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 : 7th December, 2020

Company ID : JAKHARIA
ISIN : INE00N401018

Sub: Annual Report for the Financial Year 2019-20

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached herewith the Annual Report for the Financial year 2019-20.

Kindly take the same on record.

Thanking You,

For JAKHARIA FABRICS LIMITED



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.*

13th ANNUAL REPORT

2019-2020

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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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
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4	Independent Standalone Auditor's Report on as on 31st March 2020
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6	Notes on Standalone Audited Financial Statements as on 31st March, 2020
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NOTICE OF THE 13TH 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 **13th Annual General Meeting** of the members of **JAKHARIA FABRIC LIMITED** will be held on **Thursday, 31ST December, 2020 at 4.00 P.M**. through Video Conference (VC) / other Audio Visual means (OAVM) facility to transact with or without modification(s) the following business :

ORDINARY BUSINESS:

- To receive, consider and adopt the Standalone Audited financial statements and Consolidated Audited Financial Statements of the Company for the year 2019-20 ended 31st March 2020, comprising of the Standalone & Consolidated Balance Sheet as at 31st March 2020, Standalone & Consolidated Statement of Profit & Loss and Standalone & Consolidated Statement of Cash Flow for the year 2019-20 ended 31st March 2020, together with the Report of the Statutory Auditors and Board's Report thereon

- To re-appoint a Director **Mr. JIGNESH HIMATLAL SHAH (DIN: 00256315),** who retires by rotation and being eligible, offers himself for re-appointment.
- To re-appoint Statutory Auditors and authorize the Board of Directors to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 139 & 142 of the Companies Act, 2013 and rules framed thereunder, M/s. Shah Shroff & Associates, Chartered Accountants (Firm Regn. No. 0128920W), be and are hereby appointed as the Statutory Auditors of the Company to hold office, from the conclusion of this Annual General Meeting to the conclusion of the 18th Annual General Meeting of the Company at a remuneration as may be decided by the Board with the mutual consent of the auditors."

NOTES:

I. 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**.

II. Members may note that to protect the health and safety of all the stakeholders including the shareholders in view of the continuing COVID-19 pandemic, the 13th Annual General Meeting ("AGM") of the members of the Company will be held as an electronic AGM ("e-AGM") in virtual mode, through Video Conferencing ("VC")/ Other permitted Audio Visual Means ("OAVM"), as permitted by the Ministry of Corporate Affairs ("MCA") vide its circular No. 20/2020 dated May 05, 2020 read with circulars dated 8th April 2020 and 13th April 2020, ("Collectively referred to as MCA circulars") and by the Securities and Exchange Board of India ("SEBI") vide its circular dated 12th May 2020. Accordingly, there will be no physical meeting of the shareholders taking place at a common venue in respect of the 28th AGM. Hence, Members have to attend and participate in the ensuing AGM though VC/OAVM.

III. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

IV. As per the MCA circulars read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Notice of 13th AGM along with Annual Report has been sent through electronic mode to only those Members whose email IDs are registered with the Company/ Depository participant.

V. Those Shareholders holding in physical mode whose email IDs/ Mobile number are not registered, are requested to register their email ID/ Mobile number with Registrar & Share Transfer Agent (RTA) by providing scanned copy of signed request letter by member submitting details viz Address, email ID, Bank Account details, PAN, DPID/Client ID or Folio Number and Number of shares held by them to enable to send communications by email.

VI. **All the Members need to send email on AGMparticipant@bigshareonline.com for VC joining link which will be mailed by RTA before 24 hours of AGM**.

VII. The attendance of the Members attending the 13th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

VIII. In line with the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 05, 2020, the Notice calling the 13th AGM has been uploaded on the website of the Company at https://www.jakhariafabric.com/investor-relationship . The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com

IX. 13th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. Instructions for members for attending the 13th AGM through VC/OAVM are given as Annexure B

X. 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 and it is not mandatory to SME Listed Company 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").

XI. The Register of Members and Share transfer Books of the Company will remain closed from **Thursday the 24th December, 2020 to Thursday 31st December, 2020 (both days inclusive).** The Record date / cut-off date to determine the eligibility of members for the purpose of voting at the 13th AGM is Tuesday**, the 29th December, 2020.**

XII. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form
and attendance slip are not attached to this Notice.

SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA by e-mail to joyv@bigshareonline.com.

XIII. The Company's website is www.jakhariafabric.com. Annual Reports of the Company is made available on the Company's website.

XIV. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@jakhariafabric.com

XV. Our Company's shares are tradable compulsorily in electronic form and through Bigshare Services Pvt. Ltd, Registrars and Share Transfer Agents; we have established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE00N401018. As on March 31, 2020, 94.26% of our Company's Shares were held in dematerialized form and the rest are in physical form. To enable us to serve our investors better, we request shareholders whose shares are in physical mode to dematerialize

shares and to update their bank accounts with the respective Depository Participants

XVI. 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

XVII. 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.

By order of the Board
For JAKHARIA FABRIC LIMITED

Sd/-
BHAVIN WAGHELA
COMPANY SECRETARY

DATE : 5.12.2020

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. JIGNESH HIMATLAL SHAH**
Directors Identification Number (DIN)	**00256315**
Age	**40 Years**
Qualification	**Graduate**
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	**1,37,000 Equity Shares**
List of Directorship held in other companies	**Director - Jakharia Synthetics Pvt. Ltd.**
Membership/ Chairmanships of Audit and Stakeholders Remuneration Committee	**Member – Audit Committee**

CHAIRMAN'S MESSAGE



Dear Shareholders,

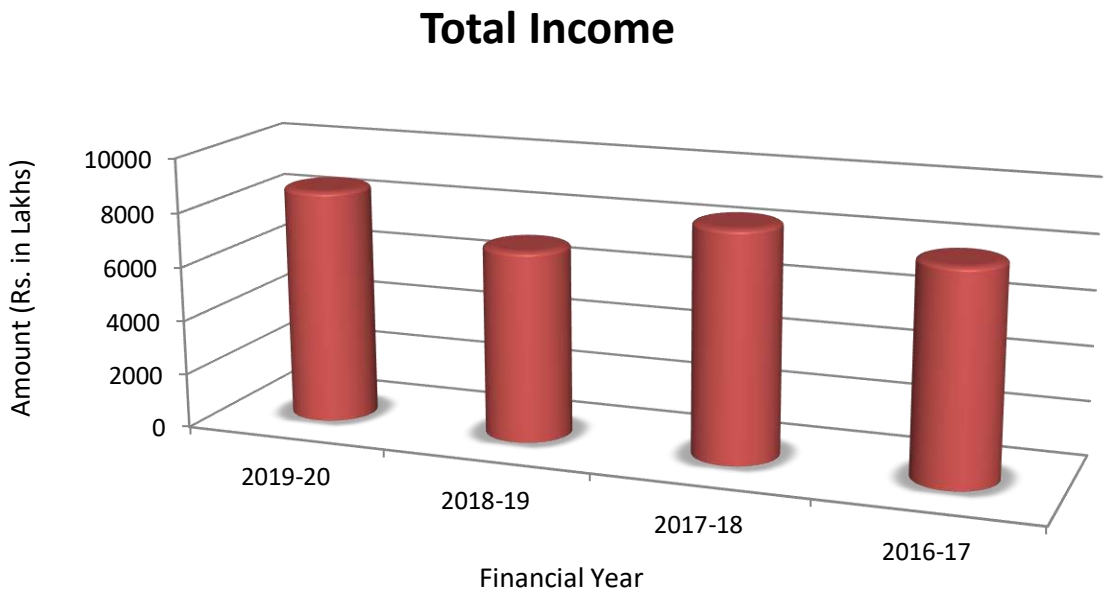
It gives me immense pleasure to present the 13th Annual Report of the Company. On behalf of Board of Directors, I express my gratitude for faith, confidence and conviction kept towards us by the stakeholders. The expansion project of the group has been completed and the commercial production has also commenced resulting in cash profit from the project, although there was a loss due to heavy depreciation.

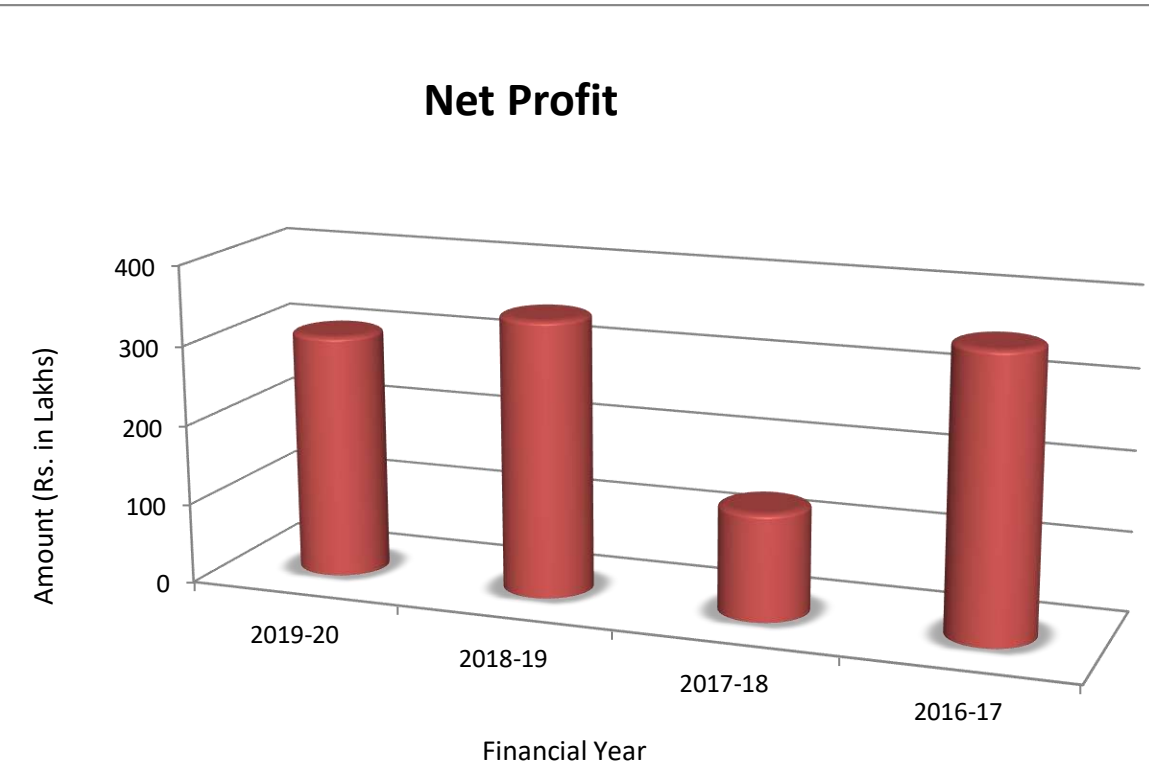
The company has performed well during the year in terms of growth in sales as compared to the previous year. The World Health Organisation declared a global pandemic of Novel coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infection, government of India severely restricted travel, mandated extreme "social distancing" measures and reduced demand supply chains to only those that are "essential" for the period 22-03-2020. Since then, there has been a series of unlock measures. Due to this the business is affected adversely. Our company has commenced partial production from the middle of September-2020. Presently, the business has reached at half of the potential, but the encouraging part is the response from the customers in terms of orders received.

I would like to place on my sincere appreciation to the Board of Directors for their guidance, heartfelt thanks to all the customers, business associates, suppliers, bankers for their support. Lastly, I would like to extend my gratitude to all our shareholders for their continuing faith and confidence in the management of the company.

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

FINANCIAL HIGHLIGHTS





DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Financial Statements of accounts of the Company for the Financial Year ended 31st March, 2020.

COMPANIES SPECIFIC INFORMATION:

1. FINANCIAL RESULTS :

The Company's financial performance for the year ended 31st March, 2020 is summarized below:

Particulars	(Rs. In lakhs)	
	2019-2020	2018-2019
Revenue from Operation	8589.21	6997.31
Other Income	34.96	22.49
Total Income	**8624.17**	**7019.80**
Expenses:		
Cost of Material consumed	4587.83	3273.78
Change in Inventory	(57.80)	(3.81)
Employee Benefit	1325.78	1313.48
Finance Cost	99.78	109.57
Depreciation & Amortization Exp.	180.01	168.79
Other Expenses (including prior period expenses)	2062.45	1651.41
Total Expenses	**8198.06**	**6513.22**
Net Profit/ (Loss) Before Tax	**426.81**	**506.58**
Tax Expenses		
- Current Tax	140.50	140.47
- Excess/(short) Provision in earlier year	5.54	-
- Deferred Tax	(25.35)	20.46
Net Profit/ (Loss) After Tax	**305.42**	**345.65**
Opening Balance of Profit & Loss A/c	1866.20	1520.54
Add: Profit/ (Loss) for the year	**305.42**	**345.65**
Transfers:		
- General Reserves		
Closing Balance of Profit & Loss A/c	**2171.62**	**1866.20**
Earnings per share		
- Basic	7.52	9.16
- Diluted	7.52	9.16

2. OPERATIONAL PERFORMANCE :

Your Directors inform the members that the financial year 2019-2020 was an exceptional year and your company faced unprecedented challenges due to COVID -19 at the end of last quarter of the year, which has impacted the revenue and profitability of the company very adversely.

