Jakharia Fabric Private Limited
Balance sheet as at December 31, 2017
(All amounts in Indian rupees unless otherwise stated)

	Notes	31 Dec 2017 Rs.	31 March 2017 Rs.
Shareholder's Funds			
Share Capital	3	29,718,300	29,718,300
Reserves and Surplus	4	188,895,228	173,025,146
		218,613,528	**202,743,446**
Non-Current Liabilities			
Long-Term Borrowings	5	200,826,300	206,092,834
Deferred Tax Liabilities (Net)	13	-	1,246,487
Long Term Provisions	6	4,269,000	-
		205,095,300	**207,339,321**
Current Liabilities			
Short-Term Borrowings	7	12,442,536	11,749,863
Trade Payables			
total outstanding dues of micro enterprises and small enterprises	8	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	8	142,664,942	142,055,048
Other Current Liabilities	9	27,603,542	15,743,070
Short-Term Provisions	10	607,000	-
		183,318,020	**169,547,981**
Total		**607,026,848**	**579,630,748**
ASSETS			
Non-Current Assets			
Fixed Assets			
Property, Plant and Equipment	11	186,920,008	189,048,736
Intangible assets	11	-	-
Capital work in progress		23,677,386	23,677,386
Non-Current Investments	12	133,381,441	91,175,187
Deferred Tax Assets (Net)	13	3,521,813	-
Long term loans and advances	14	52,825,267	55,725,167
Other Non-Current Assets	15	5,664,720	6,880,328
		405,990,635	**366,506,804**
Current Assets			
Inventories	16	35,179,045	32,560,974
Trade Receivables	17	157,236,905	172,014,122
Cash and Bank Balances	18	6,890,927	5,206,151
Loans and advances	19	1,471,480	2,773,195
Other Current Assets	20	257,856	569,502
		201,036,213	**213,123,944**
Total		**607,026,848**	**579,630,748**
Summary of significant accounting policies	2.1		

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

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

Yashesh Shroff
Partner
Membership No. 103277
Place: Mumbai
Date:

For and on behalf of the Board of Directors of Jakharia Fabric Private Limited

Jignesh H. Shah
Director
[DIN: 00256315]
Place: Mumbai
Date :

Himatlal P. Shah
Director
[DIN: 01431240]

Jakharia Fabric Private Limited

Profit & Loss account for the nine months period ended December 31, 2017

(All amounts in Indian rupees unless otherwise stated)

	Notes	For the nine months period ended Dec 31, 2017 Rs.	March 31, 2017 Rs.
Income			
Revenue from Operations	21	534,803,449	754,582,975
Other Income	22	2,821,222	22,378,855
Total Revenue (I)		**537,624,671**	**776,961,830**
Expenses			
Cost of raw material consumed	23	263,767,363	365,329,927
(Increase)/ decrease in inventories	24	(4,990,099)	13,853,727
Employee Benefit Expenses	25	77,984,014	78,348,743
Other Expenses	26	159,549,201	224,992,005
Total Expenses (II)		**496,310,479**	**682,524,402**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		41,314,192	94,437,428
Depreciation and Amortization Expenses	11	(12,842,491)	(18,188,548)
Finance Costs	27	(7,390,271)	(23,464,984)
Profit before prior period items and tax		**21,081,430**	**52,783,896**
Prior Period Income/(Expenses)		(3,684,400)	-
Profit before tax		**17,397,031**	**52,783,896**
Tax Expense:			
Current tax		(6,138,000)	(15,300,000)
Excess provision in earlier year		642,349	0
Deferred Tax		3,968,702	(2,217,378)
Profit after tax for the year		**15,870,081**	**35,266,518**
Earnings per equity share	28		
Basic		5.80	12.88
Diluted		5.34	11.87
Nominal value of equity share		10	10
Summary of significant accounting policies	**2.1**		

The accompanying notes are an integral part of Financial Statements

As per our Report of even date.

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

Yashesh Shroff
Partner
Membership No. 103277
Place: Mumbai
Date:

Shah Shroff & Associates FRN 128920W Mumbai

For and on behalf of the Board of Directors of Jakharia Fabric Private Limited

Jignesh H. Shah
Director
[DIN: 00256315]
Place: Mumbai
Date :

Himatlal P. Shah
Director
[DIN: 01431240]

JAKHARIA FABRIC PRIVATE LIMITED THANE

Jakharia Fabric Private Limited

CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2017

(All amounts in Indian rupees unless otherwise stated)

