIWARI (C.F.O.)	-	-		-	-	-	**-**	**-**
10	BHAVIN JAGDISHBHAI WAGHELA (Company Secretary)	-	-	-	-	-	-	**-**	**-**

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. To be deleted

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,43,82,091	12,59,41,036	-	24,03,23,127
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**11,43,82,091**	**12,59,41,036**	-	**24,03,23,127**
Change in Indebtedness during the financial year				
* Addition	1,07,09,713	64,56,510	-	1,71,66,223
* Reduction	(1,26,05,226)	-	-	(1,26,05,226)
Net Change	**(18,95,513)**	**64,56,510**	**-**	**45,60,997**
Indebtedness at the end of the financial year				
i) Principal Amount	11,24,86,578	13,23,97,546	-	24,48,84,124
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	**11,24,86,578**	**13,23,97,546**	-	**24,48,84,124**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (in Rs.)
		Himatlal Shah	Dixit Shah	Jignesh Shah	Manekchand Shah	Nitin Shah	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,00,000	40,00,000	40,00,000	40,00,000	80,00,000	**2,40,00,000**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-	-
5	Others, please specify Bonus	-	-	-	-	-	-
	Total (A)	**40,00,000**	**40,00,000**	**40,00,000**	**40,00,000**	**80,00,000**	**2,40,00,000**
	Ceiling as per the Act – As per Schedule V and Section 197 of the Companies Act, 2013						

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	**RAJASHRI RAJESH KOVIL**	**ANANT RAJARAM SAWANT**	**MUKUL JAYANTILAL VORA**	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	**Other Non-Executive Directors**	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act- Rs. 1 Lakh per meeting of Board or Committee thereof				

All the Directors have waived the Directors siting fees.

C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Bhavin Waghela CS**	**ManojKumar Tiwari CFO**	**Total**
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	2,40,000	4,14,000	6,54,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	-	-	-
2	**Stock Option / Sweat Equity/ Commission Etc.**	NA	-	-	-
	Total	NA	2,40,000	4,14,000	6,54,000
	Ceiling as per the Act				**N.A.**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

By and on behalf of the Board of Directors of

Sd/-
JIGNESH SHAH
CHAIRMAN & EXECUTIVE DIRECTOR
DIN:00256315

Place: BHIWANDI
Date: 27th May, 2019

ANNEXURE 'II'

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

In pursuant of section 134(3)(m) of the Companies Act, 2013 read together with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 2014, the relevant information is provided herein below:-

Sr. No.	Particulars	Current Year (2018-19)	Previous Year (2017-18)
I	**CONSERVATION OF ENERGY** **A: POWER & FUEL CONSUMPTION**	The Company is continuously putting its efforts to improve energy management by way of monitoring energy related parameters on regular basis.	
1.	**Electricity**		
a)	Purchase Units (in Lacs) Total Amount (Rs. In Lacs) Rate/ Unit (Amount in Rs.)	63.02 550.71 8.74	67.06 511.16 7.62
b)	**Own Generation** (I) Through Diesel generator Unit (in Lac) Unit Per Ltr. Of diesel oil Cost / Unit (Rs.)	Nil	Nil
	(II) Through HFO generator Unit (in Lac) Unit Per Ltr. Of diesel oil Cost / Unit (Rs.)	Nil	Nil
B.	**Consumption per unit of production** Electricity Unit per Meter	N.A.	N.A.
1.	**Technology absorption** Expenditure incurred on R&D during this year is as follows:	Company is regularly investing and importing newer processing machinery to upgrade the technology and give value added products.	
	Capital Expenditure (Rs. In Lacs)	Nil	Nil
	Recurring Expenditure (Rs. In Lacs)	Nil	Nil
2	**FOREIGN EXCHANGE EARNINGS AND OUTGO**		
	The details of foreign exchange earnings and outgo during the year are as under:		
	Earnings (Rs. In Lacs)	Nil	Nil
	Outgo (Rs. In Lacs)	Nil	6.92
	· Revenue A/c · Capital A/c		

For and on behalf of Board of Directors
Sd/-
Jignesh Shah
Chairman & Executive Director
DIN:00256315
Place: BHIWANDI
Date: 27th May, 2019

ANNEXURE-III

ANNUAL REPORT ON CORPORATE SOCIALRESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken:**

The CSR activities of the Company are carried out directly and also through contribution/donation made to other organization/institution for the activities specified under Schedule VII of the Companies Act, 2013. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been placed at the website of the Company i.ewww.jakhariafabric.com. As per CSR policy the Company endeavors to make CSR a key business process for sustainable development and continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact onsociety.Our Company's CSR Committee believes that it is important for the organization to focus on philanthropic activities in terms of animal welfare, prevention from hunger & poverty, promotion of educational activities, empowering women, making available safe drinking water, setting up old age homes, environment protection, health care etc.

2. Composition of the CSR Committee:

1. Mr. Anant Sawant: Independent Director-Chairman
2. Mr. Jignesh Shah: Chairman & Executive Director - Member
3. Mr. Nitin Shah: Managing Director - Member

3. Average net profits of the Company for the last three financial years, under Section 198 of the Companies Act, 2013:

Financial Year	Profit (in Lacs)
2017-2018	2,18,55,023
2016-2017	5,27,83,896
2015-2016	6,76,52,400
Total	**14,22,91,319**
Average Profit of above said Profit	4,74,30,440
2% of Average Profit	9,48,609

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):

The Company was required to spend Rs.9.48 Lacs towards CSR during the Financial Year 2018-19.Your company could not spend any money towards the CSR activities till 31st March, 2019 due to following reasons :

i. CSR Initiatives are on the focus areas approved by the Board benefitting the society at large. However, the Company has just embarked on the journey of ascertained CSR programs;

ii. There are also certain CSR activities/initiatives undertaken by the Company for thesubstantial well-being of the people in the community, which are not getting covered under theabove CSR report due to the specified format under the applicable Rules;

ii. CSR Activities are scalable with few new initiatives that may be considered in future and moving forward the company will endeavor to spend the complete amount on CSR activities.

For and on behalf of Board of Directors
Sd/-
Jignesh Shah
Chairman & Executive Director
DIN:00256315
Place: BHIWANDI
Date: 27th May, 2019

ANNEXURE-IV
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,
The Members,
Jakharia Fabric Limited
OFFICE NO.1224, DEOJI NAGAR,
NARPOLI VILLAGE, BHIWANDI, THANE - 421 302

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Jakharia Fabric Limited, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and we hereby report that in our opinion, the Company has, during the audit period for the Financial Year ended on 31st March, 2019 (1st April, 2018 to 31st March, 2019) complied with the statutory provisions, listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to thereporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jakharia Fabric Limited ("the Company") for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. However, the provisions related to Overseas Direct Investment and External Commercial Borrowings was not applicable;

(v) (i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
(b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
(c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 rega rding the Companies Act and dealing with client;
(d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(ii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

(a) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
(c) The SEBI (Delisting of Equity Shares) Regulations, 2009; and

(d) The SEBI (Buyback of Securities) Regulations, 1998

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below:

1. The Minimum Wages Act, 1948, and rules made there under;
2. The Employees' State Insurance Act, 1948, and rules made there under;
3. The Employees' Provident Fund and Misc. Provisions Act, 1952, and rules made there under;
4. The Payment of Bonus Act, 1965, and rules made there under;
5. The Payment of Gratuity Act, 1972, and rules made there under;
6. The Factories Act, 1948 and allied State Laws;
7. The Payment of wages Act, 1936;
8. The Air (Prevention and Control of Pollution) Act, 1981;
9. The Environment (Protection) Act, 1986;
10. Equal Remuneration Act, 1976;
11. Legal Metrology Act, 2009;
12. The Water (Prevention and Control of Pollution) Act, 1974;
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is having business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines therefore, as such no specific law relating to its manufacturing and business activities are applicable to the Company.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and

(ii) The SEBI (LODR) Regulations, 2015 as applicable on Small Company listed with the SME platform w.e.f. 18th September, 2018.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except as mentioned below:-
Company has formed CSR committee as per Section 135 of Companies Act, 2013 on 27.04.2018, However during the period under review company did not spend any amount on CSR activities.

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

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

All decisions at Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or Committee of the Board, as the case may be.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company for the applicable taxation Laws like Direct Taxes, Indirect Taxes a nd the compliance of the Accounting Standards, disclosure of the financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 and the annual financial statements along with notes attached therewith has not been reviewed by us, since the same have been subject to the statutory financial auditor or by other designated professionals.

We further report that during the audit period of the Company has certain specific events which have bearing on company's affairs which are as follows: -

1) The company had filed prospectus with the Registrar of Companies, Mumbai, on 21st June 2018 and the public issue was open from 29th June 2018 to 03rd July 2018 for 10,90,000 equity shares of Rs 10 each at a premium of Rs. 170/- per share. The company made allotment of such shares on 07th July 2018 and got the status of Listed company w.e.f 11th July, 2018 by listing of its shares at the EMERGE Platform of National Stock Exchange of India Limited and complied with the SEBI (ICDR) Regulations, 2009 as applicable on issuance of securities for listing on SME Platform.

2) Post completion of IPO, the Company had entered into listing agreement with National Stock Exchange of India Limited as per the requirement of SEBI (LODR) Regulations, 2015.

3) The changes in the issued, subscribed and paidup share capital, reserves and surplus, accounting of IPO proceeds and utilization thereof, due to IPO, shall reflect in the financial statements pertaining to the financial year 2018-2019 ended 31 March 2019.

4) The Authorized Share Capital of the Company is Rs. 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. The Issued, subscribed and Paid up Share Capital of the Company is Rs. 4,06,38,300 (Rupees Four Crore Six Lakh Thirty-Eight Thousand Three Hundred only) divided into 40,63,830 (Forty Lakh Sixty-Three Thousand Eight Hundred and Thirty) Equity Shares of Rs. 10/- (Rupees Ten) each.

5) The Kotak Mahindra Bank Ltd. in their recent review for total bank facilities of Rs. 1295 Lakhs availed by the Company, vide their Supplementary Deed of Hypothication dated 11th July, 2018, has obtained Credit Rating of the Company from CRISIL Limited and rating is CRISIL BB/Negative (Reaffirmed) vide letter number- JKHFP/201167/BLR/061800469 dated 13th June 2018.
The aforesaid ratings will be due for surveillance anytime by CRISIL Limited before 30.06.2019.

For Dhara U. Shah & Associates

Dhara Shah
Proprietress
M. No: 46383,
COP No: 16977

Place: Mumbai
Date:**27th May, 2019**

***Note: This report is to be read with our letter of even date which is annexed as Annexure-A which forms an integral part of this report.**

ANNEXURE - A TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Jakharia Fabric Limited
OFFICE NO.1224, DEOJI NAGAR,
NARPOLI VILLAGE, BHIWANDI, THANE - 421 302

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable accounting standards, financial records and Books of Accounts of the company as the same is subject to the statutory audit being performed by the independent auditors.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines, standards etc., are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

7. We do not take any responsibility for any person if taking any commercial, financial or investment decision based on our secretarial audit report as aforesaid and they need to take independent advice or decision as per their own satisfaction.

For Dhara U. Shah & Associates

Sd/-
Dhara Shah
Proprietress
M. No: 46383
COP No: 16977

Place: Mumbai
Date:**27th May, 2019**

ANNEXURE-V
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SEGMENT REVIEW AND ANALYSIS

Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our Company also outsources certain processes like weaving of the fabric and printing as per the demand of the customers based on the quality required. Our Company manufactures and processes the fabric specially suitable for Shirtings.

Our Company has set up additional processing facility at Plot No. J1/1, MIDC Tarapur Industrial Area, Boisar, Palghar – 401 506. This facility is being set up through M/s Jakharia Industries, which is a Partnership Firm, wherein our Company is a partner. The Partnership firm is set up with an intention to establish a new processing house with a proposed capacity of **360** lakh meters p.a. for colouring, dying, printing and finishing and processing working or manufacturing of cotton, linen, wool synthetics and various other textile products.

We have made investment in M/s. Jakharia Industries (Partnership Firm), with the intention of targeting further penetration in the Textile industry, further creating a wide market locally as well as internationally. We believe that the Partnership will prove to be beneficial for the Company helping to create a brand image of the Group. We believe that, with a wide Product mix and the available market mix for the processed fabric along-with the modernised facilities addsto the positive factors. We seek to develop our Brand Image by continuing to expand our product portfolio and services offered by adding product categories to complement our product mix and the market mix.

We have positioned ourselves as a multi-product, multi-fibre and multi-market player ensuring that our products include a diverse mix of fabrics mainly catering to domestic market and also to the international market. Wide ranges of fabric are processed at our Processing house which includes cotton, polyester, viscose and man-made & blended fabrics.

Our Company has set-up two (2) processing units located at MIDC Area of Saravali, Bhiwandi in Maharashtra and MIDC Area of Tarapur, Bhiwandi in Maharashtra. The plant has the facilities for dyeing and processing wide range of fabrics.

We have dedicated semi-automatic machines and skilled operators for manual checking of raw materials as well as Finished Goods. Our Testing and QC Technical team combined with our testing equipments ensures the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

The Company is operating only into job-work, Therefore segment/ product-wise details are not applicable.