Though the revenue has gone up significantly from 7019.80 Lakhs to 8624.17 Lakhs, an increase of 22.85%, however the margins remained under pressures during the year under review. The Profit Before Tax of the Company has gone down from 506.58 Lakhs to 426.11 Lakhs with higher provision of depreciation from 168.79 lakhs to 180.01 Lakhs. Profit after tax has also gone down from 345.65 Lakhs to 305.42 Lakhs compared to previous year.

The Company is operating only in one segment i.e. processing of textile and 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 statements are 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. IMPACT OF COVID-19 PANDEMIC

The outbreak of COVID-19 had significant impact on the operation of the company. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in business operation of the company. The manufacturing plants & offices of the company were completely shut down from March,2020 to mid-September, 2020. The operations have partially started from September, 2020 and gradually increasing the capacity utilization levels. Manufacturing & business activities across the world and in domestic market has been affected adversely, planned dispatches held-up.

The demand from domestic markets has not yet revived due to extended lockdown and spread of COVID-19 pandemic affecting retail sale & supply chain. Due to disruption of recession activities throughout the world and lack of consumer demand in International and domestic markets, will affect demand for company's production, revenues and profitability in FY 2020-21, the exact impact of which cannot be ascertained presently. However, it is expected that there will be no significant impact on the business operations of the Company on long term basis and there may be good demand of our products once situation across the world market normalize.

4. UPDATE ON EXPANSION PLAN

The company has made investment in M/s Jakharia Industries (Partnership firm) in which your company is a partner. The production of the said project has commenced since then. The firm has achieved cash profit in the first year of commercial operations.

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. The Profit of ₹ 305.41 Lakhs is transferred to the Reserve and Surplus Account for the year under review.

6. DIVIDEND

To strengthen the financial position of the company, no dividend is recommended by the Board for the financial year ended March 31, 2020. (previous year NIL)

7. CAPITAL STRUCTURE

The Capital Structure of the Company as on 31.03.2020 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.

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. 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.

9. 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.

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 the regulators 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". Form AOC – 1 w.r.t. Associate is attached as "Annexure – VII"**

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. <u>Constitution of the Board</u>

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 having 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 having following 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 a term 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 they meet 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 the criteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 during the year 2019-20.

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. Jignesh Shah (DIN: 00256315), 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

During the year there is no change in Directors as per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

CHANGES IN KEY MANAGERIA PERSONNEL

There are no changes in Key Managerial Personnel during the year under review.

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 advance to all the Directors. Meetings of the Board are held in Bhiwandi, at the Registered Office. The Agenda 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 5 (Five) times in the Financial Year 2019-20. 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	27.05.2019	8	8
2	06.09.2019	8	8
3	14.11.2019	8	8
4	02.01.2020	8	8
5	2.03.2020	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 2nd March, 2020 to 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 attributes, independence of a Director and other matters provided under section 178(3), are uploaded on company's website www.jakhariafabric.com .

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 the Board 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 already constituted an Audit Committee 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)	4	4
2	Mr. Anant Sawant -Independent Director (Member of committee)	4	4
3	Mr. Jignesh Shah - Chairman & Executive Director (Member of committee)	4	4

During the financial year ended 31st March, 2020, 4(Four) Audit Committee Meetings were held on the following dates:

(1) 27.05.2019 (2) 06.09.2019 (3) 14.11.2019 (4) (4) 02.03.2020

II. Nomination and Remuneration Committee:

The Company has already constituted a Nomination and Remuneration Committee 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)	4	4
2	Mr. Anant Sawant -Independent Director (Member of Committee)	4	4
3	Mr. Mukul Vora -Independent Director (Member of Committee)	4	4

During the financial year ended 31st March, 2020, 4 (Four) Nomination and Remuneration Committee Meetings were held on the following dates:

(1) 27.05.2019 (2) 06.09.2019 (3) 14.11.2019 (4) (4) 02.03.2020

III. Stakeholders' Relationship Committee:

The Company has already 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, 2020, 4 (Four) Stakeholders' Relationship Committee Meetings were held on the following dates:

(1) 27.05.2019 (2) 06.09.2019 (3) 14.11.2019 (4) (4) 02.03.2020

IV. Corporate Social Responsibility (CSR) Committee:

The Company has already 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, 2020, 2 (Two) Corporate Social Responsibility Committee Meetings were held on the following dates

(1) 27.05.2019 & (2) 02.03.2020

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 already adopted by the Company. 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 2019-20.

Company could not spend any amount towards CSR activities since the implementation of some projects will commence in the FY-2020-21 as the company is under formulating implementation plan and taking various approvals required in this regard. Your company has taken steps in the right directions and going forward is committed to actively engage with the partners/NGOs to execute the said events or projects and programs and incur expenditure in accordance with section 135 of 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, bearing (Firm Registration No. 0128920W) the Company's Statutory Auditors of the Company, hold the office, in accordance with the provisions of the act at this Annual General Meeting and being eligible for Re-appointment as required under the provisions of Section 139 of Companies Act, 2013 from the conclusion of this Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company at a remuneration as may be decided by the board.

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 2019-2020.

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 2019-2020 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, 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 is appointed **M/s R M F & Co.,** Chartered Accountants, Mumbai, [ICAI Firm Registration No.-153788W], as the Internal Auditors of the Company in the place of **M/s. ABHIJEET H GOLE & ASSOCIATES**, Chartered Accountants, Mumbai [ICAI Firm Registration No. - 139716W for the financial year 2020-2021 ended on 31.03.2021. The Internal Audit Finding/s and Report/s submitted by **M/s. ABHIJEET H GOLE & ASSOCIATES**, 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 2019-20.

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.

23. CORPORATE GOVERANANCE:

The Company being listed on the EMERGE Platform of National Stock Exchange of India Limited and 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 is not required to comply 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 and therefor it is not forming part of this 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 2019-2020 ended 31 March 2020 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 no such instances in the Company during the year 2019- 20.

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, if triggered. 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 12th Annual General Meeting of the Company was held on 30.09.2019.

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.

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 Directors, KMP and 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 2019-2020 ended 31 March 2020 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 2020, 38,30,500 equity 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 is INE00N401018.

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 2019-2020 ended 31 March 2020.

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 wish to express their grateful appreciation for assistance and co-operation received from various Departments of Central & State Governments and Banks during the year under review. Your Directors also wish to place on record their appreciation for the committed services of all the associates and vendors of the Company.

By order of the Board

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

Place: BHIWANDI
Date: 05.12.2020

Annexure-I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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.	96.76% 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 1-APRIL-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% 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	52.25	2123500	-	2123500	52.25	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	615000	-	615000	15.13	615000	-	615000	15.13	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
2) **Foreign Holdings**	-	-	-	-	-	-	-	-	-
a) Individual	-	-	-	-	-	-	-	-	-
b) Body Corporate	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**2738500**	**-**	**2738500**	**67.39**	**2738500**	**-**	**2738500**	**67.39**	**-**
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 1-APRIL-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% 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	377461	116664	494125	12.16	161592	116664	278256	6.84	-5.32
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	140800	116666	257466	6.33	276800	116666	393466	9.68	3.35
c) Others (Body Corporate)	372139	-	372139	9.16	524800	-	524800	12.91	3.75
Non Resident Indians	3200	-	3200	0.08	1600	-	1600	0.04	0.04
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-APRIL-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	2400	-	2400	0.06	6408	-	6408	0.16	0.10
Market Makers	196000	-	196000	4.82	109600	-	109600	2.70	2.12
HUF	-	-	-	-	11200	-	11200	0.28	0.28
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1092000	233330	1325330	32.61	1092000	233330	1325330	32.61	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**3830500**	**233330**	**4063830**	**100**	**3830500**	**233330**	**4063830**	**100**	**-**

B) Shareholding of Promoter-

SN	Shareholder's Name	No. of Shares held at the beginning of the year[As on 1-APRIL-2019]			No. of Shares held at the end of the year[As on 31-March-2020]			% 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	60834	1.50	-	60834	1.50	-	-
2	Jignesh Shah	137000	3.37	-	137000	3.37	-	-
3	Nitin Shah	912833	22.46	-	912833	22.46	-	-
4	Dixit Shah	347000	8.54	-	347000	8.54	-	-
5	Manekchand Shah	505833	12.45	-	505833	12.45	-	-
6	Champaben Shah	25000	0.61	-	25000	0.61	-	-
7	Jakharia Synthetics Pvt. Ltd.	615000	15.13	-	615000	15.13	-	-
8	Suryaben Shah	60000	1.48	-	60000	1.48	-	-
9	Shejal Shah	75000	1.85	-	75000	1.85	-	-
TOTAL :		**2738500**	**67.39**	**-**	**2738500**	**67.39**	**-**	**-**

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

SN	**Particulars**	Shareholding at the beginning of the year (1-APRIL-2019)		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 (31-MARCH-2020)	
		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	60834	1.50	-	-	-	-	60834	1.50
2	Jignesh Shah	137000	3.37	-	-	-	-	137000	3.37
3	Nitin Shah	912833	22.46	-	-	-	-	912833	22.46
4	Dixit Shah	347000	8.54	-	-	-	-	347000	8.54
5	Manekchand Shah	505833	12.45	-	-	-	-	505833	12.45
6	Champaben Shah	25000	0.61	-	-	-	-	25000	0.61
7	Jakharia Synthetics Pvt. Ltd.	615000	15.13	-	-	-	-	615000	15.13
8	Suryaben Shah	60000	1.48	-	-	-	-	60000	1.48
9	Shejal Shah	75000	1.85	-	-	-	-	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	NOPEA CAPITAL SERVICES PVT. LTD.	95200	2.34	01.04.2019	-	95200	2.34		
				14.06.2019	55200- Addition	150400	3.70		
				18.10.2019	10400-Addition	160800	3.96		
				28.02.2020	25600-Addition	186400	4.59		
				06.03.2020	10400-Reduction	176000	4.33		
				13.03.2020	8000-Reduction	168000	4.13		
				20.03.2020	30400-Reduction	137600	3.39		
				31.03.2020	800-Reduction	136800	3.37	**136800**	**3.37**
2	NIRAJKUMAR PARMESWAR CHANDGOTHIA	110400	2.72	01.04.2019	-	110400	2.72		
				31.03.2020	-	110400	2.72	**110400**	**2.72**
3	ARYAMAN CAPITAL MARKETS LIMITED	196000	4.82	01.04.2019		196000	4.82		
				14.06.2019	6400-Reduction	189600	4.67		
				21.06.2019	800-Reduction	188800	4.65		
				28.06.2019	8000- Addition	196800	4.84		
				12.07.2019	32800-Reduction	164000	4.04		
				26.07.2019	1600- Addition	180000	4.43		
				02.08.2019	2400-Addition	182400	4.49		
				09.08.2019	13600-Reduction	168800	4.15		
				23.08.2019	39200-Reduction	129600	3.19		
				13.09.2019	22400-Reduction	107200	2.64		
				04.10.2019	24000-Reduction	83200	2.05		
				11.10.2019	14400-Reduction	68800	1.69		
				01.11.2019	3200-Reduction	65600	1.61		
				08.11.2019	8000-Addition	73600	1.81		
				29.11.2019	16800-Addition	90400	2.22		
				06.12.2019	8000-Addition	98400	2.42		
				20.12.2019	800-Addition	99200	2.44		
				24.01.2020	800-Addition	100000	2.46		
				07.02.2020	4800-Addition	104800	2.58		
				14.02.2020	6400-Reduction	98400	2.42		
				21.02.2020	4800-Reduction	93600	2.30		
				28.02.2020	800-Addition	94400	2.32		
				06.03.2020	6400-Addition	100800	2.48		