	31 December 2017 Rs.		31 March 2017 Rs.	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		21,081,430		52,783,896
Adjustments for				
Depreciation and amortization	12,842,491		18,188,548	
Profit/(Loss) on sale of machinery	-		(34,269)	
Dividend received	(12,000)		(12,000)	
Interest & Fianancial cost	7,390,271		23,464,984	
Interest received	(444,547)	19,776,215	(1,237,740)	40,369,523
Operating profit before working capital changes		40,857,645		93,153,419
(Increase) \ decrease in operating assets				
Inventories	(2,618,071)		13,323,874	
Trade receivables	14,777,217		10,254,680	
Short term loans & advances	1,301,715		6,241,109	
Other non current assets	215,608		(5,821,741)	
Other current assets	311,646		-	
Trade payables	(4,496,863)		(70,472,691)	
Other current liabilities	11,860,472		(24,043,218)	
Long term provisions	1,192,000		-	
Short term provisions	200,000		795,537	
		22,743,724		(69,722,450)
Cash generated from operating activities		63,601,369		23,430,969
Tax Provision		(6,138,000)		(15,300,000)
Net cash flow from operating activities		57,463,369		8,130,969
B. Cash flow from investing activities				
Purchase of fixed assets	(10,713,762)		(12,479,968)	
Sale of fixed assets	0		48,000	
Interest received	444,547		1,237,740	
(Purchase) / sale of investments	(42,206,254)		(52,275,187)	
Net cash used in investing activities		(52,475,469)		(63,469,415)
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(5,266,534)		51,336,281	
Increase / (Decrease) in short term borrowings	692,673		(5,312,271)	
Increase / (Decrease) in long term loans & advances	8,649,008		11,643,602	
Interest & Fianancial Charges	(7,390,271)		(23,464,984)	
Dividend received	12,000		12,000	
Net cash used in financing activities		(3,303,124)		34,214,628
Net increase / (decrease) in cash and cash equivalents		1,684,776		(21,123,818)
Cash and cash equivalents (Opening balance)		5,206,151		26,329,970
Cash and cash equivalents (Closing balance)		6,890,927		5,206,151

Jakharia Fabric Private Limited
Notes to Financial Statement
(All amounts in Indian rupees unless otherwise stated)

1 **Corporate Information**

Jakharia Fabrics Private Limited is a process house of yarn and fabric. The Company is in the line of activity of fabric / garment manufacture, processing yarn and fabric and also trader in textile items. The Company was established on 22 June,2007 and has its processing units at Saravali MIDCBhiwandi Dist Thane & Tarapur MIDC, Dist Palghar. The said units are working with 100% utilization capacity.

2 **Basis of Preparation**

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, except for the change in accounting policy explained below

2.1 **Summary of significant accounting policies**

a. **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.

b. **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.
Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. **Depreciation & Amortisation**

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 identified components are depreciated separately over their useful lives; the remaining assets are depreciated over the life of the principal asset.

The Company has assessed the following useful life to depreciate and amortize on its property, plant and equipment and intangible assets respectively.

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

d. **Classification of Current/Non -Current Assets and Liabilities**

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. **CLASSIFICATION OF CURRENT / NON-CURRENT ASSETS & LIABILITIES**

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.

f. **Investments**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is recognised in the Statement of Profit and Loss.

JAKHARIA FABRIC PRIVATE LIMITED THANE

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Investments which are readily realisable and intended to be held for not more than one year from Balance Sheet date, are classified as current investments. All other investments are classified as non-current investments. However, that part of long term investments which are expected to be realised within twelve months from the Balance sheet date is presented under "Current Investments" in consonance with the current / non-current classification under Schedule III of the Companies Act, 2013.

g. **INVESTMENTS IN ASSOCIATES:**

The Company is one of the partners having capital contribution ratio and profit sharing ratio to tune of about 90% in 'M/s. Jakharia Industries' a partnership firm wherein there are 5 other individual partners. According to the partnership deed (as amended from time to time), key business decisions need unanimous approval of all the partners of the firm, irrespective of their profit sharing ratio and/or capital contribution ratio. In view of the same, the company does not have exclusive power to control the activities of the firm and in turn, influence the returns earned from it's investment in the firm. Thus, Further, the firm is still in it's pre- operation phase and operations have not started till the date of financial statements. Consequently, amount of post acquisition profits is nil.

h. **Revenue recognition**

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue Revenue from services rendered is recognized on the basis of completion of job on 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.

i. **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.

j. **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.

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 acturial valuation using the Projected Unit Credit Method. Acturial gain and losses arising on such valuation are recognised immediately in the Profit & Loss account. In case of funded defined benefit plan, the fair value of the plan asset is reduced from gross obligation under the defined benefit plan to recognise the obligation on a net basis.

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. **IMPAIRMENT OF ASSETS:**

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. Impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount.

n. **PROVISION & CONTINGENCIES:**

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

o. **EARNING PER SHARE**

a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as ESOPs and bonus issue 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 Private Limited
Notes to Financial Statement for the nine months period ended December 31, 2017
(All amounts in Indian rupees unless otherwise stated)

3) **Share Capital**

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
AUTHORIZED SHARES		
30,00,000/-Equity shares of Rs.10/- each	30,000,000	30,000,000
5,00,000/- 9% Convertible Preference shares of Rs.10/- each	5,000,000	5,000,000
Total	**35,000,000**	**35,000,000**
ISSUED , SUBSCRIBED & FULLY PAID-UP SHARES		
29,71,830/- (P.Y. 27,38,500/-)Equity shares of Rs.10/- each	27,385,000	27,385,000
(P.Y.2,33,330/-) 9% Convertible Preference shares of Rs.10/- each	2,333,300	2,333,300
Total issued, subscribed and fully paid-up share capital	**29,718,300**	**29,718,300**

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

	Dec 31, 2017	Rs.	March 31, 2017	Rs.
Equity Shares				
At the beginning of the period	2,738,500	27,385,000	2,738,500	27,385,000
Issued during the year	-	-	-	-
Outstanding at the end of the period	**2,738,500**	**27,385,000**	**2,738,500**	**27,385,000**
Preference Shares				
9% Convertible Preference shares of Rs.10/- each				
At the beginning of the period	233,330	2,333,300	233,330	2,333,300
Outstanding at the end of the period	**233,330**	**2,333,300**	**233,330**	**2,333,300**

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.