COMPETITION

Textiles being a global industry, we face competition from small as well as big players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We

compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in Dying and providing varied quality of fabric which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.

General economic and business conditions

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect textile industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.Our growth plans are considerable and would put significant demands on our management team and other resources.

INDUSTRY STRUCTURE & DEVELOPMENTS

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13% of total exports. The textiles industry is also labour intensive and is one of the largest employers. Textile industry has two broad segments. First, the unorganized sector consisting of handloom, handicrafts and sericulture and the second is the organized sector consisting of the spinning, weaving, knitting, apparel and garments segment.

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14% of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63% of the world's market share.

• Textile industry plays a very crucial role in the Indian economy

— It continues to be the second largest employer in the economy, employing over 45 Million people.

— It contributes 4% to the country's GDP and 21% to the industrial production.

— Textile exports jumped by 9 per cent to Rs 108.53 billion for November 2018 from Rs 99.87 billion for the same month last year. Apparel exports also followed suit and jumped by 21 per cent to Rs 81.12 billion in November 2018 from Rs 67.20 billion in the same month last year.

— The size of India's textile market as of July 2017 was around US $ 150 billion, which is expected to touch US $ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-19.

— In the current year (April to September 2018), export of cotton textiles have grown raise by 26.8 per cent in 2018-19 (Aprilto September 2018). During this period, exports of cotton textiles (raw cotton, yarn, fabrics, and made-ups) touched USD 6235 million as compared to USD 4917 million in 2017-18.

(Source: The Economic Times, Business Line, The Business Today, The Business Standard, KPMG research report.)

Cotton Prices

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries.

Cotton is the basic raw material for the textile industries. Its prices are influenced by both domestic and international factors. Rising cotton prices following the pink bollworm infestation in the cotton crops, higher Minimum Support Price (MSP) and unfavourable exchange rate fluctuation are the key concern to the

industry. India is one of the largest producers as well as exporters of cotton yarn. The textile industry is also expected to reach US $ 223 billion by the year 2021.

(Source: IIFL Research report, The Economic Times, Ind-Ra research report)

Key Strength of the Industry

- Strong and flexible production base of wide range (count) of yarns
- Low cost and skilled manpower results in competitive advantage
- Vertical and horizontal integrated textile value chain from raw material to finished goods.
- Globally competitive spinning industry with diverse design base
- Cost effective manufacturing facilities with lowest cotton yarn spinning cost
- Growing economy with high potential domestic and international market

Opportunities and Threats

The textile industry as well as Company will be driven by increasing urbanisation and higher awareness of fashion trends. The future of the industry looks promising backed by consumerism, increasing population, affordability and rising disposable income.

The threats for the industry and the Company comprises of competition from emerging countries, especially China. Pricing pressures on finished goods, inflation, foreign exchange fluctuation, volatility in input cost, cotton crop, interest rates and power cost among others, comprise the key threats.

GOVERNMENT INITIATIVES

Government policies have a significant impact on the Textile industry. The National Textiles Policy aims to ensure that the industry is internationally competitive in terms of manufacturing practices and exports. The government launched textile packages such as the Technology Upgradation Fund Scheme (TUFS) - introduced in 1999 - to improve productivity and make the industry cost-competitive. Similarly, the EXIM Policy contains export promotion measures such as the Duty Entitlement Pass Book Scheme (DEPB) and duty drawback schemes.

Government has made huge investments in initiatives like Schemes for Integrated Textile Parks (SITP) and Technology Upgradation Fund Scheme (TUFS) to encourage more private equity and to train workforce.

Under Union Budget 2018-19, government has invested around ` 7,148 Crores (US$ 1.1 Billion) for the textile industry and ` 30 Crores (US$ 4.63 Million) for the Scheme for Integrated Textile Parks.

OUTLOOK

On the global front, China is reporting positive activity and demand is picking up in the US and the European Union. The global textile mills market is forecast to reach US$ 842.6 Billion in value in 2020, an increase of 26.20% since 2015. The compound annual growth rate of the market in the period 2015-20 is predicted to be 4.80%.

The future of textile industry looks promising, sustained by both strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The Indian textile industry is set for immense growth, buoyed by both huge domestic consumption as well as export demand. The industry is expected to reach US$ 226 Billion by 2022-23.

The group has undertaken expansion project at Tarapur, and the same is likely to be implemented during financial year 2019-20. The benefits of this would flow to the company during 2019-20 and therefore Company expects better results in the coming years.

COMPANY REVIEW

We have continuously expanded and modernized our facilities in line with the industry trend. The plant is equipped with modern and automatic plant and machinery. The level of advancement determines the

productivity of machines and labour, which in turn, determines the production, operating cost and profitability of The Company.

OPERATIONAL PERFORMANCE

- The Company has recorded total revenue from operations during the Financial year 2018-19of `7019.80 Lacs against the total revenue of `8434.25 Lacs in the previous financial year 2017-18.
- The Total expenses of the Company during the financial year 2018-19 is `6227.55 Lacs against the expenses of `7905.44 Lacs in the previous financial year 2017-18.
- The Profit after tax is `345.65 Lacs for the financial year 2018-19 as compare to `133.96 Lacs in the previous financial year 2017-18.

ENVIRONMENT AND SAFETY

The need for environmentally clean and safe operations is company's key priority. The Company policy requires the conduct of all operations in such a manner so as to ensure the safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

RISK AND AREAS OF CONCERN

The Company believes that an effective, consistent and sustainable risk management framework is essential part of the work culture. Risk management must be fully integrated into the organisation's governance policies. A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it.

The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has implemented proper system for safeguarding the operations/ business of the Company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements. The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

The Audit Committee of Board of Directors reviews the efficiency and effectiveness of internal control systems and suggests the solution to improve and strengthen. The Internal control system were tested during the year and no material weakness in design or operation were observed.

The requirement of having internal auditor compulsory by statue in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of Company.

HUMAN RESOURCES AND INDUSTRIAL RELATION

The Company had cordial and harmonious industrial relations at all levels of organizations. The company believes that the industry has the tremendous potential to impact the society, nation and the world positively. Its employees are major stakeholders and their efforts have direct stake in the business prospectus of the organization. The employees have extended a very productive cooperation in the efforts of the management to carry the company to greater heights. The Company considers employees as their biggest competitive advantages. The Company takes initiative like training and development for its people to increase the performance. The Company has taken various steps to improve and enhance

skill of its people. The industrial relations remained cordial in our plant. The Company has continued to give special attention to human resources and overall development.

CAUTIONARY STATEMENT

Certain statement made in this report describing Company's Objective, Projects, estimates and expectations may be forward looking statement within the applicable laws and Regulations. Actual results may differ from such expectations and forward-looking statement due to various risk and uncertainties. Several factors affecting company's operation like economic condition affecting demand and supply, Government regulations and Tax Laws, Competitions prevailing at the relevant time, natural calamities etc. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

For and on behalf of Board of Directors
Sd/-
Jignesh Shah
Chairman & Executive Director
DIN:00256315
Place: BHIWANDI
Date: 27th May, 2019

ANNEXURE-VI
PARTICULARS OF EMPLOYEES
[AS PER SECTION 197(12) READ WITH THE RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

A. Ratio and remuneration of Directors & KMPs

S.N.	Name	Designation	Remuneration for the year 2018-2019 (in Rs.)	Remuneration for the year 2017-2018 (in Rs.)	% Increase/ decrease in Remuneration	Ratio between Director or KMP and Median Employee
1	Jignesh Shah	Chairman & WTD	40,00,000	50,00,000	-20%	14.40:1
2	Nitin Shah	Managing Director	80,00,000	1,00,00,000	-20%	28.80:1
3	Dixit Shah	Whole Time Director	40,00,000	50,00,000	-20%	14.40:1
4	Manekchand Shah	Whole Time Director	40,00,000	50,00,000	-20%	14.40:1
5	Himatlal Shah	Whole Time Director	40,00,000	50,00,000	-20%	14.40:1
6	Anant Sawant	Independent Director	-	-	-	-
7	Mukul Vora	Independent Director	-	-	-	-
8	Rajashri Kovil	Independent Director	-	-	-	-
9	Manoj Tiwari	Chief Financial Officer	4,14,000	3,66,000	13.11%	1.49:1
10	Bhavin Waghela	Company Secretary	2,40,000	-	-	0.86:1

**Mr. Manoj Tiwari (CFO) and Mr. Bhavin Waghela (CS) appointed w.e.f. 12.04.2018.*

B. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

As stated above in item no. (A).

C. Percentage increase in the median remuneration of employees in the financial year.

The remuneration of Median employee was Rs. 2,77,750/- during the year 2018-19 as compared to Rs. 1,83,724/- in the previous year as the on-roll employees was 157 in the financial year 2017-2018. The increase in the remuneration of Median Employee was 51.72 % during financial year under review.

D. Number of permanent employees on the rolls of company

As on 31st March, 2019 the total number of employees on the roll was 114.

E. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Based on Remuneration Policy of the Company, salary of the employees was increased around 11.12 % on an average and managerial remuneration was decreased by 20%, this is based on Remuneration Policy of the Company that rewards people based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.

F. Affirmation that the remuneration is as per the Remuneration Policy of the Company:
The Company affirms that remuneration is as per the remuneration policy of the Company

For and on behalf of Board of Directors
Sd/-
Jignesh Shah
Chairman & Executive Director
DIN:00256315

Place: BHIWANDI
Date: 27th May, 2019

Independent Auditor's Report

To the Members of Jakharia Fabric Limited (Formerly known as Jakharia Fabric Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Jakharia Fabric Limited (Formerly known as Jakharia Fabric Private Limited)("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133of the Act read with the Companies (Accounting Standards) Rules, 2016 as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters which, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Kay Audit Matter	Auditor's Response
1.	**Provisions for Contingencies and Litigations and disclosure of Contingent liabilities** **Description of Key Audit Matter:** At March 31, 2019, the Company has disclosed total contingent liabilities of Rs.96.90 lakhs. These contingent liabilities are based on judgements and accounting estimates made by management in determining the likelihood and magnitude of claims. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position. Refer Note 33 of standalone financial statements for accounting policies for provisions and contingent liabilities and related disclosures.	• We evaluated the design and tested the operating effectiveness of controls in respect of the determination of the provisions. We determined that the operation of the controls provided us with evidence over the completeness, accuracy and valuation of the provisions. • We read the summary of litigation matters provided by management and held discussions with the management and their legal counsels. We requested legal letters from some of the Company's external legal advisors with respect to the matters included in the aforesaid disclosures. Where appropriate, we examined correspondence connected with the cases. • For litigation provisions, we tested the calculation of the provisions, assessed the assumptions against third party data, where available and assessed the estimates against historical trends. • We considered management's judgements on the level of provisioning and disclosures in respect of the aforesaid matters, which we considered to be appropriate.
2.	**Investment in Partnership Firm** **Description of Key Audit Matter:** The Company has made investment in partnership firm M/s. Jakharia Industries. This investment is accounted at cost as at March 31, 2019.The Company has total Investment of Rs. 3641.63 lakhs in the partnership firm. The Company have made substantial capital contribution of Rs. 2159.38 during FY 2018-19. Refer Note.12 of standalone financial statements and accounting policy note1(F)	• Our audit procedures included, among others, considering the risk associated with investment. We have examined standalone financial statement of the firm as at March 31, 2019 and implementation of the project is under progress. • We held discussions with the management and their counsels. • We considered management's Judgements on the level of diminution / no revenue generated from the said investment in firm and disclosures in respect of the aforesaid investment, which we considered to be appropriate.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Standalone Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:-

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion of the adequacy and operating effectiveness of the Company internal financial control over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the years in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company does not have any long term contracts including derivative contracts and therefore, no provision is required to be made for any material foreseeable losses to this effect.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Shah Shroff & Associates
Chartered Accountants
Firm Reg. No.: 0128920W

Yashesh Shroff
Partner
Membership No: 103277

Place: Mumbai
Date:May27, 2019

Annexure - A to the Independent Auditors' Report

(Refer to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Jakharia Fabric Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that;

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shah Shroff & Associates
Chartered Accountants
Firm Reg. No.: 0128920W

Yashesh Shroff
Partner
Membership No: 103277

Place: Mumbai
Date: May 27, 2019

Annexure - B to the Independent Auditors' Report

(Refer to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, all the fixed assets have been physically verified by the Management in a periodical manner, which 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) According to the information and explanation given to us, the records examined by us and based on the examination of sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all immovable properties of factory building which are freehold, are held in the name of the Company as at the balance sheet date. In respect of Immovable property amounting to Rs. 2.73 crores taken of lease and disclosed as Leasehold land in the standalone financial statement, the deed of assignment has been executed in the name of the Company.

(ii) (a) On the basis of explanation and submission given to us, physical verification of inventory has been conducted at reasonable intervals by the management.