				13.03.2020	24000-Addition	124800	3.07		
				20.03.2020	12000-Reduction	112800	2.78		
				27.03.2020	1600-Addition	114400	2.82		
				31.03.2020	4800-Reduction	109600	2.70	**109600**	**2.70**
4	AJAY NARENDRA BANSAL	-	-	01.04.2019		-	-		
				11.10.2019	94400-Addition	94400	2.32		
				31.03.2020	-	94400	2.32	**94400**	**2.32**
5	OVERSKUD MULTI ASSET MANAGEMENT PRIVATE LIMITED	185600	4.57	01.04.2019	-	185600	4.57		
				06.07.2019	16000-Reduction	169600	4.17		
				14.06.2019	25600-Addition	195200	4.80		
				21.06.2019	800-Addition	196000	4.82		
				19.07.2019	21600-Addition	217600	5.35		
				26.07.2019	16000-Reduction	201600	4.96		
				30.09.2019	2400-Reduction	199200	4.90		
				28.02.2020	94400-Reduction	104800	2.58		
				06.03.2020	9600-Reduction	95200	2.34		
				13.03.2020	20800-Reduction	74400	1.83		
				31.03.2020	16800-Addition	91200	2.24	**91200**	**2.24**
6	KRISHNA NAGIN MEHTA	-	-	01.04.2019		-	-		
				20.09.2019	44800-Addition	44800	1.10		
				31.03.2020	-	44800	1.10	**44800**	**1.10**
7	PROGYAN CONSTRUCTION AND ENGINEERS PRIVATE LIMITED	40800	1.00	01.04.2019	-	40800	1.00		
				31.03.2020	-	40800	1.00	**40800**	**1.00**
8	AKM LACE AND EMBROTEX LIMITED	-	-	01.04.2019		-	-		
				20.09.2019	40000-Addition	40000	0.98		
				31.03.2020	-	40000	0.98	**40000**	**0.98**
9	TIA ENTERPRISES PRIVATE LIMITED	21600	0.53	01.04.2019		21600	0.53		
				09.08.2019	7200-Addition	28800	0.71		
				31.03.2020	-	28800	0.71	**28800**	**0.71**
10	S K GROWTH FUND PVT LTD	-	-	01.04.2019		-	-		
				02.08.2019	36000-Addition	36000	0.89		
				31.03.2020	-	36000	0.89	**36000**	**0.89**

*The dates of changes in shareholding and number of shares have been taken as per information made available by 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	3.37	-	-	-	-	**137000**	**3.37**
2	Nitin Shah (Managing Director)	912833	22.46	-	-	-	-	**912833**	**22.46**
3	Himatlal Shah (Whole Time Executive Director)	60834	1.50	-	-	-	-	**60834**	**1.50**
4	Dixit Shah (Whole Time Executive Director)	347000	8.54	-	-	-	-	**347000**	**8.54**
5	Manekchand Shah (Whole Time Executive Director)	505833	12.45	-	-	-	-	**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)	**800**	**0.02**	-	-	-	-	**800**	**0.02**
9	MANOJKUMAR JAIPRAKASH TIWARI (C.F.O.)	-	-	-	-	-	-	**-**	**-**
10	BHAVIN WAGHELA (Company Secretary)	-	-	-	-	-	-	**-**	**-**

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

(Amount in Rs.)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,41,04,017	13,23,97,546	-	22,65,01,563
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	**9,41,04,017**	**13,23,97,546**	**-**	**22,65,01,563**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(34,18,277)	(9,390)	-	(34,27,667)
Net Change	**(34,18,277)**	**(9,390)**	**-**	**(34,27,667)**

Indebtedness at the end of the financial year				
i) Principal Amount	9,06,85,740	13,23,88,156	-	22,30,73,896
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	**9,06,85,740**	**13,23,88,156**	**-**	**22,30,73,896**

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**	-	-	-	-	-	-
	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
1*	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	3,00,000	4,72,500	7,72,500
	(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	3,00,000	4,72,500	7,72,500
	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: 05.12.2020

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 (2019-20)	Previous Year (2018-19)
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.)	66.57 487.18 7.32	63.02 550.71 8.74
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	Nil
	• 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: 05.12.2020

ANNEXURE-III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (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 already 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.e www.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 on society. 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:

I. Mr. Anant Sawant: Independent Director- Chairman

II. Mr. Jignesh Shah: Chairman & Executive Director - Member

III. 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)
2018-2019	5,06,58,243
2017-2018	2,18,55,023
2016-2017	5,27,83,896
Total	**12,52,97,162**
Average Profit of above said Profit	4,17,65,721
2% of Average Profit	8,35,314

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

The Company was required to spend Rs. 8,35,314 Lacs towards CSR during the Financial Year 2019-20. Your company could not spend any amount towards the CSR activities till 31st March, 2020 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 the substantial well-being of the people in the community, which are not getting covered under the above CSR report due to the specified format under the applicable Rules;

iii. 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: 05.12.2020

ANNEXURE-IV
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[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, 2020 (1st April, 2019 to 31st March, 2020) complied with the statutory provisions, listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jakharia Fabric Limited ("the Company") for the financial year ended on 31st March, 2020, 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 regarding 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 already 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 and 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 there is no change in the capital of the company.

Share Capital of the Company is as under: -

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.

We further report that during the audit period no prosecutions initiated against or show cause notice received by the Company for alleged offences under the Companies Act, 2013 and also no fines and penalties or any other punishment imposed on the Company.

The company has availed total bank facilities from Kotak Mahindra Bank Ltd. which was reviewed during the financial year under review from Rs. 10.68 crore to Rs. 13.68 crore, vide letter no. SME/21-11-19/2283 dated 10.12.2019.

The Credit Rating of the company was reviewed by CRISIL Limited on 10th December 2019 vide letter no. JKHFP/232817/BLR/121947535. The Company is rated "CRISIL BB-/Stable" for total bank loan facilities of Rs. 19.75 crore.

For Dhara U. Shah & Associates
Sd/-
Dhara Shah
Proprietress
M. No: 46383,
COP No: 16977

Place: Mumbai
Date: **20th November, 2020**
UDIN: A046383B001269649

***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

Date: **20th November, 2020**
UDIN: A046383B001269649

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 to establish a new processing house with a 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 adds to 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.

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, COVID-19 and similar pandemics, foreign exchange fluctuation, volatility in input cost, cotton crop, interest rates and power cost among others, comprise the key threats.

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

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14 per cent 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 per cent of the world's market share.

The Indian Textile Industry is one of the largest in the world in terms of raw material base and manufacturing strength across the value chain. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the Capital intensive mill sector. The mill sector, with 3,400 textile mills having installed capacity of more than 50 million spindles and 8,42,000 rotors is the second largest in the world. Traditional sectors like handloom, handicrafts and small-scale power-loom units are the biggest source of employment for millions of people in rural and semi urban area. The Indian textile industry has inherent linkage with agriculture, culture and traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. 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 India's textiles sector is one of the oldest industries in Indian economy dating back several centuries.

India enjoys the position of the second largest textile exporter and fifth largest in apparel exports globally, with a 6% and 4% share respectively. India's textile and apparel exports were pegged at US$ 38 billion in FY-19, growing at a CAGR of 6% since 2005. Apparel is the largest exported category, accounting for 46% of the total textiles and apparel exports. Apart from apparels, growth is also expected in categories including home textile products and made-ups, which account for 14% of the overall export. Fibre and filament category registered the highest growth in Indian exports growing at a CAGR of 11% over the last decade. EU and USA are the largest markets for Indian textile and apparel exports accounting for a 19% and 18% share respectively, followed by UAE, China and Bangladesh accounting for 9%, 8% and 5% respectively. Easy availability of raw materials, skilled manpower and favourable Central and State Government schemes could catalyse the growth of the Indian textile and apparel exports. Indian textile and apparel exports are expected to expand to US$ 80 billion by 2025, growing at a CAGR of 10%. (Source: Wazir, IBEF)

The Directorate General of Foreign Trade - (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent. The government is also planning to conduct road shows to promote the country's textiles in non-traditional markets like South America, Russia and select countries in West Asia.

• 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.

Cotton Prices :

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. During the year trade war between US and China also affected prices of the cotton very badly resulting to high losses to many Indian and global companies.

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)

GOVERNMENT INITIATIVES

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Some of initiatives taken by the government to further promote the industry are as under:

GST: The Goods and Services Tax Council doubled the threshold limit for textile players from Rs. 2 million to Rs. 4 million from April 2019. It also raised the composition scheme turnover threshold from Rs. 1 crore to Rs. 1.5 crore for FY 2020.

Technology Upgradation Fund Scheme: Concessional credit was provided to promote modernization and upgradation of the textile industry. Under the Union Budget 2018-19, Rs. 2,300 crores (US$ 355.27 million) was allocated for this scheme. The Amended Technology Upgradation Fund Scheme is expected to create employment for 3.5 million people and enable investments worth Rs. 950 billion (US$ 14.17 billion) by 2022.

National Textile Policy 2000:

A new draft for this policy expects to employ 35 million by attracting foreign Investments. It also focuses on establishing a modern apparel garment manufacturing Centre in every North Eastern state for which the Central Government invested US$ 3.27 million.

FDI: 100% FDI was allowed in the textile sector through the automatic route.

SAATHI: The Union Ministry of Textiles and Energy Efficiency Services Limited, launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

Merchandise exports from India Scheme:

The Directorate General of Foreign Trade revised rates for incentives under the Merchandise Exports from India Scheme for two sub-sectors – readymade garments and made ups - from 2% to 4%.

Capacity building:

The Cabinet Committee on Economic Affairs approved Scheme for Capacity Building in Textile Sector with an outlay of Rs. 1,300 crore from 2017-18 to 2019-20 comprising placement-oriented skilling programs. Under

SAMARTH, Rs. 1,300 crore was approved for providing employment-oriented training to 10 lakhs individuals by March 2020.

Textile incentives:

The Textile Ministry earmarked Rs. 690 crore for setting up 21 readymade garment manufacturing units in seven states for the development and modernisation of the Indian textile sector.

INDIA'S MAJOR COMPETITORS IN THE WORLD:

To understand India's position among other textile producing the industry contributes 9% of GDP and 35% of foreign exchange earnings, India's share in global exports is only 3% compared to Chinas 13.75% percent. In addition to China, other developing countries are emerging as serious competitive threats to India. Looking at export shares, Korea 6% and Taiwan 5.5% are ahead of India, while Turkey 2.9% has already caught up and others like Thailand 2.3% and Indonesia 2% are not much further behind.

Key Strength of the Industry

- Strong and flexible production base of wide range (count) of yarns
- Management team's vast knowledge in the textile industry, which makes the company produce products that are required in the market.
- 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
- Investment in cutting edge technological machinery ensures that the products supplied to customers meet the desired international standards.

MARKETING APPROACH AND MARKETING SET UP

Our team including Directors through their relevant experience and good rapport with our customers due to the timely delivery of quality products has played an instrumental role in creating and expanding a work platform for our Company. We have a dedicated team of Marketing Personnel in our spinning and Open-End Division. The Marketing division has well trained team. The marketing division is headed by our executive Directors. The sales and marketing is based on factors such as quality, easy availability, and competitive pricing of the products. Our client base includes reputed corporate houses in the India textile industry and in the global markets we export our products to several countries as well.

IMPACT OF COVID-19 PANDEMIC:

The outbreak of COVID-19 had significant impact on the operation of the company. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in business operation of the company. The manufacturing plants & offices of the company were completely shut down from 22nd March, 2020 to mid-September, 2020. The operations have partially started w.e.f. mid-September 2020 and gradually increasing the capacity utilization levels.

Manufacturing & business activities across the world and in domestic market has been affected adversely, planned shipments/dispatches held-up. Impact on Operations Production & sales was disrupted from 22nd March 2020.

The Company is gradually increasing the utilization levels as per market situation and demand. The demand from domestic markets has not yet revived due to extended lockdown and spread of COVID-19 pandemic affecting retail sale & supply chain.

During the period till full operation starts, there will be revenue losses and correspondingly loss of operating margins and fixed expenses including Employee costs.

Impact on Liquidity:

The company is facing liquidity crunch due to slow movement of finished products and delay in receivable from the domestic debtors.

Estimation of future impact

Due to disruption of recession activities throughout the world and lack of consumer demand in International and domestic markets, will affect demand for company's production in FY 2020-21, the exact impact of which cannot be ascertained presently. It is expected that there will be good demand for textile products once situation across the globe normalizes, the company is equipped to capitalize on that on the strength of its state of art technology, large scale of operations, and widespread customer base across geographies and focus on quality.

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: 05.12.2020

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 2019-2020 (in Rs.)	Remuneration for the year 2018-2019 (in Rs.)	% Increase/ decrease in Remuneration	Ratio between Director or KMP and Median Employee
1	Jignesh Shah	Chairman & WTD	40,00,000	40,00,000	-	18.94:1
2	Nitin Shah	Managing Director	80,00,000	80,00,000	-	37.88:1
3	Dixit Shah	Whole Time Director	40,00,000	40,00,000	-	18.94:1
4	Manekchand Shah	Whole Time Director	40,00,000	40,00,000	-	18.94:1
5	Himatlal Shah	Whole Time Director	40,00,000	40,00,000	-	18.94:1
6	Anant Sawant	Independent Director	-	-	-	-
7	Mukul Vora	Independent Director	-	-	-	-
8	Rajashri Kovil	Independent Director	-	-	-	-
9	Manoj Tiwari	Chief Financial Officer	4,72,500	4,14,000	14.13%	2.24:1
10	Bhavin Waghela	Company Secretary	3,00,000	2,40,000	25.00%	1.42:1

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. 2,11,150/- during the year 2019-20 as compared to Rs. 2,77,750/- in the previous year as the on-roll employees was 114 in the financial year 2018-2019.