(b) In our opinion and on the basis of examination done by us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company is maintaining proper records of inventory and discrepancies noticed on physical verification if any, have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods dealt by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, employees' state insurance, duty of excise sales tax, value added tax, duty of customs, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, outstanding dues that have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount
Income-tax Act, 1961	Income-tax	2015-16	Income-tax-Assessing Officer	2,610
		2016-17	CPC, Bangalore	3,30,590
	TDS	2008-09	TDS-Assessing Officer	4,720
		2010-11	TDS-Assessing Officer	31,300
		2011-12	TDS-Assessing Officer	36,590
		2012-13	TDS-Assessing Officer	2,91,910
		2018-19	TDS-Assessing Officer	680

(viii) According to the information and explanations given to us, based on our audit procedures and as per information and explanation given to us, the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding dues in respect of loans or borrowings from any financial institution, government or debenture holders during the year.

(ix) In our opinion and according to the information and explanation given to us, the long term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has raised moneys by way of initial public offer during the year and the proceeds have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

(xiv) The Company has not made any preferential allotment to parties and companies covered under register maintained under section 42 of the Companies Act, 2013, during the year, therefore provisions of Clause 3(xiv) of the said order are not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Shah Shroff & Associates
Chartered Accountants
Firm Reg. No.: 0128920W

Yashesh Shroff
Partner
Membership No: 103277

Place: Mumbai
Date:May 27, 2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Balance sheet as at March 31, 2019

	Note No.	31 March 2019 Rs.	31 March 2018 Rs.
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	40,638,300	29,718,300
Reserves and Surplus	3	399,892,197	186,421,440
		440,530,497	**216,139,740**
Non-Current Liabilities			
Long-term borrowings	4	200,285,812	206,434,528
Deferred-tax liabilities (net)	5	3,729,841	1,683,898
Long-term provisions	6	7,051,000	4,675,238
		211,066,653	**212,793,664**
Current Liabilities			
Short-term borrowings	7	26,215,752	21,518,155
Trade Payables			
Micro and Small Enterprises	8	-	-
Other	8	151,587,151	148,738,575
Other current liabilities	9	29,979,479	23,736,684
Short-term provisions	10	2,688,000	664,762
		210,470,381	**194,658,176**
Total		**862,067,531**	**623,591,580**
Assets			
Non-current assets			
Fixed Assets			
Property, Plant and Equipment	11	184,258,583	182,125,896
Capital work in progress		24,102,390	23,677,386
Non-current investments	12	364,263,307	148,325,354
Long term loans and advances	13	72,216,925	61,576,081
Other non-current assets	14	1,462,977	1,365,685
		646,304,183	**417,070,401**
Current Assets			
Inventories	15	30,387,094	29,438,905
Trade receivables	16	176,099,952	164,694,286
Cash and cash equivalents	17	7,509,583	10,458,793
Short-term loans and advances	18	1,439,654	1,265,348
Other current assets	19	327,065	663,847
		215,763,348	**206,521,179**
Total		**862,067,531**	**623,591,580**

Summary of significant accounting policies 1

The accompying notes are an integral part of the financial statements.

As per our Report of even date

For, Shah Shroff & Associates
Chartered Accountants
FRN: 0128920W

For and on behalf of the Board of Directors
of Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)

Partner
CA. Yashesh Shroff
Membership No. 103277

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date: 27-05-2019

Place: Bhiwandi
Date : 27-05-2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Statement of Profit and Loss account for the year ended March 31, 2019

	Note No.	March 31, 2019 Rs.	March 31, 2018 Rs.
Income			
Revenue from Operations	20	699,731,289	839,707,941
Other Income	21	2,249,162	3,717,533
Total Revenue (I)		**701,980,450**	**843,425,474**
Expenses			
Cost of material consumed	22	327,378,152	471,119,043
Changes in inventories of Finished Goods, Work-in-progress and Stock in trade	23	(381,034)	(2,176,601)
Employee Benefit Expenses	24	131,345,603	115,545,096
Other Expenses	25	164,413,149	206,056,792
Total Expenses (II)		**622,755,870**	**790,544,330**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		79,224,580	52,881,145
Depreciation and Amortization Expenses	11	(16,879,162)	(17,348,231)
Finance Cost	26	(10,957,030)	(9,764,828)
Profit before prior period items and tax		**51,388,389**	**25,768,086**
Prior Period Income/(Expenses)		(730,146)	(3,913,063)
Profit before tax		**50,658,243**	**21,855,023**
Tax Expense:			
Current tax		(14,047,000)	(7,860,000)
Excess/(Short) provision in earlier year		-	638,282
Deferred Tax		(2,045,943)	(1,237,011)
Profit after tax for the year		**34,565,300**	**13,396,294**
Earnings per Equity Share			
Basic (Face value per share Rs.10/-)		9.16	5.20
Diluted		9.16	5.20
Summary of significant accounting policies	1		

The accompying notes are an integral part of the financial statements.
As per our Report of even date

For, Shah Shroff & Associates
Chartered Accountants
FRN: 0128920W

For and on behalf of the Board of Directors of Jakharia Fabric Limited (Formerly known as Jakharia Fabric Pvt Ltd)

Partner
CA. Yashesh Shroff
Membership No. 103277

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date: 27-05-2019

Place: Bhiwandi
Date : 27-05-2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Statement of Cash Flow for the year ended March 31, 2019

	31 March 2019 Rs.		31 March 2018 Rs.	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		50,658,243		21,855,023
Adjustments for				
Depreciation and amortization	16,879,162		17,348,231	
Profit/(Loss) on sale of Machinery	(1,107,675)		799,328	
Dividend received	(10,000)		(12,000)	
Prior Period adjustments-tax	-		(799,600)	
Interest & Fianancial cost	10,957,030		9,764,828	
Interest received	(542,343)	26,176,173	(751,172)	26,349,615
Operating profit before working capital changes		76,834,417		48,204,638
(Increase) \ decrease in operating assets				
Inventories	(948,189)		3,122,069	
Trade receivables	(11,405,666)		7,319,836	
Short term loans & advances	(174,306)		1,507,847	
Other non current assets	(97,292)		5,514,643	
Other current assets	336,782		(94,345)	
Trade payables	2,848,575		6,683,527	
Other current liabilities	6,242,795		7,993,614	
Long term provisions	2,375,762		4,675,238	
Short term provisions	2,023,238		664,762	
		1,201,700		37,387,190
Cash generated from operating activities		78,036,117		85,591,828
Tax Provision		(14,047,000)		(7,221,718)
Net cash flow from operating activities		63,989,117		78,370,110
B. Cash flow from investing activities				
Purchase of fixed assets	(19,879,179)		(11,524,718)	
Sale of fixed assets	1,550,000		300,000	
Interest received	542,343		751,172	
(Purchase) / sale of investments	(215,937,953)		(57,150,167)	
Net cash used in investing activities		(233,724,789)		(67,623,713)
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(6,148,717)		341,694	
Increase / (Decrease) in short term borrowings	4,697,597		9,768,292	
Increase / (Decrease) in long term loans & advances	(10,640,845)		(5,850,914)	
Issue of Equity Shares	189,825,453		-	
Interest & Fianancial Charges	(10,957,030)		(9,764,828)	
Dividend received	10,000		12,000	
Net cash used in financing activities		166,786,458		(5,493,756)
Net increase / (decrease) in cash and cash equivalents		(2,949,209)		5,252,641
Cash and cash equivalents (Opening balance)		10,458,793		5,206,151
Cash and cash equivalents (Closing balance)		**7,509,583**		**10,458,793**
Reconciliation of cash and cash equivalent with Balance Sheet				
Cash and cash equivalent as per Balance Sheet		8,972,560		11,824,478
Less: Deposit with Banks with original maturity of 3-12 months		1,462,977		1,365,685
Cash and cash equivalent at the end of the year as per cash flow		**7,509,583**		**10,458,793**

As per our Report of even date
For Shah Shroff & Associates
Chartered Accountants
FRN:0128920W

Partner
CA. Yashesh Shroff
Membership No. 103277

Place: Bhiwandi
Date: 27-05-2019

For and on behalf of the Board of Directors of Jakharia Fabric Limited (Formerly known as Jakharia Fabric Pvt Ltd)

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date : 27-05-2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)
Notes forming part of Standalone Financial Statements

Corporate Information:

Jakharia Fabric Limited is a public company and incorporated in India under the provisions of Companies Act, 1956 and its shares are listed on the SME platform (NSE Emerge) of the National Stock Exchange of India.The company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines.

The Financial Statement of the company for the year ended March 31,2019were approved by the board of directors and authorized for issue on May 27, 2019.

Note 1: Significant Accounting Policies:

A) Basis of preparation and presentation:

The Financial Statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B) **Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C) **Current/Non -Current Classification:**

All assets & liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013. Based on nature of business, the company has ascertained its operating cycle as 12 months for the purpose of Current/Non-Current classification of assets and liabilities.

D) **Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses related to acquisition, installation of the concerned assets and any attributable cost of bringing the asset to the condition for the intended use. Borrowing costs attributable to the acquisition or construction of a qualifying asset are also capitalized as a part of the cost of the asset.

Capital work-in-progress and Capital advances:

Cost of assets not ready for intended use as on balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other Non-current Assets.

Depreciation on Property, Plant and Equipment:

Depreciation on Property, Plant and Equipment is calculated on a written down value basis using the rates arrived at based on the useful lives estimated by the management. The estimated useful life of the assets is as under:

Particulars	Useful Lives of the Assets estimated by the management (years)
Factory Building	30
Building	60
Plant & Machinery*	25
Electrical & Fitting	10
Furniture & Fixtures	10
Vehicles	8
Computers	3
Air Conditioner	5
Laboratory	10
Office Equipment	5

*For this class of assets, based on internal technical assessment and past experience, the Management believes that the useful life as given above, best represent the period over which the Management expects the use of the assets. The useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

E) Impairment:

The carrying amounts of the Company's Property Plant and Equipment and intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exist, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an assets or its Cash Generating Unit (CGU) exceeds its recoverable amount. The impairment los, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For calculating present value, future cash flows are discounted using a pre-tax discount rate that reflects current market rates and the risk specific to the

assets. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Where an impairment loss subsequently reverses, the carrying amount of a n asset is increases to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

F) Investment in Associate:

Non-current Investments in partnership firm is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investments is assessed and written down to its recoverable amount. The Company is one of the partners having capital contribution ratio and profit sharing ratio to tune of about 96% in 'M/s. Jakharia Industries' a partnership firm wherein there are 5 other individual partners. According to the partnership deed (as amended from time to time), key business decisions need unanimous approval of all the partners of the firm, irrespective of their profit sharing ratio and/or capital contribution ratio. In view of the same, the company does not have exclusive power to control the activities of the firm and in turn, influence the returns earned from its investment in the firm. Thus, the investment in firm is categorized as investment in Associate.

Further, the firm is still in its pre- operation phase and operations have not started till the date of financial statements. Consequently, amount of post-acquisition profits is nil.

G) Inventories:

Inventories are carried at lower of cost and net realizable value. Cost is ascertained on first-in-first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale.

H) Borrowing Cost:

All borrowing costs are expensed in the period they are incurred. Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowing.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

I) Revenue recognition:

Revenue from services rendered is recognized on the basis of completion of job and dispatch thereof to customers or on sale of products. Revenue is recognized on sale of products when no significant uncertainty as to its determination or realization exists.

J) Employee benefits:

Defined contribution plans and short term employee benefits such as salary, bonus, provident fund etc. are charged to Profit & Loss account as incurred. The present value of the obligations under defined benefits plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognised immediately in the Profit & Loss account.

K) Foreign currency translation:

i. Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the standard exchange rate determined at the transaction date.

ii. Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences:

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2) All other exchange differences are recognisedas income or as expenses in the period in which they arise.

L) Taxes on Income:

Current Tax: Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred Tax: Deferred tax is measured on based on the tax rate and tax laws enacted or substantially enacted at the balance date. Deferred tax assets are recognized only if there is reasonable/virtual certainty that they will be realized.

M) Provision & Contingencies:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the

obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

N) Earning Per Share:

a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as conversion of preference shares in to equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
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2) Share Capital

	March 31, 2019 Rs.	March 31, 2018 Rs.
AUTHORIZED SHARES		
50,00,000/-Equity shares of Rs.10/- each	50,000,000	30,000,000
5,00,000/- 9% Convertible Preference shares of Rs.10/- each	-	5,000,000
Total	**50,000,000**	**35,000,000**
ISSUED , SUBSCRIBED & FULLY PAID-UP SHARES		
40,63,830/- (P.Y.29,71,830) Equity shares of Rs.10/- each	40,638,300	29,718,300
Total issued, subscribed and fully paid-up share capital	**40,638,300**	**29,718,300**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2019		March 31, 2018	
		Rs.		Rs.
Equity Shares				
At the beginning of the period	2,971,830	29,718,300	2,738,500	27,385,000
Add: Issued during the year	1,092,000	10,920,000	233,330	2,333,300
Outstanding at the end of the period	**4,063,830**	**40,638,300**	**2,971,830**	**29,718,300**
Preference Shares				
9% Convertible Preference shares of Rs.10/- each				
At the beginning of the period	-	-	233,330	2,333,300
Converted during the period	-	-	-	-
Less : Converted to equity shares during the year	-	-	233,330	2,333,300
Outstanding at the end of the period	**-**	**-**	**-**	**-**

b) Rights, Preferences and Restrictions attached to Shares:

Equity Shares

The company has one class of equity shares having par value of Rs.10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Shares

9% Convertible non cummulative preference shares of Rs. 10 each were issued in FY 2011-2012 at a premium of Rs.140 per shares. As per the terms of the issue one equity share issued agaisnt one preference share held to the preference shareholders. Each share is converted into one equity share of par value of Rs. 10 on 8th March, 2018.

c) Details of shareholding more than 5% equity shares in the Company:

Equity Shares

Name of the shareholder	March 31, 2019 Rs.		March 31, 2018 Rs.	
Mr. Himmatlal Shah	-	-	474,500	11.68
Mr. Jignesh Shah	-	-	137,000	3.37
Mr. Nitin Shah	912,833	30.72	467,000	11.49
Mr. Dixit Shah	347,000	11.68	347,000	8.54
Mr. Manekchand Shah	505,833	17.02	317,000	7.80
Mrs. Champaben Shah	-	-	225,000	5.54
M/s Jakharia Synthetics Private Limited	615,000	20.69	615,000	15.13

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3) Reserves & Surplus

	March 31, 2019 Rs.	March 31, 2018 Rs.
Securities Premium :		
Opening Balance	32,033,400	34,366,700
Add : Addition during the year	185,640,000	-
Less : Transfer to Capital Redemption Reserve	-	(2,333,300)
Less : Utilised for expenses incurred for IPO	(6,734,547)	-
Closing Balance	210,938,853	32,033,400
Capital Redemption Reserves :		
Opening Balance	2,333,300	-
Add : Transfer from Security Premium Account	-	2,333,300
Closing Balance	2,333,300	2,333,300
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last Financial Statement	152,054,740	138,658,446
Profit for the year	34,565,300	13,396,294
Net surplus in the statement of profit and loss	**186,620,040**	**152,054,740**
Total Reserves and Surplus	**399,892,197**	**186,421,440**

4) Long Term Borrowings

		March 31, 2019 Rs.	March 31, 2018 Rs.
Secured			
Term loans from bank		85,515,863	91,852,519
Loan from bank for vehicles		754,963	1,011,417
Less : Current maturities of long term debt		(18,382,560)	(12,370,444)
(Amount disclosed under the head 'other current liabilities' refer note no. 9)			
	(A)	**67,888,266**	**80,493,492**

I. Term loans taken from Kotak Mahindra Bank:-
Term Loan - II. For acquiring plant and machinery payable in not exceeding 60 equated monthly installment , carrying interest rate 'MCLR+1.30%.
Term Loan-III. For acquiring plant and machinery payable in 84 equated monthly installment, carrying interest rate MCLR+1.30%.
The above term loans are secured against:-
1. First and exclusive charge on all existing and future current assets, including moveable fixed assets of the company.
2. Equitable mortgage of factory land & building located at plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi,Taluka Palghar, Dist Thane.
3. Equitable mortgage of factory land & building situated at survey no.1/1 & 25/5, Devji Nagar, Near Shanti Sagar Complex, Village Narpoli, Bhiwandi, Dist Thane-421302 owned by Mr. Himatlal Shah and Mr. Jignesh Shah.
4. Personal guarantee of following directors :-
a. Mr. Himmatlal P. Shah
b. Mr. Jignesh H Shah
c. Mr. Nitin K Shah
d. Mr. Manekchand P Shah
e. Mr. Dixit M Shah

II. Loan taken fromHDFC Bankof Rs. 11.40 lakhs and repayable in 48 monthly EMI of Rs. 28,290/- starting from October 2017 carrying interest @ 9.27% p.a. The said loan is secured against hypothecation of the vehicle acquired under the loan.

Unsecured			
From director & shareholders		127,460,000	120,940,000
From relatives of directors and shareholders		4,937,546	5,001,036
	(B)	**132,397,546**	**125,941,036**
	(A+B)	**200,285,812**	**206,434,528**

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5) Deferred Tax Liabilities

	March 31, 2019 Rs.	March 31, 2018 Rs.
Deferred Tax Liabilities/(Assets) (Net)		
Depreciation	3,729,841	2,164,965
Disallowance of expenses	-	(481,067)
	3,729,841	**1,683,898**

6) Long Term Provisions

	March 31, 2019 Rs.	March 31, 2018 Rs.
Provision for gratuity	7,051,000	4,675,238
	7,051,000	**4,675,238**

7) Short Term Borrowings

	March 31, 2019 Rs.	March 31, 2018 Rs.
Secured		
From Bank-Cash credit account	26,215,752	21,518,155
	26,215,752	**21,518,155**

The above cash credit facility is secured by way of hypothecation of stock and book debts of the company and further secured against:-
1. First and exclusive charge on all existing and future current assets, including moveable fixed assets of the borrower.
2. Equitable mortgage of factory land & building located at plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Taluka Palghar, Dist Thane.
3. Equitable mortgage of factory land & building situated at survey no.1/1 & 25/5, Devji Nagar, Near Shanti Sagar Complex, Village Narpoli, Bhiwandi, Dist Thane-421302 owned by Mr. Himatlal Shah and Mr. Jignesh Shah.
4. Personal guarantee of following directors :-
a. Mr. Himmatlal P. Shah
b. Mr. Jignesh H Shah
c. Mr. Nitin K Shah
d. Mr. Manekchand P Shah
e. Mr. Dixit M Shah

8) Trade Payables

	March 31, 2019 Rs.	March 31, 2018 Rs.
Creditors		
-for capital goods	3,741,975	3,816,526
-for raw material and others	139,862,992	118,208,883
-for expenses	7,982,184	26,713,166
	151,587,151	**148,738,575**

Micro, Small and Medium enterprises have been identified by the company on the basis of the information available.

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Dues remaining unpaid as at 31st March		
a) Principal		
Interest on the above	-	-
b) Interest paid in terms of Section 16 of the act along with amount of payment made to the supplier beyond the appointed paid during the year		
Principal paid beyond the appointed date		
Interest paid in terms of Section 16 of the act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Further interest due and payable even in the succeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
e) Amount of interest accrued and remaining unpaid as at 31st March	-	-

9) Other Current Liabilities

	March 31, 2019 Rs.	March 31, 2018 Rs.
Current maturities of long term debts	18,382,560	12,370,444
Statutory dues payable	3,208,491	4,596,264
Salaries and wages payable	7,718,797	6,069,976
Insurance claim received	-	700,000
Interest accrued but not due	669,631	-
	29,979,479	**23,736,684**

10) Short-Term Provisions

	March 31, 2019 Rs.	March 31, 2018 Rs.
Provision for gratuity	2,688,000	664,762
	2,688,000	**664,762**

Jakharia Fabrics Limited
(Formerly known as Jakharia Fabric Pvt Ltd)
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11) Property, Plant & Equipment

As at March 31, 2019

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2018	Addition during the year	Disposal during the year	Value at the end of the period 31.03.2019	Value at the beginning 01.04.2018	Addition for the year	Disposal during the year	Value at the end of the period 31.03.2019	WDV as on 31.03.2019	WDV as on 31.03.2018
A. Tangible Assets										
Leasehold Land	27,351,966	-	-	27,351,966	-	-	-	-	27,351,966	27,351,966
Factory Building	36,191,201	1,279,895	-	37,471,096	18,806,576	1,619,699	-	20,426,275	17,044,821	17,384,625
Buiding at Tarapur	30,087,579	-	-	30,087,579	9,822,179	967,640	-	10,789,819	19,297,760	20,265,400
Plant & Machinery	223,952,005	17,691,999	840,550	240,803,454	127,315,993	10,767,245	698,037	137,385,201	103,418,253	96,636,012
Expenses Plant & Machinery	22,506,243	-	-	22,506,243	9,019,077	1,491,897	-	10,510,974	11,995,269	13,487,166
Computer	577,204	260,669	-	837,873	521,551	158,372	-	679,923	157,950	55,654
Air Conditioner	1,089,397	60,938	-	1,150,334	823,385	132,992	-	956,378	193,957	266,012
Bike	198,405	-	-	198,405	177,268	5,094	-	182,363	16,042	21,137
Car	3,045,608	-	1,744,307	1,301,301	1,643,820	367,631	1,444,495	566,956	734,345	1,401,788
Roto Crate	60,480	-	-	60,480	52,275	1,487	-	53,762	6,718	8,205
Fire Extinguisher	253,467	-	-	253,467	243,180	-	-	243,180	10,287	10,287
Mobile	65,400	-	-	65,400	61,975	155	-	62,130	3,270	3,425
Factory Shade	524,000	32,559	-	556,559	282,807	23,816	-	306,623	249,936	241,193
EPBAX System	177,849	-	-	177,849	89,355	9,679	-	99,034	78,815	88,494
Laboratory	2,662,380	-	-	2,662,380	728,539	517,766	-	1,246,305	1,416,075	1,933,841
Furniture	1,072,231	128,116	-	1,200,347	855,043	64,945	-	919,989	280,358	217,188
LED TV	56,626	-	-	56,626	54,559	-	-	54,559	2,067	2,067
Electrical Goods	11,314,514	-	-	11,314,514	8,796,510	705,122	-	9,501,632	1,812,882	2,518,004
Electrical Installations	2,275,472	-	-	2,275,472	2,042,038	45,620	-	2,087,659	187,813	233,434
Total Property, Plant and Equipment	**363,462,027**	**19,454,175**	**2,584,857**	**380,331,345**	**181,336,132**	**16,879,162**	**2,142,532**	**196,072,762**	**184,258,583**	**182,125,896**
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	**363,462,027**	**19,454,175**	**2,584,857**	**380,331,345**	**181,336,132**	**16,879,162**	**2,142,532**	**196,072,762**	**184,258,583**	**182,125,896**
As at March 31, 2018										
Total Assets	**354,590,747**	**11,524,718**	**2,653,438**	**363,462,027**	**165,542,010**	**17,348,231**	**1,554,110**	**181,336,131**	**182,125,896**	**189,048,737**

Jakharia Fabric Limited
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Notes forming part of Fianancial Statements

12) Non-Current Investments

	March 31,2019 Rs.		March 31,2018 Rs.	
A) Investment in equity instruments (unquoted)				
i) Shares of NKGSB Co- Operative Bank		100,000		100,000
B)Investment in Partnership Firms :				
(i) Capital Investment in Jakharia Industries				
Balance as per Last BalanceSheet	148,225,354		91,075,187	
Add : Capital introduced during the year	259,085,999		79,187,063	
Less : Withdrawals during the year	(43,148,046)		(22,247,000)	
Add : Share of Profit for the Year	-	364,163,307	210,104	148,225,354

The Partner -wise break-up of Capital and Profit Sharing ratio in M/s. Jakharia Industries is as under :-

Name of the Partner	Profit Sharing Ratio	Capital as on 31 March 2019 Rs.	Profit Sharing Ratio	Capital as on 31-Mar-18 Rs.
M/s. Jakharia Fabrics Private Limited	96.11%	364,163,307	91.34%	148,225,354
Mr. Nitin Shah	0.74%	2,809,550	1.73%	2,809,550
Mr. Himmatlal Shah	0.74%	2,804,775	1.73%	2,804,775
Mr. Jignesh Shah	0.93%	3,529,775	1.74%	2,829,775
Mr. Dixit Shah	0.74%	2,804,775	1.73%	2,804,775
Mr. Maneckchand Shah	0.74%	2,804,775	1.73%	2,804,775
		378,916,957		162,279,004
TOTAL		**364,263,307**		**148,325,354**

Jakharia Fabric Limited
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13) Long Term Loans & Advances

	March 31, 2019 Rs.	March 31, 2018 Rs.
Balance with govt authorities	32,314,962	25,385,625
Advance Income- tax (Net)	21,536,368	20,790,461
Security Deposit	18,365,595	15,399,995
	72,216,925	**61,576,081**

14) Other Non-Current Assets

	March 31, 2019 Rs.	March 31, 2018 Rs.
Other Non-Current Assets		
Deposits with banks (with original maturity period of more than 12 months)	1,462,977	1,365,685
(Note: Held under lien by Bank against bank guarantees issued in favour of company)		
	1,462,977	**1,365,685**

15) Inventories

	March 31, 2019 Rs.	March 31, 2018 Rs.
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	4,720,976	5,526,442
- Others	3,103,990	1,731,369
Work in Progress		
- Fabrics	5,601,428	4,455,853
Finished Goods		
- Fabrics	16,960,700	17,725,241
	30,387,094	**29,438,905**

16) Trade Receivables

	March 31, 2019 Rs.	March 31, 2018 Rs.
Outstanding for a period exceeding six months from the date of Invoice		
Secured, Considered Good	-	-
Unsecured, Considered Good	14,066,876	6,729,648
Doubtful	-	-
Others		
Secured, Considered Good	-	-
Unsecured, Considered Good	162,033,076	157,964,638
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	176,099,952	**164,694,286**

Jakharia Fabric Limited
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Notes forming part of Fianancial Statements

20) Revenue from operations

	March 31, 2019 Rs.	March 31, 2018 Rs.
Sale of services		
Job work/sales	633,823,614	673,309,726
Sale of products		
Finished goods	65,907,675	166,398,215
	699,731,289	**839,707,941**
Details of finished goods		
Fabrics	65,907,675	166,398,215