D. Number of permanent employees on the rolls of company

As on 31st March, 2020 the total number of employees on the roll was 159.

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 decreased around 31.54 % on an average 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:05.12.2020

ANNEXURE-VII

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries : Not Applicable

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate	**Jakharia Industries**
1. Latest audited Balance Sheet Date	31st March, 2020
2. Shares of Associate or Joint Ventures held by the company on the year end	
No.	-
Amount of Investment in Associates or Joint Venture	Rs. 43,40,84,234
Extent of Holding (in percentage)	96.76% of profit
4. Description of how there is significant influence	Returns earned from the Investment
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Networth attributable to shareholding as per latest audited Balance Sheet (Capital account as on 3103.2020)	Rs. 43,40,84,234
7. Profit or (Loss) for the year	
i. Considered in Consolidation	(Rs. 63,72,872)
ii. Not Considered in Consolidation	-

The Company has no joint venture.

1. Names of associates or joint ventures which are yet to commence operations : Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year : Not Applicable

For and on Behalf of the Board of the Directors of Jakharia Fabric Limited
(Formerly Known as Jakharia Fabric Private Limited)

Sd/-
Jignesh H. Shah
Chairman & Executive Director
DIN : 00256315

Sd/-
Nitin Shah
Managing Director
DIN : 01869318

Sd/-
Manoj Tiwari
Chief Financial Officer

Sd/-
Bhavin Waghela
Company Secretary
M. No. : A46806

Place: BHIWANDI
Date:05.12.2020

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF Jakharia Fabric Limited (Formerly known as Jakharia Fabric Private Limited)

Report on the Standalone Financial Statements

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 **31/03/2020**, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2020**, and its **Profit and its cash flows** for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, 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, 2020, the Company has disclosed total contingent liabilities of Rs.96.65 lakhs. These contingent liabilities are based on judgements and accounting	• 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

	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.	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, 2020. The Company has total Investment of Rs. 4340.84 lakhs in the partnership firm. The Company have made substantial capital contribution of Rs. 762.94 lakhs during FY 2019-20. Refer Note.12 of standalone financial statements and accounting policy note 1(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, 2020 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.

Emphasis of Matter

We draw attention to notes to the financial results which describe the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

The Company's Management and Board of Directors are responsible for 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.

Responsibility of Management and Those Charged with Governance (TCWG)

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position , financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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 these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on **31/03/2020** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2020** 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 B**".

(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 year is 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.

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

Yashesh Shroff
Partner
Membership No: 103277
UDIN: 20103277AAAASS8597

Place: Mumbai
Date: 31.07.2020

"Annexure – A" to the Independent Auditors' Report

(Refer to in paragraph 1 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, 2020, 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 thereunder.

(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 2020 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	110
		2010-11	TDS-Assessing Officer	32,870
		2012-13	TDS-Assessing Officer	3,07,180

(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
UDIN: 20103277AAAASS8597

Place: Mumbai
Date: 31.07.2020

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Jakharia Fabric Limited (Formerly Known As Jakharia Fabric Private Limited).

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

We have audited the internal financial controls over financial reporting of Jakharia Fabric Limited (Formerly Known As Jakharia Fabric Private Limited) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence amout the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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, 2020, 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 issues by the Institute of Chartered Accountants of India.

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

Yashesh Shroff
Partner
Membership No: 103277
UDIN: 20103277AAAASS8597

Place: Mumbai
Date: 31.07.2020

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Balance sheet as at March 31, 2020

Particulars	Note No.	31 March 2020 Rs.	31 March 2019 Rs.
I. **EQUITY AND LIABILITIES**			
(1) **Shareholders' Funds**			
(a) Share Capital	2	406,38,300	406,38,300
(b) Reserves and Surplus	3	4304,34,090	3998,92,197
		4710,72,390	**4405,30,497**
(2) **Non-Current Liabilities**			
(a) Long-term borrowings	4	1982,32,180	2002,85,812
(b) Deferred-tax liabilities (net)	5	11,95,161	37,29,841
(c) Long-term provisions	6	94,80,000	70,51,000
		2089,07,341	**2110,66,653**
(3) **Current Liabilities**			
(a) Short-term borrowings	7	248,41,716	262,15,752
(b) Trade Payables			
(A) total outstanding dues of micro enterprises and Small Enterprises; and	8	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	1932,82,101	1515,87,151
(c) Other current liabilities	9	396,65,460	299,79,479
(d) Short-term provisions	10	30,54,000	26,88,000
		2608,43,277	**2104,70,381**
TOTAL		**9408,23,007**	**8620,67,531**
II. **ASSETS**			
(1) **Non-current assets**			
(a) Property, Plant and Equipment			
(i) Tangible assets	11	1837,65,853	1842,58,583
(ii) Capital work in progress		241,02,390	241,02,390
(b) Non-current investments	12	4415,17,234	3715,96,307
(c) Long term loans and advances	13	658,52,146	648,83,925
(d) Other non-current assets	14	17,41,532	14,62,977
		7169,79,155	**6463,04,183**
(2) **Current Assets**			
(a) Inventories	15	396,64,874	303,87,094
(b) Trade receivables	16	1705,76,580	1760,99,952
(c) Cash and cash equivalents	17	90,82,532	75,09,583
(d) Short-term loans and advances	18	34,82,647	14,39,654
(e) Other current assets	19	10,37,220	3,27,065
		2238,43,853	**2157,63,348**
TOTAL		**9408,23,007**	**8620,67,531**

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: 31.07.2020
UDIN: 20103277AAAASS8597

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

Jignesh H. Shah
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date : 31.07.2020

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Statement of Profit and Loss account for the year ended March 31, 2020

	Particulars	Note No.	March 31, 2020 Rs.	March 31, 2019 Rs.
I.	Revenue from Operations	20	8589,21,181	6997,31,289
II.	Other Income	21	34,96,199	22,49,162
III.	**Total Revenue (I+II)**		**8624,17,380**	**7019,80,450**
IV.	**Expenses**			
	Cost of material consumed	22	4587,83,434	3273,78,152
	Changes in inventories of Finished Goods, Work-in-progress and Stock in trade	23	(57,79,675)	(3,81,034)
	Employee Benefit Expenses	24	1325,77,856	1313,45,603
	Depreciation and Amortization Expenses	11	180,01,133	168,79,162
	Finance Cost	26	99,78,460	109,57,030
	Other Expenses	25	2050,15,386	1644,13,149
	Total Expenses		**8185,76,595**	**6505,92,061**
V.	**Profit before prior period items and tax (III) – (IV)**		438,40,785	513,88,389
	Prior Period Income/(Expenses)		(12,29,749)	(7,30,146)
VI.	Profit before tax		**426,11,036**	**506,58,243**
VII.	**Tax Expense:**			
	(1) Current tax		(140,50,000)	(140,47,000)
	(2) Excess/(Short) provision in earlier year		(5,53,823)	-
	(3) Deferred Tax		25,34,680	(20,45,943)
VIII.	Profit after tax for the year		**305,41,893**	**345,65,300**
IX.	Earnings per Equity Share			
	(1) Basic (Face value per share Rs.10/-)		7.52	9.16
	(2) Diluted		7.52	9.16

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: 31.07.2020
UDIN: 20103277AAAASS8597

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

Jignesh H. Shah
Director
[DIN: 00256315]

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Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date : 31.07.2020

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Statement of Cash Flow for the year ended March 31, 2020

	31 March 2020 Rs.		31 March 2019 Rs.	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		426,11,036		506,58,243
Adjustments for				
Depreciation and amortization	180,01,133		168,79,162	
Profit/(Loss) on sale of Machinery	-		(11,07,675)	
Dividend received	(10,000)		(10,000)	
Prior Period adjustments-tax	-		-	
Interest & Fianancial cost	99,78,460		109,57,030	
Interest received	(5,54,206)	274,15,387	(5,42,343)	261,76,173
Operating profit before working capital changes		700,26,423		768,34,417
(Increase) \ decrease in operating assets				
Inventories	(92,77,780)		(9,48,189)	
Trade receivables	55,23,372		(114,05,666)	
Short term loans & advances	(20,42,993)		(1,74,306)	
Other non current assets	(2,78,555)		(97,292)	
Other current assets	(7,10,155)		3,36,782	
Trade payables	416,94,951		28,48,575	
Other current liabilities	96,85,981		62,42,795	
Long term provisions	24,29,000		23,75,762	
Short term provisions	3,66,000		20,23,238	
		473,89,820		12,01,700
Cash generated from operating activities		1174,16,242		780,36,117
Tax Provision		(146,03,823)		(140,47,000)
Net cash flow from operating activities		1028,12,419		639,89,117
B. Cash flow from investing activities				
Purchase of fixed assets	(175,08,403)		(198,79,179)	
Sale of fixed assets	-		15,50,000	
Interest received	5,54,206		5,42,343	
(Purchase) / sale of investments	(699,20,927)		(2159,37,953)	
Net cash used in investing activities		(868,75,123)		(2337,24,789)
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(20,53,632)		(61,48,717)	
Increase / (Decrease) in short term borrowings	(13,74,036)		46,97,597	
Increase / (Decrease) in long term loans & advances	(9,68,221)		(106,40,845)	
Issue of Equity Shares	-		1898,25,453	
Interest & Fianancial Charges	(99,78,460)		(109,57,030)	
Dividend received	10,000		10,000	
Net cash used in financing activities		(143,64,348)		1667,86,458
Net increase / (decrease) in cash and cash equivalents		15,72,953		(29,49,214)
Cash and cash equivalents (Opening balance)		75,09,580		104,58,793
Cash and cash equivalents (Closing balance)		**90,82,532**		**75,09,580**
Reconciliation of cash and cash equivalent with Balance Sheet				
Cash and cash equivalent as per Balance Sheet		108,24,064		89,72,560
Less: Deposit with Banks with original maturity of 3-12 months		17,41,532		14,62,977
Cash and cash equivalent at the end of the year as per cash flow		**90,82,532**		**75,09,583**

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: 31.07.2020
UDIN: 20103277AAAASS8597

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

Jignesh H. Shah
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date : 31.07.2020

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

Corporate Information:
Jakharia Fabric Limited (JFL) 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, 2020 were approved by the board of directors and authorized for issue on 31st July 2020.

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 exists, 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 loss, 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 96.74% in 'M/s. Jakharia Industries' (JI) 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. JFL does not have exclusive power to control the activities of JI and in turn, influence the returns earned from its investment in JI. Therefore the investment in JI is categorized as investment in Associate and is in line with AS-23.

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 recognized 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 recognized as 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) Earnings 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.)
Notes forming part of Financial Statements

2) **Share Capital**

	March 31, 2020 Rs.	March 31, 2019 Rs.
AUTHORIZED SHARES		
50,00,000/-Equity shares of Rs.10/- each	500,00,000	500,00,000
Total	500,00,000	500,00,000
ISSUED , SUBSCRIBED & FULLY PAID-UP SHARES		
40,63,830/- (P.Y.40,63,830/-) Equity shares of Rs.10/- each	406,38,300	406,38,300
Total issued, subscribed and fully paid-up share capital	406,38,300	406,38,300

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

	March 31, 2020	Rs.	March 31, 2019	Rs.
Equity Shares				
At the beginning of the period	40,63,830	406,38,300	29,71,830	297,18,300
Add: Issued during the year	-	-	10,92,000	109,20,000
Outstanding at the end of the period	40,63,830	406,38,300	40,63,830	406,38,300

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.