21) Other income

	March 31, 2019 Rs.	March 31, 2018 Rs.
Dividend on shares	10,000	12,000
Interest on Bank Fixed Deposit	542,343	751,172
Interest on Income-tax refund	-	150,780
Sundry credit balance written back	424,754	-
Profit on sale of fixed assets	1,107,675	-
Duty drawback	-	377,758
Interest on Vat refund	-	1,620,649
Foreign exchange gain	124,011	-
Share of Profit from partnership firm	-	210,104
Other income	40,379	595,070
	2,249,162	**3,717,533**

22) Cost of materials consumed

	March 31, 2019 Rs.	March 31, 2018 Rs.
Other materials		
Opening stock	7,257,811	12,556,481
Add: Purchases		
Coal	94,667,478	103,201,202
Dyes and chemicals	137,923,643	161,681,172
Grey	59,923,393	82,617,099
Packing material	15,720,384	15,273,132
Stores and spares	19,466,232	18,286,465
Other materials	264,759	90,806,303
Less : Purchase return	(20,582)	(6,045,000)
Less: Closing stock	(7,824,966)	(7,257,811)
	327,378,152	**471,119,043**

23) Changes in inventories of finished goods and work-in-progress

	March 31, 2019 Rs.	March 31, 2018 Rs.
Opening stock		
Work-in-progress	4,455,853	15,385,961
Finished goods	17,725,241	4,618,532
	22,181,094	20,004,493
Less: Closing stock		
Work-in-progress	5,601,428	4,455,853
Finished goods	16,960,700	17,725,241
	(381,034)	**(2,176,601)**

Jakharia Fabric Limited
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Notes forming part of Fianancial Statements

24) Employee benefits expenses

	March 31, 2019 Rs.	March 31, 2018 Rs.
Contribution to provident and other funds	1,971,094	2,318,396
Directors remuneration	24,000,000	30,000,000
Salary and wages	99,449,580	79,674,924
Staff welfare	1,089,129	1,350,676
Gratuity	4,399,000	1,856,000
Others	436,800	345,100
	131,345,603	**115,545,096**

25) Other expenses

	March 31, 2019 Rs.	March 31, 2018 Rs.
Manufacturing and service cost		
Cash discount	688,636	6,216,539
Consultancy	953,036	1,902,550
Jobwork / Subcontracting	53,014,060	69,244,058
Loading and unloading charges	3,240,879	3,595,527
Packing expenses	1,855,925	1,732,910
Power and fuel	63,784,599	58,495,812
Rent, rates and taxes	2,643,509	5,357,148
Repairs and maintenance	7,648,542	7,816,127
Water expenses	4,326,990	3,711,845
	138,156,177	**158,072,515**
Administrative & Selling		
Brokerage	6,402,447	9,396,537
Computer expenses	167,468	176,170
Travelling, conveyance and petrol expenses	696,697	565,896
Courier charges	697,157	474,669
Donation	352,050	578,920
Foreign exchange loss	-	129,224
Loss on sale of machinery	-	799,328
Insurance	1,352,861	1,274,452
Interest on statutory dues	76,875	50,936
Motor car expenses	175,979	203,776
Penalty	23,000	75,200
Printing and stationery	798,415	833,442
Sundry expenses	1,338,836	817,052
Sundry debit balance w/off	-	17,691,512
Telephone expenses	107,386	150,866
Transport charges	13,567,801	14,316,297
Payment to Auditors (Note no.27)	500,000	450,000
	26,256,972	**47,984,277**
	164,413,149	**206,056,792**

26) Financial cost

	March 31, 2019 Rs.	March 31, 2018 Rs.
Interest expenses on		
a) borrowing from bank	8,977,346	8,615,447
b) other borrowings	-	91,675
Others*	1,979,684	1,057,706
	10,957,030	**9,764,828**

* including bank charges,processing fees etc.

Jakharia Fabric Limited
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Notes forming part of Financial Statement

27)Remuneration to Auditors:

	March 31,2019 Rs.	March 31,2018 Rs.
Audit Fees	350,000	180,000
Tax Audit Fees	150,000	270,000

28)Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31, 2019 Rs.	March 31, 2018 Rs.
Profit/ (Loss) After Tax	34,565,300	13,396,294

	March 31, 2019	March 31, 2018
Weighted average number of equity shares in calculating basic EPS		
Equivalent Weighted Avg number of Equity Shares at the end of the year	3,773,627	2,573,775
Diluted Weighted Avg number of Equity Shares at the end of the year / period	3,773,627	2,573,775
Earnings Per Share		
Basic EPS	9.16	5.20
Diluted	9.16	5.20

29)Related party disclosures:

a.Names of related parties and related party relationship

Name of the Party	Description of Relationship
M/s. Jakharia Synthetics Private Limited	Enterprise over which directors have significant influence.
M/s. Jakharia Industries	Enterprise over which directors have significant influence.
M/s. Dixit Processors	Enterprise over which directors have significant influence.
Key managerial personnel	
Mr. Himmatlal Shah	Whole Time Director
Mr. Jignesh Shah	Chairman cum Executive Director
Mr. Nitin Shah	Managing Director
Mr. Dixit Shah	Whole Time Director
Mr. Manekchand Shah	Whole Time Director
Mr. Anant Rajaram Sawant	Independent Director
Mr. Mukul Jayantilal Vora	Independent Director
Mrs. Rajashri Kovil	Independent Director

b.Related Party Transaction

i) The following table provides the total amount of transactions that have been entered into with related parties for the relevant

	Nature of Transaction	March 31,2019 Rs.	March 31,2018 Rs.
M/s. Jakharia Industries	Investments	215,937,953	56,940,063
M/s. Jakharia Industries	Purchase	-	45,179,610
M/s.Jakharia Synthetics Pvt Ltd	Purchase	-	54,980,906
M/s.Jakharia Synthetics Pvt Ltd	Sales	127,875	2,482,255
M/s.Dixit Processors	Job Work	-	2,805,793

ii)Remuneration to key managerial personnel:

	March 31,2019 Rs.	March 31,2018 Rs.
Mr. Himatlal Shah	4,000,000	5,000,000
Mr. Dixit Shah	4,000,000	5,000,000
Mr. Jignesh Shah	4,000,000	5,000,000
Mr. Manekchand Shah	4,000,000	5,000,000
Mr. Nitin Shah	8,000,000	10,000,000

iii)Outstanding Balances

Name of the Party	March 31,2019 Rs.	March 31,2018 Rs.
a) **Receivables**		
M/s.Jakharia Synthetics Pvt Ltd	37,822	829,511
b) **Investments**		
M/s. Jakharia Industries	364,163,307	148,225,354
c) **Unsecured Loan**		
Mr. Himatlal Shah	44,985,000	43,500,000
Mr. Dixit Shah	10,080,000	10,600,000
Mr. Jignesh Shah	35,740,000	34,690,000
Mr. Manekchand Shah	5,155,000	4,650,000
Mr. Nitin Shah	31,500,000	27,500,000
Mrs. Rinkal D Shah	4,937,546	5,001,036

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Financial Statement

30) Information regarding Foreign Exchange earnings and expenditure :

	March 31,2019 Rs.	March 31,2018 Rs.
Expenditure in Foreign Exchange	-	691,943
Total	**-**	**691,943**

31) Foreign Currency Balance:

	March 31,2019 Rs.	March 31,2018 Rs.
Receivables	1,962,275	1,838,264

32)Employee Benefit Expenses:

a) Reconciliation of defined benefit obligation:

	March 31,2019 Rs.	March 31,2018 Rs.
Present value of DBO at start of year	5,340,000	3,484,000
Current Service Cost	2,030,000	1,354,667
Interest cost	390,000	237,333
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	1,979,000	264,000
Present value cost	9,739,000	5,340,000

b) Expenses recognised in Profit & Loss Account

	March 31,2019 Rs.	March 31,2018 Rs.
Current Service Cost	2,030,000	1,354,667
Interest cost	390,000	237,333
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	1,979,000	264,000
Present value cost	4,399,000	1,856,000

c) Net liability /(assets) recognised in Balance Sheet

	March 31,2019 Rs.	March 31,2018 Rs.
Present value of DBO	9,739,000	5,340,000
Fair value of Plan Assets	-	-
Net Liabilty/ (Assets)	9,739,000	5,340,000
Less: Unrecognised Past Service Cost		
Liability /(assets) recognised in Balance Sheet	9,739,000	5,340,000
Of Which Short Term Provision	**2,688,000**	**664,762**

33)Contingent Liabilities:

(To the extent not provided for)

	March 31,2019 Rs.	March 31,2018 Rs.
Disputed Income-tax & TDS demand	698,400	10,361,810
Bank guarantee	8,991,600	8,891,600
	9,690,000	19,253,410

34) Corporate Social Responsibility (CSR):

As per section 135 of the Compnaies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPS guidelines no. F.No. 15 (13)/2013-DPE(GM), the Company is required to spend, in every financial year, at least two percent of the average net profits of the Compnay during the three immediately preceding fincaials years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

Particulars	March 31,2019 Rs.	March 31,2018 Rs.
A. Amount required to be spent during the year	948,069	1,234,558
B. Amount Spent on CSR	-	-

35) Issue of Shares to Public:

During the period under review, the company completed initial public offering of 10,92,000 fresh equity shares at a price of Rs.180/- per share. The shares of the Company get listed on the SME platform (NSE Emerge) of the National Stock Exchange Limited on 11th day of July 2018. The proceeds of the issue have been fully utilized in accordance with the purpose of issue as stated in the prospectus of the initial public offering.

36) Previous Year Figures :

Previous year figures have been regrouped to comply with current year groupings.

The accompanying notes are an integral part of Financial Statements
As per our Report of even date.

For, Shah Shroff & Associates
Chartered Accountants
FRN: 0128920W

For and on behalf of the Board of Directors
of Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)

Partner
CA. Yashesh Shroff
Membership No. 103277

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date: 27-05-2019

Place: Bhiwandi
Date : 27-05-2019

Independent Auditor's Report

To the Members of Jakharia Fabric Limited (Formerly known as Jakharia Fabric Private Limited)

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Jakharia Fabric Limited(Formerly known as Jakharia Fabric Private Limited)("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133of the Act read with the Companies (Accounting Standards) Rules, 2016 as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters which, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Kay Audit Matter	Auditor's Response
1.	**Provisions for Contingencies and Litigations and disclosure of Contingent liabilities** **Description of Key Audit Matter:** At March 31, 2019, the Company has disclosed total contingent liabilities of Rs.96.90 lakhs. These contingent liabilities are based on judgements and accounting estimates made by management in determining the likelihood and magnitude of claims. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position. Refer Note 34 of consolidated financial statements for accounting policies for provisions and contingent liabilities and related disclosures.	• We evaluated the design and tested the operating effectiveness of controls in respect of the determination of the provisions. We determined that the operation of the controls provided us with evidence over the completeness, accuracy and valuation of the provisions. • We read the summary of litigation matters provided by management and held discussions with the management and their legal counsels. We requested legal letters from some of the Company's external legal advisors with respect to the matters included in the aforesaid disclosures. Where appropriate, we examined correspondence connected with the cases. • For litigation provisions, we tested the calculation of the provisions, assessed the assumptions against third party data, where available and assessed the estimates against historical trends. • We considered management's judgements on the level of provisioning and disclosures in respect of the aforesaid matters, which we considered to be appropriate.
2.	**Investment in Partnership Firm** **Description of Key Audit Matter:** The Company has made investment in partnership firm M/s. Jakharia Industries. This investment is accounted at cost as at March 31, 2019.The Company has total Investment of Rs. 3641.63 lakhs in the partnership firm. The Company have made substantial capital contribution of Rs. 2159.38 during FY 2018-19. Refer Note.12 of consolidated financial statements and accounting policy note1(F)	• Our audit procedures included, among others, considering the risk associated with investment. We have examined consolidated financial statement of the firm as at March 31, 2019 and implementation of the project is under progress. • We held discussions with the management and their counsels. • We considered management's Judgements on the level of diminution / no revenue generated from the said investment in firm and disclosures in respect of the aforesaid investment, which we considered to be appropriate.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Consolidated Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:-

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion of the adequacy and operating effectiveness of the Company internal financial control over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the years in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

ii. The Company does not have any long term contracts including derivative contracts and therefore, no provision is required to be made for any material foreseeable losses to this effect.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Shah Shroff & Associates
Chartered Accountants
Firm Reg. No.: 0128920W

Yashesh Shroff
Partner
Membership No: 103277

Place: Mumbai
Date:May27, 2019

Annexure - A to the Independent Auditors' Report

(Refer to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Jakharia Fabric Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that;

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shah Shroff & Associates
Chartered Accountants
Firm Reg. No.: 0128920W

Yashesh Shroff
Partner
Membership No: 103277

Place: Mumbai
Date: May 27, 2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Consolidated Balance sheet as at March 31, 2019

	Note No.	31 March 2019 Rs.	31 March 2018 Rs.
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	40,638,300	29,718,300
Reserves and Surplus	3	399,892,197	186,421,440
		440,530,497	**216,139,740**
Non-Current Liabilities			
Long-term borrowings	4	200,285,812	206,434,528
Deferred-tax liabilities (net)	5	3,729,841	1,683,898
Long-term provisions	6	7,051,000	4,675,238
		211,066,653	**212,793,664**
Current Liabilities			
Short-term borrowings	7	26,215,752	21,518,155
Trade Payables			
Micro and Small Enterprises	8	-	-
Other	8	151,587,151	148,738,575
Other current liabilities	9	29,979,479	23,736,684
Short-term provisions	10	2,688,000	664,762
		210,470,381	**194,658,176**
Total		**862,067,531**	**623,591,580**
Assets			
Non-current assets			
Fixed Assets			
Property, Plant and Equipment	11	184,258,583	182,125,896
Capital work in progress		24,102,390	23,677,386
Non-current investments	12	100,000	100,000
Investment in Associates accounted for using the equity method	12A	364,163,307	148,225,354
Long term loans and advances	13	72,216,925	61,576,081
Other non-current assets	14	1,462,977	1,365,685
		646,304,183	**417,070,401**
Current Assets			
Inventories	15	30,387,094	29,438,905
Trade receivables	16	176,099,952	164,694,286
Cash and cash equivalents	17	7,509,583	10,458,793
Short-term loans and advances	18	1,439,654	1,265,348
Other current assets	19	327,065	663,847
		215,763,348	**206,521,179**
Total		**862,067,531**	**623,591,580**
Summary of significant accounting policies	1		

The accompying notes are an integral part of the financial statements.
As per our Report of even date

For, Shah Shroff & Associates
Chartered Accountants
FRN: 0128920W

For and on behalf of the Board of Directors
of Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)

Partner
CA. Yashesh Shroff
Membership No. 103277

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date: 27-05-2019

Place: Bhiwandi
Date : 27-05-2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Consolidated Statement of Profit and Loss account for the year ended March 31, 2019

	Note No.	March 31, 2019 Rs.	March 31, 2018 Rs.
Income			
Revenue from Operations	20	699,731,289	839,707,941
Other Income	21	2,249,162	3,717,533
Total Revenue (I)		**701,980,450**	**843,425,474**
Expenses			
Cost of material consumed	22	327,378,152	471,119,043
Changes in inventories of Finished Goods, Work-in-progress and Stock in trade	23	(381,034)	(2,176,601)
Employee Benefit Expenses	24	131,345,603	115,545,096
Other Expenses	25	164,413,149	206,056,792
Total Expenses (II)		**622,755,870**	**790,544,330**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		79,224,580	52,881,145
Depreciation and Amortization Expenses	11	(16,879,162)	(17,348,231)
Finance Cost	26	(10,957,030)	(9,764,828)
Profit before prior period items and tax		**51,388,389**	**25,768,086**
Prior Period Income/(Expenses)		(730,146)	(3,913,063)
Profit before tax		**50,658,243**	**21,855,023**
Tax Expense:			
Current tax		(14,047,000)	(7,860,000)
Excess/(Short) provision in earlier year		-	638,282
Deferred Tax		(2,045,943)	(1,237,011)
Profit after tax for the year		**34,565,300**	**13,396,294**
Earnings per Equity Share			
Basic (Face value per share Rs.10/-)		9.16	5.20
Diluted		9.16	5.20

Summary of significant accounting policies 1

The accompying notes are an integral part of the financial statements.

As per our Report of even date

For, Shah Shroff & Associates
Chartered Accountants
FRN: 0128920W

Partner
CA. Yashesh Shroff
Membership No. 103277

Place: Bhiwandi
Date: 27-05-2019

For and on behalf of the Board of Directors
of Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date : 27-05-2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Consolidated Statement of Cash Flow for the year ended March 31, 2019

	31 March 2019 Rs.		31 March 2018 Rs.	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		50,658,243		21,855,023
Adjustments for				
Depreciation and amortization	16,879,162		17,348,231	
Profit/(Loss) on sale of Machinery	(1,107,675)		799,328	
Dividend received	(10,000)		(12,000)	
Prior Period adjustments-tax	-		(799,600)	
Interest & Fianancial cost	10,957,030		9,764,828	
Interest received	(542,343)	26,176,173	(751,172)	26,349,615
Operating profit before working capital changes		76,834,417		48,204,638
(Increase) \ decrease in operating assets				
Inventories	(948,189)		3,122,069	
Trade receivables	(11,405,666)		7,319,836	
Short term loans & advances	(174,306)		1,507,847	
Other non current assets	(97,292)		5,514,643	
Other current assets	336,782		(94,345)	
Trade payables	2,848,575		6,683,527	
Other current liabilities	6,242,795		7,993,614	
Long term provisions	2,375,762		4,675,238	
Short term provisions	2,023,238		664,762	
		1,201,700		37,387,190
Cash generated from operating activities		78,036,117		85,591,828
Tax Provision		(14,047,000)		(7,221,718)
Net cash flow from operating activities		63,989,117		78,370,110
B. Cash flow from investing activities				
Purchase of fixed assets	(19,879,179)		(11,524,718)	
Sale of fixed assets	1,550,000		300,000	
Interest received	542,343		751,172	
(Purchase) / sale of investments	(215,937,953)		(57,150,167)	
Net cash used in investing activities		(233,724,789)		(67,623,713)
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(6,148,717)		341,694	
Increase / (Decrease) in short term borrowings	4,697,597		9,768,292	
Increase / (Decrease) in long term loans & advances	(10,640,845)		(5,850,914)	
Issue of Equity Shares	189,825,453		-	
Interest & Fianancial Charges	(10,957,030)		(9,764,828)	
Dividend received	10,000		12,000	
Net cash used in financing activities		166,786,458		(5,493,756)
Net increase / (decrease) in cash and cash equivalents		(2,949,209)		5,252,641
Cash and cash equivalents (Opening balance)		10,458,793		5,206,151
Cash and cash equivalents (Closing balance)		**7,509,583**		**10,458,793**
Reconciliation of cash and cash equivalent with Balance Sheet				
Cash and cash equivalent as per Balance Sheet		8,972,560		11,824,478
Less: Deposit with Banks with original maturity of 3-12 months		1,462,977		1,365,685
Cash and cash equivalent at the end of the year as per cash flow		**7,509,583**		**10,458,793**

As per our Report of even date
For Shah Shroff & Associates
Chartered Accountants
FRN:0128920W

Partner
CA. Yashesh Shroff
Membership No. 103277

Place: Bhiwandi
Date: 27-05-2019

For and on behalf of the Board of Directors
of Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date : 27-05-2019

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)
Notes forming part of Consolidated Financial Statements

Corporate Information:

Jakharia Fabric Limited is a public company and incorporated in India under the provisions of Companies Act, 1956 and its shares are listed on the SME platform (NSE Emerge) of the National Stock Exchange of India.The company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines.

The Consolidated Financial Statement comprises Financial Statement of Jakharia Fabric Limited and its associate (collective the group). The Consolidated Financial Statement of the company for the year ended March 31,2019 were approved by the board of directors and authorized for issue on May 27, 2019.

Note 1: Significant Accounting Policies:

A) The Consolidated Financial Statement comprises Financial Statement of Jakharia Fabric Limited and its associate (collective the group). The Consolidated Financial Statement of the company with its associate have been prepared in accordance with requirement of AS-23 Accounting for Investments in Associate in Consolidated Financial Statement using the equity method.

The associate consider in this Consolidated Financial Statement are:

Sr. No.	Name of the Associate	Country of Incorporation	Ownership in percentage	
			As at March 31,2019	As at March 31, 2018
1.	Jakharia Industries	India	96.11	91.34

B) Basis of preparation and presentation:

The Financial Statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

C) **Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about

these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

D) **Current/Non -Current Classification:**
All assets & liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013. Based on nature of business, the company has ascertained its operating cycle as 12 months for the purpose of Current/Non-Current classification of assets and liabilities.

E) **Property, Plant and Equipment:**
Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses related to acquisition, installation of the concerned assets and any attributable cost of bringing the asset to the condition for the intended use. Borrowing costs attributable to the acquisition or construction of a qualifying asset are also capitalized as a part of the cost of the asset.

Capital work-in-progress and Capital advances:
Cost of assets not ready for intended use as on balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other Non-current Assets.

Depreciation on Property, Plant and Equipment:
Depreciation on Property, Plant and Equipment is calculated on a written down value basis using the rates arrived at based on the useful lives estimated by the management. The estimated useful life of the assets is as under:

Particulars	Useful Lives of the Assets estimated by the management (years)
Factory Building	30
Building	60
Plant & Machinery*	25
Electrical & Fitting	10
Furniture & Fixtures	10
Vehicles	8
Computers	3
Air Conditioner	5
Laboratory	10
Office Equipment	5

*For this class of assets, based on internal technical assessment and past experience, the Management believes that the useful life as given above, best represent the period over which the Management expects the use of the assets. The useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

F) Impairment:

The carrying amounts of the Company's Property Plant and Equipment and intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exist, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an assets or its Cash Generating Unit (CGU) exceeds its recoverable amount. The impairment los, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For calculating present value, future cash flows are discounted using a pre-tax discount rate that reflects current market rates and the risk specific to the assets. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Where an impairment loss subsequently reverses, the carrying amount of a n asset is increases to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

G) Investment in Associate:

Non-current Investments in partnership firm is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investments is assessed and written down to its recoverable amount.

The Company is one of the partners having capital contribution ratio and profit sharing ratio to tune of about 96% in 'M/s. Jakharia Industries' a partnership firm wherein there are 5 other individual partners. According to the partnership deed (as amended from time to time), key business decisions need unanimous approval of all the partners of the firm, irrespective of their profit sharing ratio and/or capital contribution ratio. In view of the same, the company does not have exclusive power to control the activities of the firm and in turn, influence the returns earned from its

investment in the firm. Thus, the investment in firm is categorized as investment in Associate.

Further, the firm is still in its pre- operation phase and operations have not started till the date of financial statements. Consequently, amount of post-acquisition profits is nil.

H) Inventories:

Inventories are carried at lower of cost and net realizable value. Cost is ascertained on first-in-first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale.

I) Borrowing Cost:

All borrowing costs are expensed in the period they are incurred. Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowing.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

J) Revenue recognition:

Revenue from services rendered is recognized on the basis of completion of job and dispatch thereof to customers or on sale of products. Revenue is recognized on sale of products when no significant uncertainty as to its determination or realization exists.

K) Employee benefits:

Defined contribution plans and short term employee benefits such as salary, bonus, provident fund etc. are charged to Profit & Loss account as incurred. The present value of the obligations under defined benefits plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognised immediately in the Profit & Loss account.

L) Foreign currency translation:

i. Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the standard exchange rate determined at the transaction date.

ii. Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences:

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2) All other exchange differences are recognised as income or as expenses in the period in which they arise.

M) Taxes on Income:

Current Tax: Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred Tax: Deferred tax is measured on based on the tax rate and tax laws enacted or substantially enacted at the balance date. Deferred tax assets are recognized only if there is reasonable/virtual certainty that they will be realized.

N) Provision & Contingencies:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

O) Earning Per Share:

a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as conversion of preference shares in to equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

P) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

2) Share Capital

	March 31, 2019 Rs.	March 31, 2018 Rs.
AUTHORIZED SHARES		
50,00,000/-Equity shares of Rs.10/- each	50,000,000	30,000,000
5,00,000/- 9% Convertible Preference shares of Rs.10/- each	-	5,000,000
Total	**50,000,000**	**35,000,000**
ISSUED , SUBSCRIBED & FULLY PAID-UP SHARES		
40,63,830/- (P.Y.29,71,830) Equity shares of Rs.10/- each	40,638,300	29,718,300
Total issued, subscribed and fully paid-up share capital	**40,638,300**	**29,718,300**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2019		March 31, 2018	
	Rs.		Rs.	
Equity Shares				
At the beginning of the period	2,971,830	29,718,300	2,738,500	27,385,000
Add: Issued during the year	1,092,000	10,920,000	233,330	2,333,300
Outstanding at the end of the period	**4,063,830**	**40,638,300**	**2,971,830**	**29,718,300**
Preference Shares				
9% Convertible Preference shares of Rs.10/- each				
At the beginning of the period	-	-	233,330	2,333,300
Converted during the period	-	-	-	-
Less : Converted to equity shares during the year	-	-	233,330	2,333,300
Outstanding at the end of the period	**-**	**-**	**-**	**-**

b) Rights, Preferences and Restrictions attached to Shares:

Equity Shares

The company has one class of equity shares having par value of Rs.10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Shares

9% Convertible non cummulative preference shares of Rs. 10 each were issued in FY 2011-2012 at a premium of Rs.140 per shares. As per the terms of the issue one equity share issued agaisnt one preference share held to the preference shareholders. Each share is converted into one equity share of par value of Rs. 10 on 8th March, 2018.

c) Details of shareholding more than 5% equity shares in the Company:

Equity Shares

	March 31, 2019		March 31, 2018	
Name of the shareholder	Rs.		Rs.	
Mr. Himmatlal Shah	-	-	474,500	11.68
Mr. Jignesh Shah	-	-	137,000	3.37
Mr. Nitin Shah	912,833	30.72	467,000	11.49
Mr. Dixit Shah	347,000	11.68	347,000	8.54
Mr. Manekchand Shah	505,833	17.02	317,000	7.80
Mrs. Champaben Shah	-	-	225,000	5.54
M/s Jakharia Synthetics Private Limited	615,000	20.69	615,000	15.13