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

Equity Shares

Name of the shareholder	March 31, 2020 Rs.		March 31, 2019 Rs.	
Mr. Nitin Shah	9,12,833	22.46%	9,12,833	30.72%
Mr. Dixit Shah	3,47,000	8.54%	3,47,000	11.68%
Mr. Manekchand Shah	5,05,833	12.45%	5,05,833	17.02%
M/s Jakharia Synthetics Private Limited	6,15,000	15.13%	6,15,000	20.69%

3) Reserves & Surplus

	March 31,2020 Rs.	March 31,2019 Rs.
Securities Premium :		
Opening Balance	2109,38,853	320,33,400
Add : Addition during the year	-	1856,40,000
Less : Transfer to Capital Redemption Reserve	-	-
Less : Utilised for expenses incurred for IPO	-	(67,34,547)
Closing Balance	2109,38,853	2109,38,853
Capital Redemption Reserves :		
Opening Balance	23,33,300	-
Add : Transfer from Security Premium Account	-	23,33,300
Closing Balance	23,33,300	23,33,300
Surplus/ (deficit) in the statement of profit and loss		
Opening Balance	1866,20,040	1520,54,740
Profit for the year	305,41,893	345,65,300
Net surplus in the statement of profit and loss	**2171,61,933**	**1866,20,040**
Total Reserves and Surplus	**4304,34,090**	**3998,92,197**

4) Long Term Borrowings

		March 31,2020 Rs.	March 31,2019 Rs.
Secured			
Term loans from bank		874,13,585	855,15,863
Loan from bank for vehicles		13,57,119	7,54,963
Less : Current maturities of long term debt		(229,26,681)	(183,82,560)
(Amount disclosed under the head 'other current liabilities' refer note no. 9)			
	(A)	**658,44,024**	**678,88,266**

I. Term loans taken from Kotak Mahindra Bank:-
Term Loan - 1. For acquiring plant and machinery payable in not exceeding 60 equated monthly installment , carrying interest rate 'MCLR+1.30%.
LAP Term Loan-1. For acquiring plant and machinery payable in 84 equated monthly installment, carrying interest rate MCLR+1.30%.
LAP Term Loan-2. For acquiring plant and machinery payable in 60 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 :-
Himmatlal P. Shah, Mr. Jignesh Shah, Nitin Shah, Manekchand Shah and Dixit Shah
Car Loan- Repayable in 36 monthly EMI of Rs.31,800/- starting from October 2019.
II. Loan taken from HDFC Bank of 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		1274,60,000	1274,60,000
From relatives of directors and shareholders		49,28,156	49,37,546
	(B)	**1323,88,156**	**1323,97,546**
	(A+B)	**1982,32,180**	**2002,85,812**

5) Deferred Tax Liabilities

	March 31,2020 Rs.	March 31,2019 Rs.
Deferred Tax Liabilities/(Assets) (Net)		
Depreciation	46,85,787	37,29,841
Disallowance of expenses	(34,90,626)	-
	11,95,161	**37,29,841**

6) Long Term Provisions

	March 31,2020 Rs.	March 31,2019 Rs.
Provision for gratuity	94,80,000	70,51,000
	94,80,000	**70,51,000**

7) Short Term Borrowings

	March 31,2020 Rs.	March 31,2019 Rs.
Secured		
From Bank-Cash credit account	218,41,716	262,15,752

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 :-
Himmatlal P. Shah, Mr. Jignesh Shah, Nitin Shah, Manekchand Shah and Dixit Shah

Inter Corporate deposits	30,00,000	-
	248,41,716	**262,15,752**

8) Trade Payables

	March 31,2020 Rs.	March 31,2019 Rs.
Creditors		
-for capital goods	135,08,804	37,41,975
-for raw material and others	1706,28,535	1398,62,992
-for expenses	91,44,762	79,82,184
	1932,82,101	1515,87,151

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

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 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 31,2020 Rs.	March 31,2019 Rs.
Current maturities of long term debts	229,26,681	183,82,560
Statutory dues payable	26,80,168	32,08,491
Salaries and wages payable	135,59,182	77,18,797
Interest accrued but not due	4,99,429	6,69,631
	396,65,460	299,79,479

10) Short-Term Provisions

	March 31,2020 Rs.	March 31,2019 Rs.
Provision for gratuity	30,54,000	26,88,000
	30,54,000	26,88,000

11) Property, Plant & Equipment
As at March 31, 2020

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2019	Addition during the year	Disposal during the year	Value at the end of the period 31.03.2019	Value at the beginning 01.04.2019	Addition for the year	Disposal during the year	Value at the end of the period 31.03.2019	WDV as on 31.03.2020	WDV as on 31.03.2019
A. Tangible Assets										
Leasehold Land	273,51,966	-	-	273,51,966	-	-	-	-	273,51,966	273,51,966
Factory Building	374,71,096	-	-	374,71,096	204,26,275	15,67,923	-	219,94,197	154,76,898	170,44,821
Buiding at Tarapur	300,87,579	-	-	300,87,579	107,89,819	9,21,799	-	117,11,618	183,75,961	192,97,760
Plant & Machinery	2633,09,697	153,61,690	-	2786,71,387	1478,96,175	136,05,989	-	1615,02,164	1171,69,223	1154,13,522
Computer	8,37,873	31,000	-	8,68,873	6,79,923	1,03,933	-	7,83,856	85,017	1,57,950
Air Conditioner	11,50,334	1,67,482	-	13,17,816	9,56,378	1,47,115	-	11,03,493	2,14,323	1,93,957
Bike	1,98,405	-	-	1,98,405	1,82,363	3,533	-	1,85,896	12,509	16,042
Car	13,01,301	11,62,587	-	24,63,888	5,66,956	4,70,373	-	10,37,329	14,26,559	7,34,345
Roto Crate	60,480	2,69,000	-	3,29,480	53,762	44,828	-	98,590	2,30,890	6,718
Fire Extinguisher	2,53,467	-	-	2,53,467	2,43,180	-	-	2,43,180	10,287	10,287
Mobile	65,400	-	-	65,400	62,130	155	-	62,285	3,115	3,270
Factory Shade	5,56,559	-	-	5,56,559	3,06,623	23,651	-	3,30,274	2,26,285	2,49,936
EPBAX System	1,77,849	-	-	1,77,849	99,034	2,231	-	1,01,266	76,583	78,815
Laboratory	26,62,380	2,69,644	-	29,32,024	12,46,305	4,60,866	-	17,07,171	12,24,853	14,16,075
Furniture	12,00,347	32,000	-	12,32,347	9,19,989	81,690	-	10,01,678	2,30,669	2,80,358
LED TV	56,626	-	-	56,626	54,559	-	-	54,559	2,067	2,067
Electrical Goods	113,14,514	2,15,000	-	115,29,514	95,01,632	5,31,598	-	100,33,229	14,96,285	18,12,882
Electrical Installations	22,75,472	-	-	22,75,472	20,87,659	35,449	-	21,23,108	1,52,364	1,87,813
Total Property, Plant and Equipment	**3803,31,345**	**175,08,403**	-	**3978,39,747**	**1960,72,762**	**180,01,133**	-	**2140,73,895**	**1837,65,853**	**1842,58,583**
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Intangible Asset	-	-	-	-	-	-	-	-	-	-
Total Assets	**3803,31,345**	**175,08,403**	-	**3978,39,747**	**1960,72,762**	**180,01,133**	-	**2140,73,895**	**1837,65,853**	**1842,58,583**
As at March 31, 2019										
Total Assets	**3545,90,747**	**115,24,718**	**26,53,438**	**3634,62,027**	**1655,42,010**	**173,48,231**	**15,54,110**	**1813,36,131**	**1821,25,896**	**1890,48,737**

12) Non-Current Investments

	March 31,2020 Rs.		March 31,2019 Rs.	
A) Investment in equity instruments (unquoted)				
i) Shares of NKGSB Co- Operative Bank		1,00,000		1,00,000
B) Investment in Partnership Firms :				
(i) Capital Investment in Jakharia Industries				
Balance as per Last BalanceSheet	3641,63,307		1482,25,354	
Add : Capital introduced during the year	1168,01,977		2590,85,999	
Less : Withdrawals during the year	(405,08,178)		(431,48,046)	
Less: Share of Loss for the Year	(63,72,872)	4340,84,234	-	3641,63,307
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 2020 Rs.	Profit Sharing Ratio	Capital as on 31-Mar-19 Rs.
M/s. Jakharia Fabrics Private Limited	96.76%	4340,84,234	96.11%	3641,63,307
Mr. Nitin Shah	0.62%	27,68,899	0.74%	28,09,550
Mr. Himmatlal Shah	0.62%	27,64,193	0.74%	28,04,775
Mr. Jignesh Shah	0.78%	34,78,704	0.93%	35,29,775
Mr. Dixit Shah	0.62%	27,64,193	0.74%	28,04,775
Mr. Maneckchand Shah	0.62%	27,64,193	0.74%	28,04,775
		4486,24,418		3789,16,957

A) Others				
Tarapur Environment Protection		73,33,000		73,33,000
TOTAL		**4415,17,234**		**3715,96,307**

13) Long Term Loans & Advances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Balance with govt authorities	464,30,067	323,14,962
Advance Income- tax (Net)	112,55,084	215,36,368
Security Deposit	81,66,995	110,32,595
	658,52,146	**648,83,925**

14) Other Non-Current Assets

	March 31, 2020 Rs.	March 31, 2019 Rs.
Other Non-Current Assets		
Deposits with banks (with original maturity period of more than 12 months)	17,41,532	14,62,977
(Note: Held under lien by Bank against bank guarantees issued in favour of company)		
	17,41,532	**14,62,977**

15) Inventories

	March 31, 2020 Rs.	March 31, 2019 Rs.
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	85,20,707	47,20,976
- Others	28,02,365	31,03,990
Work in Progress		
- Fabrics	63,77,716	56,01,428
Finished Goods		
- Fabrics	219,64,087	169,60,700
	396,64,874	**303,87,094**

16) Trade Receivables

	March 31, 2020 Rs.	March 31, 2019 Rs.
Outstanding for a period exceeding six months from the date of Invoice		
Secured, Considered Good	-	-
Unsecured, Considered Good	145,00,925	140,66,876
Doubtful	-	-
Others		
Secured, Considered Good	-	-
Unsecured, Considered Good	1560,75,655	1620,33,076
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	1705,76,580	**1760,99,952**

17) Cash and Bank Balances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Cash and cash equivalents:		
Cash on hand	14,12,617	1,94,617
Balance with banks	2,64,588	1,30,122
Balance in fixed deposit accounts	91,46,859	86,47,821
	108,24,064	89,72,560
Less:Deposits with banks (with original maturity period of more than 12 months)	(17,41,532)	(14,62,977)
	90,82,532	**75,09,583**

18) Short-Term Loans and Advances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Unecured and Considered Good		
Advance to suppliers	9,717	8,967
Advance to employees	34,72,930	14,30,687
	34,82,647	**14,39,654**

19) Other Current Assets

	March 31, 2020 Rs.	March 31, 2019 Rs.
Unsecured and Considered Good		
Prepaid expenses	7,51,478	3,27,065
Other receivables	2,85,742	-
	10,37,220	**3,27,065**

20) Revenue from operations

	March 31, 2020 Rs.	March 31, 2019 Rs.
Sale of services		
Job work/sales	6596,86,614	6338,23,614
Sale of products		
Finished goods	1992,34,568	659,07,675
	8589,21,181	6997,31,289
Details of finished goods		
Fabrics	1992,34,568	659,07,675

21) Other income

	March 31, 2020 Rs.	March 31, 2019 Rs.
Dividend on shares	10,000	10,000
Interest on Bank Fixed Deposit	5,54,206	5,42,343
Sundry credit balance written back	2,25,163	4,24,754
Profit on sale of fixed assets	-	11,07,675
Interest on Vat refund	2,95,522	
Vat refund	6,24,360	-
Interest on Income-tax refund	10,06,614	-
Foreign exchange gain	1,45,352	1,24,011
Other income	6,34,982	40,379
	34,96,199	22,49,162

22) Cost of materials consumed

	March 31, 2020 Rs.	March 31, 2019 Rs.
Other materials		
Opening stock	78,24,966	72,57,811
Add: Purchases		
Coal	980,80,765	946,67,478
Dyes and chemicals	1593,24,990	1379,23,643
Grey	1629,47,218	599,23,393
Packing material	175,11,788	157,20,384
Stores and spares	210,24,643	194,66,232
Other materials	114,31,877	2,64,759
Less : Purchase return	(80,39,741)	(20,582)
Less: Closing stock	(113,23,072)	(78,24,966)
	4587,83,434	3273,78,152

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

	March 31, 2020 Rs.	March 31, 2019 Rs.
Opening stock		
Work-in-progress	56,01,428	44,55,853
Finished goods	169,60,700	177,25,241
	225,62,128	221,81,094
Less: Closing stock		
Work-in-progress	63,77,716	56,01,428
Finished goods	219,64,087	169,60,700
	(57,79,675)	(3,81,034)

24) Employee benefits expenses

	March 31, 2020 Rs.	March 31, 2019 Rs.
Contribution to provident and other funds	18,63,228	19,71,094
Directors remuneration	240,00,000	240,00,000
Salary and wages	1020,79,754	994,49,580
Staff welfare	13,34,141	10,89,129
Gratuity	27,95,000	43,99,000
Others	5,05,733	4,36,800
	1325,77,856	**1313,45,603**

25) Financial cost

	March 31, 2020 Rs.	March 31, 2019 Rs.
Interest expenses on		
a) Interest expenses	77,88,397	89,77,346
b) other borrowings	-	-
Others*	21,90,063	19,79,684
	99,78,460	**109,57,030**

* including bank charges,processing fees etc.