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

3) Reserves & Surplus

	March 31, 2019 Rs.	March 31, 2018 Rs.
Securities Premium :		
Opening Balance	32,033,400	34,366,700
Add : Addition during the year	185,640,000	-
Less : Transfer to Capital Redemption Reserve	-	(2,333,300)
Less : Utilised for expenses incurred for IPO	(6,734,547)	-
Closing Balance	210,938,853	32,033,400
Capital Redemption Reserves :		
Opening Balance	2,333,300	-
Add : Transfer from Security Premium Account	-	2,333,300
Closing Balance	2,333,300	2,333,300
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last Financial Statement	152,054,740	138,658,446
Profit for the year	34,565,300	13,396,294
Net surplus in the statement of profit and loss	**186,620,040**	**152,054,740**
Total Reserves and Surplus	**399,892,197**	**186,421,440**

4) Long Term Borrowings

		March 31, 2019 Rs.	March 31, 2018 Rs.
Secured			
Term loans from bank		85,515,863	91,852,519
Loan from bank for vehicles		754,963	1,011,417
Less : Current maturities of long term debt		(18,382,560)	(12,370,444)
(Amount disclosed under the head 'other current liabilities' refer note no. 9)			
	(A)	**67,888,266**	**80,493,492**

I. Term loans taken from Kotak Mahindra Bank:-
Term Loan - II. For acquiring plant and machinery payable in not exceeding 60 equated monthly installment , carrying interest rate 'MCLR+1.30%.
Term Loan-III. For acquiring plant and machinery payable in 84 equated monthly installment, carrying interest rate MCLR+1.30%.
The above term loans are secured against:-
1. First and exclusive charge on all existing and future current assets, including moveable fixed assets of the company.
2. Equitable mortgage of factory land & building located at plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi,Taluka Palghar, Dist Thane.
3. Equitable mortgage of factory land & building situated at survey no.1/1 & 25/5, Devji Nagar, Near Shanti Sagar Complex, Village Narpoli, Bhiwandi, Dist Thane-421302 owned by Mr. Himatlal Shah and Mr. Jignesh Shah.
4. Personal guarantee of following directors :-
a. Mr. Himmatlal P. Shah
b. Mr. Jignesh H Shah
c. Mr. Nitin K Shah
d. Mr. Manekchand P Shah
e. Mr. Dixit M Shah

II. Loan taken fromHDFC Bankof Rs. 11.40 lakhs and repayable in 48 monthly EMI of Rs. 28,290/- starting from October 2017 carrying interest @ 9.27% p.a. The said loan is secured against hypothecation of the vehicle acquired under the loan.

Unsecured			
From director & shareholders		127,460,000	120,940,000
From relatives of directors and shareholders		4,937,546	5,001,036
	(B)	**132,397,546**	**125,941,036**
	(A+B)	**200,285,812**	**206,434,528**

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

5) Deferred Tax Liabilities

	March 31, 2019 Rs.	March 31, 2018 Rs.
Deferred Tax Liabilities/(Assets) (Net)		
Depreciation	3,729,841	2,164,965
Disallowance of expenses	-	(481,067)
	3,729,841	**1,683,898**

6) Long Term Provisions

	March 31, 2019 Rs.	March 31, 2018 Rs.
Provision for gratuity	7,051,000	4,675,238
	7,051,000	**4,675,238**

7) Short Term Borrowings

	March 31, 2019 Rs.	March 31, 2018 Rs.
Secured		
From Bank-Cash credit account	26,215,752	21,518,155
	26,215,752	**21,518,155**

The above cash credit facility is secured by way of hypothecation of stock and book debts of the company and further secured against:-
1. First and exclusive charge on all existing and future current assets, including moveable fixed assets of the borrower.
2. Equitable mortgage of factory land & building located at plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Taluka Palghar, Dist Thane.
3. Equitable mortgage of factory land & building situated at survey no.1/1 & 25/5, Devji Nagar, Near Shanti Sagar Complex, Village Narpoli, Bhiwandi, Dist Thane-421302 owned by Mr. Himatlal Shah and Mr. Jignesh Shah.
4. Personal guarantee of following directors :-
a. Mr. Himmatlal P. Shah
b. Mr. Jignesh H Shah
c. Mr. Nitin K Shah
d. Mr. Manekchand P Shah
e. Mr. Dixit M Shah

8) Trade Payables

	March 31, 2019 Rs.	March 31, 2018 Rs.
Creditors		
-for capital goods	3,741,975	3,816,526
-for raw material and others	139,862,992	118,208,883
-for expenses	7,982,184	26,713,166
	151,587,151	**148,738,575**

Micro, Small and Medium enterprises have been identified by the company on the basis of the information available.

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Dues remaining unpaid as at 31st March		
a) Principal		
Interest on the above	-	-
b) Interest paid in terms of Section 16 of the act along with amount of payment made to the supplier beyond the appointed paid during the year		
Principal paid beyond the appointed date		
Interest paid in terms of Section 16 of the act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Further interest due and payable even in the succeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
e) Amount of interest accrued and remaining unpaid as at 31st March	-	-

9) Other Current Liabilities

	March 31, 2019 Rs.	March 31, 2018 Rs.
Current maturities of long term debts	18,382,560	12,370,444
Statutory dues payable	3,208,491	4,596,264
Salaries and wages payable	7,718,797	6,069,976
Insurance claim received	-	700,000
Interest accrued but not due	669,631	-
	29,979,479	**23,736,684**

10) Short-Term Provisions

	March 31, 2019 Rs.	March 31, 2018 Rs.
Provision for gratuity	2,688,000	664,762
	2,688,000	**664,762**

Jakharia Fabrics Limited
(Formerly known as Jakharia Fabric Pvt Ltd)
Notes forming part of Fianancial Statements

11) Property, Plant & Equipment

As at March 31, 2019

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2018	Addition during the year	Disposal during the year	Value at the end of the period 31.03.2019	Value at the beginning 01.04.2018	Addition for the year	Disposal during the year	Value at the end of the period 31.03.2019	WDV as on 31.03.2019	WDV as on 31.03.2018
A. Tangible Assets										
Leasehold Land	27,351,966	-	-	27,351,966	-	-	-	-	27,351,966	27,351,966
Factory Building	36,191,201	1,279,895	-	37,471,096	18,806,576	1,619,699	-	20,426,275	17,044,821	17,384,625
Buiding at Tarapur	30,087,579	-	-	30,087,579	9,822,179	967,640	-	10,789,819	19,297,760	20,265,400
Plant & Machinery	223,952,005	17,691,999	840,550	240,803,454	127,315,993	10,767,245	698,037	137,385,201	103,418,253	96,636,012
Expenses Plant & Machinery	22,506,243	-	-	22,506,243	9,019,077	1,491,897	-	10,510,974	11,995,269	13,487,166
Computer	577,204	260,669	-	837,873	521,551	158,372	-	679,923	157,950	55,654
Air Conditioner	1,089,397	60,938	-	1,150,334	823,385	132,992	-	956,378	193,957	266,012
Bike	198,405	-	-	198,405	177,268	5,094	-	182,363	16,042	21,137
Car	3,045,608	-	1,744,307	1,301,301	1,643,820	367,631	1,444,495	566,956	734,345	1,401,788
Roto Crate	60,480	-	-	60,480	52,275	1,487	-	53,762	6,718	8,205
Fire Extinguisher	253,467	-	-	253,467	243,180	-	-	243,180	10,287	10,287
Mobile	65,400	-	-	65,400	61,975	155	-	62,130	3,270	3,425
Factory Shade	524,000	32,559	-	556,559	282,807	23,816	-	306,623	249,936	241,193
EPBAX System	177,849	-	-	177,849	89,355	9,679	-	99,034	78,815	88,494
Laboratory	2,662,380	-	-	2,662,380	728,539	517,766	-	1,246,305	1,416,075	1,933,841
Furniture	1,072,231	128,116	-	1,200,347	855,043	64,945	-	919,989	280,358	217,188
LED TV	56,626	-	-	56,626	54,559	-	-	54,559	2,067	2,067
Electrical Goods	11,314,514	-	-	11,314,514	8,796,510	705,122	-	9,501,632	1,812,882	2,518,004
Electrical Installations	2,275,472	-	-	2,275,472	2,042,038	45,620	-	2,087,659	187,813	233,434
Total Property, Plant and Equipment	**363,462,027**	**19,454,175**	**2,584,857**	**380,331,345**	**181,336,132**	**16,879,162**	**2,142,532**	**196,072,762**	**184,258,583**	**182,125,896**
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	**363,462,027**	**19,454,175**	**2,584,857**	**380,331,345**	**181,336,132**	**16,879,162**	**2,142,532**	**196,072,762**	**184,258,583**	**182,125,896**
As at March 31, 2018										
Total Assets	**354,590,747**	**11,524,718**	**2,653,438**	**363,462,027**	**165,542,010**	**17,348,231**	**1,554,110**	**181,336,131**	**182,125,896**	**189,048,737**

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

12) Non-Current Investments

	March 31,2019 Rs.	March 31,2018 Rs.
Investment in equity instruments (unquoted)		
Shares of NKGSB Co- Operative Bank	100,000	100,000
Total	**100,000**	**100,000**

12A) Investment in Associates accounted for using the equity method

(i) Capital Investment in Jakharia Industries

Balance as per Last BalanceSheet	148,225,354		91,075,187	
Add : Capital introduced during the year	259,085,999		79,187,063	
Less : Withdrawals during the year	(43,148,046)		(22,247,000)	
Add : Share of Profit for the Year	-	364,163,307	210,104	148,225,354
The Partner -wise break-up of Capital and Profit Sharing ratio in M/s. Jakharia Industries is as under :-				
Total		**364,163,307**		**148,225,354**

Name of the Partner	Profit Sharing Ratio	Capital as on 31 March 2019 Rs.	Profit Sharing Ratio	Capital as on 31-Mar-18 Rs.
M/s. Jakharia Fabrics Private Limited	96.11%	364,163,307	91.34%	148,225,354
Mr. Nitin Shah	0.74%	2,809,550	1.73%	2,809,550
Mr. Himmatlal Shah	0.74%	2,804,775	1.73%	2,804,775
Mr. Jignesh Shah	0.93%	3,529,775	1.74%	2,829,775
Mr. Dixit Shah	0.74%	2,804,775	1.73%	2,804,775
Mr. Maneckchand Shah	0.74%	2,804,775	1.73%	2,804,775
		378,916,957		162,279,004

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

13) Long Term Loans & Advances

	March 31, 2019 Rs.	March 31, 2018 Rs.
Balance with govt authorities	32,314,962	25,385,625
Advance Income- tax (Net)	21,536,368	20,790,461
Security Deposit	18,365,595	15,399,995
	72,216,925	**61,576,081**

14) Other Non-Current Assets

	March 31, 2019 Rs.	March 31, 2018 Rs.
Other Non-Current Assets		
Deposits with banks (with original maturity period of more than 12 months)	1,462,977	1,365,685
(Note: Held under lien by Bank against bank guarantees issued in favour of company)		
	1,462,977	**1,365,685**

15) Inventories

	March 31, 2019 Rs.	March 31, 2018 Rs.
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	4,720,976	5,526,442
- Others	3,103,990	1,731,369
Work in Progress		
- Fabrics	5,601,428	4,455,853
Finished Goods		
- Fabrics	16,960,700	17,725,241
	30,387,094	**29,438,905**

16) Trade Receivables

	March 31, 2019 Rs.	March 31, 2018 Rs.
Outstanding for a period exceeding six months from the date of Invoice		
Secured, Considered Good	-	-
Unsecured, Considered Good	14,066,876	6,729,648
Doubtful	-	-
Others		
Secured, Considered Good	-	-
Unsecured, Considered Good	162,033,076	157,964,638
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	176,099,952	**164,694,286**

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

17) Cash and Bank Balances

	March 31, 2019 Rs.	March 31, 2018 Rs.
Cash and cash equivalents:		
Cash on hand	194,617	280,085
Balance with banks	130,122	41,751
Balance in fixed deposit accounts	8,647,821	11,502,642
	8,972,560	11,824,478
Less:Deposits with banks (with original maturity period of more than 12 months)	(1,462,977)	(1,365,685)
	7,509,583	**10,458,793**

18) Short-Term Loans and Advances

	March 31, 2019 Rs.	March 31, 2018 Rs.
Unecured and Considered Good		
Advance to suppliers	8,967	307,153
Advance to employees	1,430,687	958,195
	1,439,654	**1,265,348**

19) Other Current Assets

	March 31, 2019 Rs.	March 31, 2018 Rs.
Unsecured and Considered Good		
Prepaid expenses	327,065	393,742
Other receivables	-	270,105
	327,065	**663,847**

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

20) Revenue from operations

	March 31, 2019 Rs.	March 31, 2018 Rs.
Sale of services		
Job work/sales	633,823,614	673,309,726
Sale of products		
Finished goods	65,907,675	166,398,215
	699,731,289	**839,707,941**
Details of finished goods		
Fabrics	65,907,675	166,398,215

21) Other income

	March 31, 2019 Rs.	March 31, 2018 Rs.
Dividend on shares	10,000	12,000
Interest on Bank Fixed Deposit	542,343	751,172
Interest on Income-tax refund	-	150,780
Sundry credit balance written back	424,754	-
Profit on sale of fixed assets	1,107,675	-
Duty drawback	-	377,758
Interest on Vat refund	-	1,620,649
Foreign exchange gain	124,011	-
Share of Profit from partnership firm	-	210,104
Other income	40,379	595,070
	2,249,162	**3,717,533**

22) Cost of materials consumed

	March 31, 2019 Rs.	March 31, 2018 Rs.
Other materials		
Opening stock	7,257,811	12,556,481
Add: Purchases		
Coal	94,667,478	103,201,202
Dyes and chemicals	137,923,643	161,681,172
Grey	59,923,393	82,617,099
Packing material	15,720,384	15,273,132
Stores and spares	19,466,232	18,286,465
Other materials	264,759	90,806,303
Less : Purchase return	(20,582)	(6,045,000)
Less: Closing stock	(7,824,966)	(7,257,811)
	327,378,152	**471,119,043**

23) Changes in inventories of finished goods and work-in-progress

	March 31, 2019 Rs.	March 31, 2018 Rs.
Opening stock		
Work-in-progress	4,455,853	15,385,961
Finished goods	17,725,241	4,618,532
	22,181,094	20,004,493
Less: Closing stock		
Work-in-progress	5,601,428	4,455,853
Finished goods	16,960,700	17,725,241
	(381,034)	**(2,176,601)**

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Fianancial Statements

24) Employee benefits expenses

	March 31, 2019 Rs.	March 31, 2018 Rs.
Contribution to provident and other funds	1,971,094	2,318,396
Directors remuneration	24,000,000	30,000,000
Salary and wages	99,449,580	79,674,924
Staff welfare	1,089,129	1,350,676
Gratuity	4,399,000	1,856,000
Others	436,800	345,100
	131,345,603	**115,545,096**

25) Other expenses

	March 31, 2019 Rs.	March 31, 2018 Rs.
Manufacturing and service cost		
Cash discount	688,636	6,216,539
Consultancy	953,036	1,902,550
Jobwork / Subcontracting	53,014,060	69,244,058
Loading and unloading charges	3,240,879	3,595,527
Packing expenses	1,855,925	1,732,910
Power and fuel	63,784,599	58,495,812
Rent, rates and taxes	2,643,509	5,357,148
Repairs and maintenance	7,648,542	7,816,127
Water expenses	4,326,990	3,711,845
	138,156,177	**158,072,515**
Administrative & Selling		
Brokerage	6,402,447	9,396,537
Computer expenses	167,468	176,170
Travelling, conveyance and petrol expenses	696,697	565,896
Courier charges	697,157	474,669
Donation	352,050	578,920
Foreign exchange loss	-	129,224
Loss on sale of machinery	-	799,328
Insurance	1,352,861	1,274,452
Interest on statutory dues	76,875	50,936
Motor car expenses	175,979	203,776
Penalty	23,000	75,200
Printing and stationery	798,415	833,442
Sundry expenses	1,338,836	817,052
Sundry debit balance w/off	-	17,691,512
Telephone expenses	107,386	150,866
Transport charges	13,567,801	14,316,297
Payment to Auditors (Note no.27)	500,000	450,000
	26,256,972	**47,984,277**
	164,413,149	**206,056,792**

26) Financial cost

	March 31, 2019 Rs.	March 31, 2018 Rs.
Interest expenses on		
a) borrowing from bank	8,977,346	8,615,447
b) other borrowings	-	91,675
Others*	1,979,684	1,057,706
	10,957,030	**9,764,828**

* including bank charges,processing fees etc.

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Financial Statement

27)Remuneration to Auditors:

	March 31,2019 Rs.	March 31,2018 Rs.
Audit Fees	350,000	180,000
Tax Audit Fees	150,000	270,000

28)Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31, 2019 Rs.	March 31, 2018 Rs.
Profit/ (Loss) After Tax	34,565,300	13,396,294

	March 31, 2019	March 31, 2018
Weighted average number of equity shares in calculating basic EPS		
Equivalent Weighted Avg number of Equity Shares at the end of the year	3,773,627	2,573,775
Diluted Weighted Avg number of Equity Shares at the end of the year / period	3,773,627	2,573,775
Earnings Per Share		
Basic EPS	9.16	5.20
Diluted	9.16	5.20

29)Related party disclosures:

a.Names of related parties and related party relationship

Name of the Party	Description of Relationship
M/s. Jakharia Synthetics Private Limited	Enterprise over which directors have significant influence.
M/s. Jakharia Industries	Enterprise over which directors have significant influence.
M/s. Dixit Processors	Enterprise over which directors have significant influence.
Key managerial personnel	
Mr. Himmatlal Shah	Whole Time Director
Mr. Jignesh Shah	Chairman cum Executive Director
Mr. Nitin Shah	Managing Director
Mr. Dixit Shah	Whole Time Director
Mr. Manekchand Shah	Whole Time Director
Mr. Anant Rajaram Sawant	Independent Director
Mr. Mukul Jayantilal Vora	Independent Director
Mrs. Rajashri Kovil	Independent Director

b.Related Party Transaction

i) The following table provides the total amount of transactions that have been entered into with related parties for the relevant

	Nature of Transaction	March 31,2019 Rs.	March 31,2018 Rs.
M/s. Jakharia Industries	Investments	215,937,953	56,940,063
M/s. Jakharia Industries	Purchase	-	45,179,610
M/s.Jakharia Synthetics Pvt Ltd	Purchase	-	54,980,906
M/s.Jakharia Synthetics Pvt Ltd	Sales	127,875	2,482,255
M/s.Dixit Processors	Job Work	-	2,805,793

ii)Remuneration to key managerial personnel:

	March 31,2019 Rs.	March 31,2018 Rs.
Mr. Himatlal Shah	4,000,000	5,000,000
Mr. Dixit Shah	4,000,000	5,000,000
Mr. Jignesh Shah	4,000,000	5,000,000
Mr. Manekchand Shah	4,000,000	5,000,000
Mr. Nitin Shah	8,000,000	10,000,000

iii)Outstanding Balances

Name of the Party	March 31,2019 Rs.	March 31,2018 Rs.
a) **Receivables**		
M/s.Jakharia Synthetics Pvt Ltd	37,822	829,511
b) **Investments**		
M/s. Jakharia Industries	364,163,307	148,225,354
c) **Unsecured Loan**		
Mr. Himatlal Shah	44,985,000	43,500,000
Mr. Dixit Shah	10,080,000	10,600,000
Mr. Jignesh Shah	35,740,000	34,690,000
Mr. Manekchand Shah	5,155,000	4,650,000
Mr. Nitin Shah	31,500,000	27,500,000
Mrs. Rinkal D Shah	4,937,546	5,001,036

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Financial Statement

30) Additional information as required under Schedule III of the Companies Act 2013:

	Net Asset i.e. assests minus total liabilities				Share in profit or loss account			
	March 31, 2019		March 31, 2018		March 31, 2019		March 31, 2018	
	Consolidated net assets	Amount	Consolidated net assets	Amount	Consolidated net assets	Amount	Consolidated net assets	
Parent								
Jakharia Fabric Limited	100.00%	440,530,497	100.00%	216,139,740	100.00%	34,565,300	100.00%	
Associate								
Jakharia Industries	-	-	-	-	-	-	-	
Total	**100.00%**	**440,530,497**	**100.00%**	**216,139,740**	**100.00%**	**34,565,300**	**100.00%**	

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Notes forming part of Financial Statement

31) Information regarding Foreign Exchange earnings and expenditure :

	March 31,2019 Rs.	March 31,2018 Rs.
Expenditure in Foreign Exchange	-	691,943
Total	**-**	**691,943**

32) Foreign Currency Balance:

	March 31,2019 Rs.	March 31,2018 Rs.
Receivables	1,962,275	1,838,264

33) Employee Benefit Expenses:

a) Reconciliation of defined benefit obligation:

	March 31,2019 Rs.	March 31,2018 Rs.
Present value of DBO at start of year	5,340,000	3,484,000
Current Service Cost	2,030,000	1,354,667
Interest cost	390,000	237,333
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	1,979,000	264,000
Present value cost	9,739,000	5,340,000

b) Expenses recognised in Profit & Loss Account

	March 31,2019 Rs.	March 31,2018 Rs.
Current Service Cost	2,030,000	1,354,667
Interest cost	390,000	237,333
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	1,979,000	264,000
Present value cost	4,399,000	1,856,000

c) Net liability /(assets) recognised in Balance Sheet

	March 31,2019 Rs.	March 31,2018 Rs.
Present value of DBO	9,739,000	5,340,000
Fair value of Plan Assets	-	-
Net Liabilty/ (Assets)	9,739,000	5,340,000
Less: Unrecognised Past Service Cost		
Liability /(assets) recognised in Balance Sheet	9,739,000	5,340,000
Of Which Short Term Provision	**2,688,000**	**664,762**

34)Contingent Liabilities:

(To the extent not provided for)

	March 31,2019 Rs.	March 31,2018 Rs.
Disputed Income-tax & TDS demand	698,400	10,361,810
Bank guarantee	8,991,600	8,891,600
	9,690,000	19,253,410

35) Corporate Social Responsibility (CSR):

As per section 135 of the Compnaies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPS guidelines no. F.No. 15 (13)/2013-DPE(GM), the Company is required to spend, in every financial year, at least two percent of the average net profits of the Compnay during the three immediately preceding fincaials years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

Particulars	March 31,2019 Rs.	March 31,2018 Rs.
A. Amount required to be spent during the year	948,069	1,234,558
B. Amount Spent on CSR	-	-

36) Issue of Shares to Public:

During the period under review, the company completed initial public offering of 10,92,000 fresh equity shares at a price of Rs.180/- per share. The shares of the Company get listed on the SME platform (NSE Emerge) of the National Stock Exchange Limited on 11th day of July 2018. The proceeds of the issue have been fully utilized in accordance with the purpose of issue as stated in the prospectus of the initial public offering.

37) Previous Year Figures :

Previous year figures have been regrouped to comply with current year groupings.

The accompanying notes are an integral part of Financial Statements
As per our Report of even date.

For, Shah Shroff & Associates
Chartered Accountants
FRN: 0128920W

For and on behalf of the Board of Directors
of Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd)

Partner
CA. Yashesh Shroff
Membership No. 103277

Jignesh H. Shah
Chairman & Executive Director
[DIN: 00256315]

Nitin Shah
Managing Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No. A46806

Place: Bhiwandi
Date: 27-05-2019

Place: Bhiwandi
Date : 27-05-2019

Form No. MGT-11
PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:L17200MH2007PLC171939
Name of the Company: JAKHARIA FABRIC LIMITED
Registered office: OFFICE NO.1224, DEOJI NAGAR, NARPOLI VILLAGE, BHIWANDI, THANE - 421 302

Name of the Member(s) :_____ Registered address & Email Id : _____ _____
No. of Equity Shares: _____ Folio No./D.P. ID. and Client IDNo.*_____

*Applicable for members holding shares in electronic form

I / We, being the member(s) of _____ shares of the above company, hereby appoint below at Sr. N o. 1 or failing him Sr. 2

Sr. No.	Name of Proxy	Address & Email Id	Signature
1			
2			

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held on **Monday, 30th September, 2019 at 2:00 PM** at OFFICE NO.1224, DEOJI NAGAR, NARPOLI VILLAGE, BHIWANDI, THANE - 421 302 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
1	To receive, consider and adopt the Standalone & Consolidated Audited financial statements of the Company for the financial Year ended 31st March, 2019 together with Reports of the Board of Directors and the Auditors thereon		
2	To appoint a Director in place of Mr. Himatlal P. Shah (DIN: 02415630), who retires by rotation and being eligible, offers himself for re-appointment.		

Signed this _____day of _____2019

Affix revenue Stamp

Signature of Proxy holder(s) Signature of Shareholder

Notes:-

- This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.
- Proxy need not be a member of the Company.
- A person can act as Proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of total share capital of the Company. Members holding more than ten percent of total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.

Attendance Slip

I hereby certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the 12th Annual General Meeting of the Company being held on **Monday, 30th September, 2019 at 2:00 PM**at the Registered Office of the Company situated at OFFICE NO.1224, DEOJI NAGAR, NARPOLI VILLAGE, BHIWANDI, THANE - 421 302.

Registered Folio No.	
Name and address of the Member Joint Holder 1 Joint Holder 2 No. of Equity Shares	

Name of the Proxy:_____

_____ _____

Signature of Proxy Signature of Member

Notes:

1. A Member / Proxy attending the meeting must complete this Attendance slip in legible writing and hand it over at the entrance. Sign at appropriate place as applicable to you.

2. Body Corporate / Company, who are a member, may attend through its representative. Original copy of authorization / resolution should be deposited with the Company.

3. Please read the instructions printed under the Notes to the Notice of this Annual General Meeting.

4. A person can act as Proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of total share capital of the Company. Members holding more than ten percent of total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.