26) Other expenses

	March 31, 2020 Rs.	March 31, 2019 Rs.
Manufacturing and service cost		
Cash discount	5,52,008	6,88,636
Consultancy	16,14,081	9,53,036
Jobwork / Subcontracting	843,61,983	530,14,060
Loading and unloading charges	39,45,464	32,40,879
Packing expenses	18,38,412	18,55,925
Power and fuel	550,95,498	637,84,599
Rent, rates and taxes	65,79,627	26,43,509
Repairs and maintenance	88,79,921	76,48,542
Water expenses	54,16,729	43,26,990
	1682,83,722	**1381,56,177**
Administrative & Selling		
Brokerage	84,45,157	64,02,447
Computer expenses	1,52,811	1,67,468
Travelling, conveyance and petrol expenses	9,54,161	6,96,697
Courier charges	8,45,386	6,97,157
Donation	1,72,501	3,52,050
Insurance	13,96,033	13,52,861
Interest on statutory dues	1,11,668	76,875
Loss from partnership firm	63,72,872	-
Motor car expenses	2,38,041	1,75,979
Penalty	2,03,605	23,000
Printing and stationery	8,88,139	7,98,415
Sundry expenses	11,27,177	13,38,836
Telephone expenses	1,09,745	1,07,386
Transport charges	152,14,368	135,67,801
Payment to Auditors (Note no.27)	5,00,000	5,00,000
	367,31,664	**262,56,972**
	2050,15,386	**1644,13,149**

27) Remuneration to Auditors:

	March 31,2020 Rs.	March 31,2019 Rs.
Audit Fees	3,50,000	3,50,000
Tax Audit Fees	1,50,000	1,50,000

28) Earnings per share (EPS)

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

	March 31, 2020 Rs.	March 31, 2019 Rs.
Profit/ (Loss) After Tax	305,41,893	345,65,300

	March 31, 2020	March 31, 2019
Weighted average number of equity shares in calculating basic EPS		
Equivalent Weighted Avg number of Equity Shares at the end of the year	40,63,830	37,73,627
Diluted Weighted Avg number of Equity Shares at the end of the year / period	40,63,830	37,73,627
Earnings Per Share		
Basic EPS	7.52	9.16
Diluted	7.52	9.16

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.
Mahadev Enterprises	Enterprise over which key managerial personnel 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
Mr. Manoj Tiwari	Chief Financial Officer

b. **Related Party Transaction**

i) **The following table provides the total amount of transactions that have been**

	Nature of Transa	March 31,2020 Rs.	March 31,2019 Rs.
M/s. Jakharia Industries	Investments	762,93,799	2159,37,953
M/s. Jakharia Industries	Job Charges	242,73,860	-
M/s. Jakharia Industries	Sales	127,36,020	
M/s.Jakharia Synthetics Pvt Ltd	Sales	-	1,27,875
Mr. Himmatlal Shah	Rent	1,20,000	-
M/s.Dixit Processors	Job Charges	33,756	-
M/s.Dixit Processors	Assets	97,07,270	-
M/s.Dixit Processors	Dyes and chemica	19,75,120	-
M/s.Dixit Processors	Stores and spares	29,500	-
Mahadev Enterprises	Job charges	66,09,830	45,41,344
Manoj Tiwari	Salary	4,72,500	4,48,500

ii) **Remuneration to key managerial personnel:**

	March 31,2020 Rs.	March 31,2019 Rs.
Mr. Himatlal Shah	40,00,000	40,00,000
Mr. Dixit Shah	40,00,000	40,00,000
Mr. Jignesh Shah	40,00,000	40,00,000
Mr. Manekchand Shah	40,00,000	40,00,000
Mr. Nitin Shah	80,00,000	80,00,000

iii) **Outstanding Balances**

Name of the Party	March 31,2020 Rs.	March 31,2019 Rs.
a) **Receivables**		
M/s.Jakharia Synthetics Pvt Ltd	-	37,822
Jakharia Industries	123,92,195	
b) **Investments**		
M/s. Jakharia Industries	4340,84,234	3641,63,307
c) **Creditors**		
Dixit Processors	72,66,240	-
Jakharia Industries	37,80,471	
d) **Rent Payable**		
Mr. Himatlal Shah	1,20,000	-
e) **Job Charges**		
Mahadev Enterprises	-	7,61,525
f) **Unsecured Loan**		
Mr. Himatlal Shah	449,85,000	449,85,000
Mr. Dixit Shah	100,80,000	100,80,000
Mr. Jignesh Shah	357,40,000	357,40,000
Mr. Manekchand Shah	51,55,000	51,55,000
Mr. Nitin Shah	315,00,000	315,00,000
Mrs. Rinkal D Shah	49,28,156	49,37,546

30) **Information regarding Foreign Exchange earnings and expenditure :**

	March 31,2020 Rs.	March 31,2019 Rs.
Expenditure in Foreign Exchange	-	-
Total	-	-

31) **Foreign Currency Balance:**

	March 31,2020 Rs.	March 31,2019 Rs.
Receivables	16,06,505	19,62,275

32) **Employee Benefit Expenses:**

a) Reconciliation of defined benefit obligation:

	March 31,2020 Rs.	March 31,2019 Rs.
Present value of DBO at start of year	97,39,000	53,40,000
Current Service Cost	25,39,000	20,30,000
Interest cost	6,43,000	3,90,000
Benefits paid	-	-
Acturial Gain /(Loss) gain	(3,87,000)	19,79,000
Present value cost	125,34,000	97,39,000

b) Expenses recognised in Profit & Loss Account

	March 31,2020 Rs.	March 31,2019 Rs.
Current Service Cost	25,39,000	20,30,000
Interest cost	6,43,000	3,90,000
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	(3,87,000)	19,79,000
Present value cost	27,95,000	43,99,000

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

	March 31,2020 Rs.	March 31,2019 Rs.
Present value of DBO	125,34,000	97,39,000
Fair value of Plan Assets	-	-
Net Liabilty/ (Assets)	125,34,000	97,39,000
Less: Unrecognised Past Service Cost		
Liability /(assets) recognised in Balance Sheet	125,34,000	97,39,000
Of Which Short Term Provision	**30,54,000**	**26,88,000**

33) **Contingent Liabilities:**

(To the extent not provided for)

	March 31,2020 Rs.	March 31,2019 Rs.
Disputed Income-tax & TDS demand	6,73,364	6,98,400
Bank guarantee	89,91,600	89,91,600
	96,64,964	96,90,000

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 31,2020 Rs.	March 31,2019 Rs.
A. Amount required to be spent during the year	8,35,314	9,48,069
B. Amount Spent on CSR	-	-

35) The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivable, intangible assets, and certain investments. For this purpose, the company has considered internal and external sources of information upto the date of approval of these financial results. The Company based on its judgements and estimates expects to fully recover the carrying amount of trade receivables, investments and other financial assets. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial results and the company will continue to closely monitor any material changes to future economic conditions.

36) As per MCA notification dated 16 February 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI(Issue of capital and Disclosure Requirements) Regulations, 2009, are exempted from complusory requirement of adoption of IND-AS, as the company is covered under the exempted catogery, it has not adopted IND-AS for preparation of financial results.

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
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date:31.07.2020
UDIN: 20103277AAAAS58597

Place: Bhiwandi
Date : 31.07.2020

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF Jakharia Fabric Limited (Formerly known as Jakharia Fabric Private Limited)

Report on the Consolidated Financial Statements

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 **31/03/2020**, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2020**, and its **Profit and its cash flows** for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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, 2020, the Company has disclosed total contingent liabilities of Rs.96.65 lakhs. These contingent liabilities are based on judgements and accounting	• 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

	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 Consolidated financial statements for accounting policies for provisions and contingent liabilities and related disclosures.	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, 2020. The Company has total Investment of Rs. 4340.84 lakhs in the partnership firm. The Company have made substantial capital contribution of Rs. 762.94 lakhs during FY 2019-20. Refer Note.12 of Consolidated financial statements and accounting policy note 1(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, 2020 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.

Emphasis of Matter

We draw attention to notes to the financial results which describe the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

The Company's Management and Board of Directors are responsible for 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.

Responsibility of Management and Those Charged with Governance (TCWG)

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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Consolidated financial statements 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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 judgement and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, and 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on **31/03/2020** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2020** 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 B**".

(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 year is 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
UDIN: 20103277AAAASS8597

Place: Mumbai
Date: 31.07.2020

"Annexure – A" to the Independent Auditors' Report

(Refer to in paragraph 1 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 Consolidated financial statements for the year ended March 31, 2020, 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 Consolidated 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 thereunder.

(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 2020 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	110
		2010-11	TDS-Assessing Officer	32,870
		2012-13	TDS-Assessing Officer	3,07,180

(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 Consolidated 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
UDIN: 20103277AAAASS8597

Place: Mumbai
Date: 31.07.2020

"Annexure B" to the Independent Auditor's Report of even date on the Consolidated Financial Statemen1ts of Jakharia Fabric Limited (Formerly Known As Jakharia Fabric Private Limited).

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

We have audited the internal financial controls over financial reporting of Jakharia Fabric Limited (Formerly Known As Jakharia Fabric Private Limited) as of March 31, 2020 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. 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 amout the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, 2020, 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 issues by the Institute of Chartered Accountants of India.

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

Yashesh Shroff
Partner
Membership No: 103277
UDIN: 20103277AAAASS8597

Place: Mumbai
Date: 31.07.2020

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Consolidated Balance sheet as at March 31, 2020

	Particulars	Note No.	31 March 2020 Rs.	31 March 2019 Rs.
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' Funds**			
	(a) Share Capital	2	406,38,300	406,38,300
	(b) Reserves and Surplus	3	4304,34,090	3998,92,197
			4710,72,390	**4405,30,497**
(2)	**Non-Current Liabilities**			
	(a) Long-term borrowings	4	1982,32,180	2002,85,812
	(b) Deferred-tax liabilities (net)	5	11,95,161	37,29,841
	(c) Long-term provisions	6	94,80,000	70,51,000
			2089,07,341	**2110,66,653**
(3)	**Current Liabilities**			
	(a) Short-term borrowings	7	248,41,716	262,15,752
	(b) Trade Payables			
	(A) total outstanding dues of micro enterprises and Small Enterprises; and	8	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	1932,82,101	1515,87,151
	(c) Other current liabilities	9	396,65,460	299,79,479
	(d) Short-term provisions	10	30,54,000	26,88,000
			2608,43,277	**2104,70,381**
	TOTAL		**9408,23,007**	**8620,67,531**
II.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment			
	(i) Tangible assets	11	1837,65,853	1842,58,583
	(ii) Capital work in progress		241,02,390	241,02,390
	(b) Non-current investments	12	4415,17,234	3715,96,307
	(c) Long term loans and advances	13	658,52,146	648,83,925
	(d) Other non-current assets	14	17,41,532	14,62,977
			7169,79,155	**6463,04,183**
(2)	**Current Assets**			
	(a) Inventories	15	396,64,874	303,87,094
	(b) Trade receivables	16	1705,76,580	1760,99,952
	(c) Cash and cash equivalents	17	90,82,532	75,09,583
	(d) Short-term loans and advances	18	34,82,647	14,39,654
	(e) Other current assets	19	10,37,220	3,27,065
			2238,43,853	**2157,63,348**
	TOTAL		**9408,23,008**	**8620,67,531**

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: 31.07.2020
UDIN: 20103277AAAASS8597

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

Jignesh H. Shah
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date : 31.07.2020

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Consolidated Statement of Profit and Loss account for the year ended March 31, 2020

	Particulars	Note No.	March 31, 2020 Rs.	March 31, 2019 Rs.
I.	Revenue from Operations	20	8589,21,181	6997,31,289
II.	Other Income	21	34,96,199	22,49,162
III.	**Total Revenue (I+II)**		**8624,17,380**	**7019,80,450**
IV.	**Expenses**			
	Cost of material consumed	22	4587,83,434	3273,78,152
	Changes in inventories of Finished Goods, Work-in-progress and Stock in trade	23	(57,79,675)	(3,81,034)
	Employee Benefit Expenses	24	1325,77,856	1313,45,603
	Depreciation and Amortization Expenses	11	180,01,133	168,79,162
	Finance Cost	26	99,78,460	109,57,030
	Other Expenses	25	2050,15,386	1644,13,149
	Total Expenses		**8185,76,595**	**6505,92,061**
V.	**Profit before prior period items and tax (III) – (IV)**		438,40,785	513,88,389
	Prior Period Income/(Expenses)		(12,29,749)	(7,30,146)
VI.	Profit before tax		**426,11,036**	**506,58,243**
VII.	**Tax Expense:**			
	(1) Current tax		(140,50,000)	(140,47,000)
	(2) Excess/(Short) provision in earlier year		(5,53,823)	-
	(3) Deferred Tax		25,34,680	(20,45,943)
VIII.	Profit after tax for the year		**305,41,893**	**345,65,300**
IX.	Earnings per Equity Share			
	(1) Basic (Face value per share Rs.10/-)		7.52	9.16
	(2) Diluted		7.52	9.16

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: 31.07.2020
UDIN: 20103277AAAASS8597

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

Jignesh H. Shah
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Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date : 31.07.2020

Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Pvt Ltd.)
Statement of Cash Flow for the year ended March 31, 2020

	31 March 2020 Rs.		31 March 2019 Rs.	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		426,11,036		506,58,243
Adjustments for				
Depreciation and amortization	180,01,133		168,79,162	
Profit/(Loss) on sale of Machinery	-		(11,07,675)	
Dividend received	(10,000)		(10,000)	
Prior Period adjustments-tax	-		-	
Interest & Fianancial cost	99,78,460		109,57,030	
Interest received	(5,54,206)	274,15,387	(5,42,343)	261,76,173
Operating profit before working capital changes		700,26,423		768,34,417
(Increase) \ decrease in operating assets				
Inventories	(92,77,780)		(9,48,189)	
Trade receivables	55,23,372		(114,05,666)	
Short term loans & advances	(20,42,993)		(1,74,306)	
Other non current assets	(2,78,555)		(97,292)	
Other current assets	(7,10,155)		3,36,782	
Trade payables	416,94,951		28,48,575	
Other current liabilities	96,85,981		62,42,795	
Long term provisions	24,29,000		23,75,762	
Short term provisions	3,66,000		20,23,238	
		473,89,820		12,01,700
Cash generated from operating activities		1174,16,242		780,36,117
Tax Provision		(146,03,823)		(140,47,000)
Net cash flow from operating activities		1028,12,419		639,89,117
B. Cash flow from investing activities				
Purchase of fixed assets	(175,08,403)		(198,79,179)	
Sale of fixed assets	-		15,50,000	
Interest received	5,54,206		5,42,343	
(Purchase) / sale of investments	(699,20,927)		(2159,37,953)	
Net cash used in investing activities		(868,75,123)		(2337,24,789)
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(20,53,632)		(61,48,717)	
Increase / (Decrease) in short term borrowings	(13,74,036)		46,97,597	
Increase / (Decrease) in long term loans & advances	(9,68,221)		(106,40,845)	
Issue of Equity Shares	-		1898,25,453	
Interest & Fianancial Charges	(99,78,460)		(109,57,030)	
Dividend received	10,000		10,000	
Net cash used in financing activities		(143,64,348)		1667,86,458
Net increase / (decrease) in cash and cash equivalents		15,72,953		(29,49,214)
Cash and cash equivalents (Opening balance)		75,09,580		104,58,793
Cash and cash equivalents (Closing balance)		**90,82,532**		**75,09,580**
Reconciliation of cash and cash equivalent with Balance Sheet				
Cash and cash equivalent as per Balance Sheet		108,24,064		89,72,560
Less: Deposit with Banks with original maturity of 3-12 months		17,41,532		14,62,977
Cash and cash equivalent at the end of the year as per cash flow		**90,82,532**		**75,09,583**

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: 31.07.2020
UDIN: 20103277AAAASS8597

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

Jignesh H. Shah
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date : 31.07.2020

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

Corporate Information:
Jakharia Fabric Limited (JFL) 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 of the company for the year ended March 31, 2020 were approved by the board of directors and authorized for issue on 31st July 2020.

Note 1: Significant Accounting Policies:

A) The Consolidated Financial Statement comprises Financial Statement of Jakharia Fabric Limited (Formerly known as Jakharia Fabric Private 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	
			31.03.2020	31.03.2019
1	Jakharia Industries	India	96.76	96.11

B) Basis of preparation and presentation:
The Financial Statement of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these Financial Statement 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 Statement have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of Financial Statement are consistent with those of previous year.

C) Use of Estimates:
The preparation of Financial Statement 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 exists, 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 loss, 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 96.74% in 'M/s. Jakharia Industries' (JI) 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. JFL does not have exclusive power to control the activities of JI and in turn, influence the returns earned from its investment in JI. Therefore the investment in JI is categorized as investment in Associate and is in line with AS-23.

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 recognized 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 recognized 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) Earnings 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 Financial Statements

2) **Share Capital**

	March 31, 2020 Rs.	March 31, 2019 Rs.
AUTHORIZED SHARES		
50,00,000/-Equity shares of Rs.10/- each	500,00,000	500,00,000
Total	500,00,000	500,00,000
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES		
40,63,830/- (P.Y.40,63,830/-) Equity shares of Rs.10/- each	406,38,300	406,38,300
Total issued, subscribed and fully paid-up share capital	406,38,300	406,38,300

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

	March 31, 2020	Rs.	March 31, 2019	Rs.
Equity Shares				
At the beginning of the period	40,63,830	406,38,300	29,71,830	297,18,300
Add: Issued during the year	-	-	10,92,000	109,20,000
Outstanding at the end of the period	40,63,830	406,38,300	40,63,830	406,38,300

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.

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

Equity Shares:

	March 31, 2020	Rs.	March 31, 2019	Rs.
Name of the shareholder				
Mr. Nitin Shah	9,12,833	22.46%	9,12,833	30.72%
Mr. Dixit Shah	3,47,000	8.54%	3,47,000	11.68%
Mr. Manekchand Shah	5,05,833	12.45%	5,05,833	17.02%
M/s Jakharia Synthetics Private Limited	6,15,000	15.13%	6,15,000	20.69%

3) Reserves & Surplus

	March 31,2020 Rs.	March 31,2019 Rs.
Securities Premium :		
Opening Balance	2109,38,853	320,33,400
Add : Addition during the year	-	1856,40,000
Less : Transfer to Capital Redemption Reserve	-	-
Less : Utilised for expenses incurred for IPO	-	(67,34,547)
Closing Balance	2109,38,853	2109,38,853
Capital Redemption Reserves :		
Opening Balance	23,33,300	-
Add : Transfer from Security Premium Account	-	23,33,300
Closing Balance	23,33,300	23,33,300
Surplus/ (deficit) in the statement of profit and loss		
Opening Balance	1866,20,040	1520,54,740
Profit for the year	305,41,893	345,65,300
Net surplus in the statement of profit and loss	**2171,61,933**	**1866,20,040**
Total Reserves and Surplus	**4304,34,090**	**3998,92,197**

4) Long Term Borrowings

		March 31,2020 Rs.	March 31,2019 Rs.
Secured			
Term loans from bank		874,13,585	855,15,863
Loan from bank for vehicles		13,57,119	7,54,963
Less : Current maturities of long term debt		(229,26,681)	(183,82,560)
(Amount disclosed under the head 'other current liabilities' refer note no. 9)			
	(A)	**658,44,024**	**678,88,266**

I. Term loans taken from Kotak Mahindra Bank:-

Term Loan - 1. For acquiring plant and machinery payable in not exceeding 60 equated monthly installment , carrying interest rate 'MCLR+1.30%.

LAP Term Loan-1. For acquiring plant and machinery payable in 84 equated monthly installment, carrying interest rate MCLR+1.30%.

LAP Term Loan-2. For acquiring plant and machinery payable in 60 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 :-
   Himmatlal P. Shah, Mr. Jignesh Shah, Nitin Shah, Manekchand Shah and Dixit Shah

Car Loan- Repayable in 36 monthly EMI of Rs.31,800/- starting from October 2019.

II. Loan taken from HDFC Bank of 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		1274,60,000	1274,60,000
From relatives of directors and shareholders		49,28,156	49,37,546
	(B)	**1323,88,156**	**1323,97,546**
	(A+B)	**1982,32,180**	**2002,85,812**

5) Deferred Tax Liabilities

	March 31,2020 Rs.	March 31,2019 Rs.
Deferred Tax Liabilities/(Assets) (Net)		
Depreciation	46,85,787	37,29,841
Disallowance of expenses	(34,90,626)	-
	11,95,161	**37,29,841**

6) Long Term Provisions

	March 31,2020 Rs.	March 31,2019 Rs.
Provision for gratuity	94,80,000	70,51,000
	94,80,000	**70,51,000**

7) Short Term Borrowings

	March 31,2020 Rs.	March 31,2019 Rs.
Secured		
From Bank-Cash credit account	218,41,716	262,15,752

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 :-
   Himmatlal P. Shah, Mr. Jignesh Shah, Nitin Shah, Manekchand Shah and Dixit Shah

Inter Corporate deposits	30,00,000	-
	248,41,716	**262,15,752**

8) Trade Payables

	March 31,2020 Rs.	March 31,2019 Rs.
Creditors		
-for capital goods	135,08,804	37,41,975
-for raw material and others	1706,28,535	1398,62,992
-for expenses	91,44,762	79,82,184
	1932,82,101	**1515,87,151**

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

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 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 31,2020 Rs.	March 31,2019 Rs.
Current maturities of long term debts	229,26,681	183,82,560
Statutory dues payable	26,80,168	32,08,491
Salaries and wages payable	135,59,182	77,18,797
Interest accrued but not due	4,99,429	6,69,631
	396,65,460	**299,79,479**

10) Short-Term Provisions

	March 31,2020 Rs.	March 31,2019 Rs.
Provision for gratuity	30,54,000	26,88,000
	30,54,000	**26,88,000**

11) Property, Plant & Equipment
As at March 31, 2020

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2019	Addition during the year	Disposal during the year	Value at the end of the period 31.03.2019	Value at the beginning 01.04.2019	Addition for the year	Disposal during the year	Value at the end of the period 31.03.2019	WDV as on 31.03.2020	WDV as on 31.03.2019
A. Tangible Assets										
Leasehold Land	273,51,966	-	-	273,51,966	-	-	-	-	273,51,966	273,51,966
Factory Building	374,71,096	-	-	374,71,096	204,26,275	15,67,923	-	219,94,197	154,76,898	170,44,821
Buiding at Tarapur	300,87,579	-	-	300,87,579	107,89,819	9,21,799	-	117,11,618	183,75,961	192,97,760
Plant & Machinery	2633,09,697	153,61,690	-	2786,71,387	1478,96,175	136,05,989	-	1615,02,164	1171,69,223	1154,13,522
Computer	8,37,873	31,000	-	8,68,873	6,79,923	1,03,933	-	7,83,856	85,017	1,57,950
Air Conditioner	11,50,334	1,67,482	-	13,17,816	9,56,378	1,47,115	-	11,03,493	2,14,323	1,93,957
Bike	1,98,405	-	-	1,98,405	1,82,363	3,533	-	1,85,896	12,509	16,042
Car	13,01,301	11,62,587	-	24,63,888	5,66,956	4,70,373	-	10,37,329	14,26,559	7,34,345
Roto Crate	60,480	2,69,000	-	3,29,480	53,762	44,828	-	98,590	2,30,890	6,718
Fire Extinguisher	2,53,467	-	-	2,53,467	2,43,180	-	-	2,43,180	10,287	10,287
Mobile	65,400	-	-	65,400	62,130	155	-	62,285	3,115	3,270
Factory Shade	5,56,559	-	-	5,56,559	3,06,623	23,651	-	3,30,274	2,26,285	2,49,936
EPBAX System	1,77,849	-	-	1,77,849	99,034	2,231	-	1,01,266	76,583	78,815
Laboratory	26,62,380	2,69,644	-	29,32,024	12,46,305	4,60,866	-	17,07,171	12,24,853	14,16,075
Furniture	12,00,347	32,000	-	12,32,347	9,19,989	81,690	-	10,01,678	2,30,669	2,80,358
LED TV	56,626	-	-	56,626	54,559	-	-	54,559	2,067	2,067
Electrical Goods	113,14,514	2,15,000	-	115,29,514	95,01,632	5,31,598	-	100,33,229	14,96,285	18,12,882
Electrical Installations	22,75,472	-	-	22,75,472	20,87,659	35,449	-	21,23,108	1,52,364	1,87,813
Total Property, Plant and Equipment	**3803,31,345**	**175,08,403**	**-**	**3978,39,747**	**1960,72,762**	**180,01,133**	**-**	**2140,73,895**	**1837,65,853**	**1842,58,583**
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Intangible Asset	-	-	-	-	-	-	-	-	-	-
Total Assets	3803,31,345	175,08,403	-	3978,39,747	1960,72,762	180,01,133	-	2140,73,895	1837,65,853	1842,58,583
As at March 31, 2019										
Total Assets	3545,90,747	115,24,718	26,53,438	3634,62,027	1655,42,010	173,48,231	15,54,110	1813,36,131	1821,25,896	1890,48,737

12) Non-Current Investments

	March 31,2020 Rs.		March 31,2019 Rs.	
A) Investment in equity instruments (unquoted)				
i) Shares of NKGSB Co- Operative Bank		1,00,000		1,00,000
B) Investment in Partnership Firms :				
(i) Capital Investment in Jakharia Industries				
Balance as per Last BalanceSheet	3641,63,307		1482,25,354	
Add : Capital introduced during the year	1168,01,977		2590,85,999	
Less : Withdrawals during the year	(405,08,178)		(431,48,046)	
Less: Share of Loss for the Year	(63,72,872)	4340,84,234	-	3641,63,307
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 2020 Rs.	Profit Sharing Ratio	Capital as on 31-Mar-19 Rs.
M/s. Jakharia Fabrics Private Limited	96.76%	4340,84,234	96.11%	3641,63,307
Mr. Nitin Shah	0.62%	27,68,899	0.74%	28,09,550
Mr. Himmatlal Shah	0.62%	27,64,193	0.74%	28,04,775
Mr. Jignesh Shah	0.78%	34,78,704	0.93%	35,29,775
Mr. Dixit Shah	0.62%	27,64,193	0.74%	28,04,775
Mr. Maneckchand Shah	0.62%	27,64,193	0.74%	28,04,775
		4486,24,418		3789,16,957

A) Others				
Tarapur Environment Protection		73,33,000		73,33,000
TOTAL		**4415,17,234**		**3715,96,307**

13) Long Term Loans & Advances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Balance with govt authorities	464,30,067	323,14,962
Advance Income- tax (Net)	112,55,084	215,36,368
Security Deposit	81,66,995	110,32,595
	658,52,146	**648,83,925**

14) Other Non-Current Assets

	March 31, 2020 Rs.	March 31, 2019 Rs.
Other Non-Current Assets		
Deposits with banks (with original maturity period of more than 12 months)	17,41,532	14,62,977
(Note: Held under lien by Bank against bank guarantees issued in favour of company)		
	17,41,532	**14,62,977**

15) Inventories

	March 31, 2020 Rs.	March 31, 2019 Rs.
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	85,20,707	47,20,976
- Others	28,02,365	31,03,990
Work in Progress		
- Fabrics	63,77,716	56,01,428
Finished Goods		
- Fabrics	219,64,087	169,60,700
	396,64,874	**303,87,094**

16) Trade Receivables

	March 31, 2020 Rs.	March 31, 2019 Rs.
Outstanding for a period exceeding six months from the date of Invoice		
Secured, Considered Good	-	-
Unsecured, Considered Good	145,00,925	140,66,876
Doubtful	-	-
Others		
Secured, Considered Good	-	-
Unsecured, Considered Good	1560,75,655	1620,33,076
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	1705,76,580	**1760,99,952**

17) Cash and Bank Balances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Cash and cash equivalents:		
Cash on hand	14,12,617	1,94,617
Balance with banks	2,64,588	1,30,122
Balance in fixed deposit accounts	91,46,859	86,47,821
	108,24,064	89,72,560
Less:Deposits with banks (with original maturity period of more than 12 months)	(17,41,532)	(14,62,977)
	90,82,532	**75,09,583**

18) Short-Term Loans and Advances

	March 31, 2020 Rs.	March 31, 2019 Rs.
Unecured and Considered Good		
Advance to suppliers	9,717	8,967
Advance to employees	34,72,930	14,30,687
	34,82,647	**14,39,654**

19) Other Current Assets

	March 31, 2020 Rs.	March 31, 2019 Rs.
Unsecured and Considered Good		
Prepaid expenses	7,51,478	3,27,065
Other receivables	2,85,742	-
	10,37,220	**3,27,065**

20) Revenue from operations

	March 31, 2020 Rs.	March 31, 2019 Rs.
Sale of services		
Job work/sales	6596,86,614	6338,23,614
Sale of products		
Finished goods	1992,34,568	659,07,675
	8589,21,181	6997,31,289
Details of finished goods		
Fabrics	1992,34,568	659,07,675

21) Other income

	March 31, 2020 Rs.	March 31, 2019 Rs.
Dividend on shares	10,000	10,000
Interest on Bank Fixed Deposit	5,54,206	5,42,343
Sundry credit balance written back	2,25,163	4,24,754
Profit on sale of fixed assets	-	11,07,675
Interest on Vat refund	2,95,522	
Vat refund	6,24,360	-
Interest on Income-tax refund	10,06,614	-
Foreign exchange gain	1,45,352	1,24,011
Other income	6,34,982	40,379
	34,96,199	22,49,162

22) Cost of materials consumed

	March 31, 2020 Rs.	March 31, 2019 Rs.
Other materials		
Opening stock	78,24,966	72,57,811
Add: Purchases		
Coal	980,80,765	946,67,478
Dyes and chemicals	1593,24,990	1379,23,643
Grey	1629,47,218	599,23,393
Packing material	175,11,788	157,20,384
Stores and spares	210,24,643	194,66,232
Other materials	114,31,877	2,64,759
Less : Purchase return	(80,39,741)	(20,582)
Less: Closing stock	(113,23,072)	(78,24,966)
	4587,83,434	3273,78,152

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

	March 31, 2020 Rs.	March 31, 2019 Rs.
Opening stock		
Work-in-progress	56,01,428	44,55,853
Finished goods	169,60,700	177,25,241
	225,62,128	221,81,094
Less: Closing stock		
Work-in-progress	63,77,716	56,01,428
Finished goods	219,64,087	169,60,700
	(57,79,675)	(3,81,034)

24) Employee benefits expenses

	March 31, 2020 Rs.	March 31, 2019 Rs.
Contribution to provident and other funds	18,63,228	19,71,094
Directors remuneration	240,00,000	240,00,000
Salary and wages	1020,79,754	994,49,580
Staff welfare	13,34,141	10,89,129
Gratuity	27,95,000	43,99,000
Others	5,05,733	4,36,800
	1325,77,856	**1313,45,603**

25) Financial cost

	March 31, 2020 Rs.	March 31, 2019 Rs.
Interest expenses on		
a) Interest expenses	77,88,397	89,77,346
b) other borrowings	-	-
Others*	21,90,063	19,79,684
	99,78,460	**109,57,030**

* including bank charges,processing fees etc.

26) Other expenses

	March 31, 2020 Rs.	March 31, 2019 Rs.
Manufacturing and service cost		
Cash discount	5,52,008	6,88,636
Consultancy	16,14,081	9,53,036
Jobwork / Subcontracting	843,61,983	530,14,060
Loading and unloading charges	39,45,464	32,40,879
Packing expenses	18,38,412	18,55,925
Power and fuel	550,95,498	637,84,599
Rent, rates and taxes	65,79,627	26,43,509
Repairs and maintenance	88,79,921	76,48,542
Water expenses	54,16,729	43,26,990
	1682,83,722	**1381,56,177**
Administrative & Selling		
Brokerage	84,45,157	64,02,447
Computer expenses	1,52,811	1,67,468
Travelling, conveyance and petrol expenses	9,54,161	6,96,697
Courier charges	8,45,386	6,97,157
Donation	1,72,501	3,52,050
Insurance	13,96,033	13,52,861
Interest on statutory dues	1,11,668	76,875
Loss from partnership firm	63,72,872	-
Motor car expenses	2,38,041	1,75,979
Penalty	2,03,605	23,000
Printing and stationery	8,88,139	7,98,415
Sundry expenses	11,27,177	13,38,836
Telephone expenses	1,09,745	1,07,386
Transport charges	152,14,368	135,67,801
Payment to Auditors (Note no.27)	5,00,000	5,00,000
	367,31,664	**262,56,972**
	2050,15,386	**1644,13,149**

27) Remuneration to Auditors:

	March 31,2020 Rs.	March 31,2019 Rs.
Audit Fees	3,50,000	3,50,000
Tax Audit Fees	1,50,000	1,50,000

28) Earnings per share (EPS)

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

	March 31, 2020 Rs.	March 31, 2019 Rs.
Profit/ (Loss) After Tax	305,41,893	345,65,300

	March 31, 2020	March 31, 2019
Weighted average number of equity shares in calculating basic EPS		
Equivalent Weighted Avg number of Equity Shares at the end of the year	40,63,830	37,73,627
Diluted Weighted Avg number of Equity Shares at the end of the year / period	40,63,830	37,73,627
Earnings Per Share		
Basic EPS	7.52	9.16
Diluted	7.52	9.16

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.
Mahadev Enterprises	Enterprise over which key managerial personnel 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
Mr. Manoj Tiwari	Chief Financial Officer

b. Related Party Transaction

i) The following table provides the total amount of transactions that have been

	Nature of Transa	March 31,2020 Rs.	March 31,2019 Rs.
M/s. Jakharia Industries	Investments	762,93,799	2159,37,953
M/s. Jakharia Industries	Job Charges	242,73,860	-
M/s. Jakharia Industries	Sales	127,36,020	
M/s.Jakharia Synthetics Pvt Ltd	Sales	-	1,27,875
Mr. Himmatlal Shah	Rent	1,20,000	-
M/s.Dixit Processors	Job Charges	33,756	-
M/s.Dixit Processors	Assets	97,07,270	-
M/s.Dixit Processors	Dyes and chemica	19,75,120	-
M/s.Dixit Processors	Stores and spares	29,500	-
Mahadev Enterprises	Job charges	66,09,830	45,41,344
Manoj Tiwari	Salary	4,72,500	4,48,500

ii) Remuneration to key managerial personnel:

	March 31,2020 Rs.	March 31,2019 Rs.
Mr. Himatlal Shah	40,00,000	40,00,000
Mr. Dixit Shah	40,00,000	40,00,000
Mr. Jignesh Shah	40,00,000	40,00,000
Mr. Manekchand Shah	40,00,000	40,00,000
Mr. Nitin Shah	80,00,000	80,00,000

iii) Outstanding Balances

Name of the Party	March 31,2020 Rs.	March 31,2019 Rs.
a) **Receivables**		
M/s.Jakharia Synthetics Pvt Ltd	-	37,822
Jakharia Industries	123,92,195	
b) **Investments**		
M/s. Jakharia Industries	4340,84,234	3641,63,307
c) **Creditors**		
Dixit Processors	72,66,240	-
Jakharia Industries	37,80,471	
d) **Rent Payable**		
Mr. Himatlal Shah	1,20,000	-
e) **Job Charges**		
Mahadev Enterprises	-	7,61,525
f) **Unsecured Loan**		
Mr. Himatlal Shah	449,85,000	449,85,000
Mr. Dixit Shah	100,80,000	100,80,000
Mr. Jignesh Shah	357,40,000	357,40,000
Mr. Manekchand Shah	51,55,000	51,55,000
Mr. Nitin Shah	315,00,000	315,00,000
Mrs. Rinkal D Shah	49,28,156	49,37,546

30) Information regarding Foreign Exchange earnings and expenditure :

	March 31,2020 Rs.	March 31,2019 Rs.
Expenditure in Foreign Exchange	-	-
Total	**-**	**-**

31) Foreign Currency Balance:

	March 31,2020 Rs.	March 31,2019 Rs.
Receivables	16,06,505	19,62,275

32) Employee Benefit Expenses:

a) Reconciliation of defined benefit obligation:

	March 31,2020 Rs.	March 31,2019 Rs.
Present value of DBO at start of year	97,39,000	53,40,000
Current Service Cost	25,39,000	20,30,000
Interest cost	6,43,000	3,90,000
Benefits paid	-	-
Acturial Gain /(Loss) gain	(3,87,000)	19,79,000
Present value cost	125,34,000	97,39,000

b) Expenses recognised in Profit & Loss Account

	March 31,2020 Rs.	March 31,2019 Rs.
Current Service Cost	25,39,000	20,30,000
Interest cost	6,43,000	3,90,000
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	(3,87,000)	19,79,000
Present value cost	27,95,000	43,99,000

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

	March 31,2020 Rs.	March 31,2019 Rs.
Present value of DBO	125,34,000	97,39,000
Fair value of Plan Assets	-	-
Net Liabilty/ (Assets)	125,34,000	97,39,000
Less: Unrecognised Past Service Cost		
Liability /(assets) recognised in Balance Sheet	125,34,000	97,39,000
Of Which Short Term Provision	**30,54,000**	**26,88,000**

33) Contingent Liabilities:

(To the extent not provided for)

	March 31,2020 Rs.	March 31,2019 Rs.
Disputed Income-tax & TDS demand	6,73,364	6,98,400
Bank guarantee	89,91,600	89,91,600
	96,64,964	96,90,000

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 31,2020**	**March 31,2019**
	Rs.	**Rs.**
A. Amount required to be spent during the year	8,35,314	9,48,069
B. Amount Spent on CSR	-	-

35) The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivable, intangible assets, and certain investments. For this purpose, the company has considered internal and external sources of information upto the date of approval of these financial results. The Company based on its judgements and estimates expects to fully recover the carrying amount of trade receivables, investments and other financial assets. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial results and the company will continue to closely monitor any material changes to future economic conditions.

36) As per MCA notification dated 16 February 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI(Issue of capital and Disclosure Requirements) Regulations, 2009, are exempted from complusory requirement of adoption of IND-AS, as the company is covered under the exempted catogery, it has not adopted IND-AS for preparation of financial results.

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
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Manoj Tiwari
Chief Financial Officer

Bhavin Waghela
Company Secretary
M No.46806

Place: Bhiwandi
Date:31.07.2020
UDIN: 20103277AAAASS8597

Place: Bhiwandi
Date : 31.07.2020