Preference Shares

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

Preference Shares carries preferential rights as to dividend over equity share holders. Where dividend on preference shares is not declared for a financial year, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meeting of the company on any resolution of company directly effecting their rights.

In event of liquidation of the company, the preference shareholders have preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates FRN 128920W Mumbai

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

Equity Shares

Name of the shareholder	Dec 31, 2017		March 31, 2017	
	Rs.		Rs.	
Mr. Himmatlal Shah	474,500	17.33	474,500	17.33
Mr. Jignesh Shah	137,000	5.00	137,000	5.00
Mr. Nitin Shah	467,000	17.05	467,000	17.05
Mr. Dixit Shah	347,000	12.67	347,000	12.67
Mr. Manekchand Shah	317,000	11.58	317,000	11.58
Mrs. Champaben Shah	225,000	8.22	225,000	8.22
M/s Jakharia Synthetics Private Limited	615,000	22.46	615,000	22.46

Preference Shares

Name of the shareholder	Dec 31, 2017		March 31, 2017	
	Rs.		Rs.	
P. Saji Textiles Limited	66,666	28.57	66,666	28.57
Victory Sales Private Limited	26,666	11.43	26,666	11.43
Shyam Alcohol & Chemicals Limited	36,666	15.71	36,666	15.71
Shipra Fabrics Private Limited	50,000	21.43	50,000	21.43
Dolex Commercial Private Limited	13,333	5.71	13,333	5.71
Acute Consultancy Limited	-	-	13,333	5.71
B K Dyeing & Printing Mills Private Limited	26,666	11.43	13,333	5.71
Lunkad Textiles Private Limited	13,333	5.71	13,333	5.71

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates FRN 125120W Mumbai

Jakharia Fabric Private Limited

Notes to Financial Statement for the nine months period ended December 31, 2017

(All amounts in Indian rupees unless otherwise stated)

4) Reserves & Surplus

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Securities Premium	34,366,700	34,366,700
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last Financial Statement	138,658,446	103,391,924
Profit for the year	15,870,081	35,266,522
Net surplus in the statement of profit and loss	**154,528,528**	**138,658,446**
Total Reserves and Surplus	**188,895,228**	**173,025,146**

5) Long Term Borrowings

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Secured		
Term loans from bank	95,001,694	84,195,653
Loan from bank for vehicles	1,071,915	-
Less : Current maturities of long term debt	12,054,396	10,904,390
(Amount disclosed under the head 'other current liabilities' refer note no. 9)		
	84,019,213	**73,291,263**

I. Loans taken from Kotak Mahindra Bank:-

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

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

The above term loans are secured against

1. Equitable mortgage of factory land & building located at plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Taluka Palghar, Dist Thane (factory of JFPL) owned by M/s Jakharia Fabrics Pvt Ltd
2. 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 (factory of JSPL) owned by Mr. Himatlal Shah and Mr. Jignesh Shah
3. Equitable mortgage of Flat No. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund W Mumbai 400080 owned by Mr. Dixit Shah and Mr. Manekchand Shah
4. Equitable mortgage of Flat No. 1201, 12th Floor, B-Wing, E/6 Apartment, Nahar Sarvodaya Heights CSHL, Sarvodaya Parshwanath Nagar, Mulund W, Mumbai 400080 owned by Jignesh H Shah, Himatlal Shah & Sejal Shah
5. Equitable mortgage of Flat No. 605, 6th Floor, Building No 2, Man Mandir Suraksha CHS, Mulund W, Mumbai 400080 owned by Sejal Nitin Shah
6. Equitable mortgage of J-1/11, MIDC, Tarapur Indl Area, Village Saravali, Taluka Palghar, Dist Thane owned by Jakharia Industries (Agreement Value INR 11.00 Cr.)
7. Personal guarantee of following directors :-
   a. Mr. Himmatlal P. Shah
   b. Mr. Jignesh H Shah
   c. Mr. Nitin K Shah
   d. Mr. Manekchand P Shah
   e. Mr. Dixit M Shah

II. Loan taken 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.

Unsecured		
From director	65,996,716	77,922,799
From related parties	50,810,371	50,878,772
Others	-	4,000,000
	116,807,087	**132,801,571**
Net amount	**200,826,300**	**206,092,834**

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates Mumbai

Jakharia Fabric Private Limited

Notes to Financial Statement for the nine months period ended December 31, 2017

(All amounts in Indian rupees unless otherwise stated)

6) Long Term Provisions

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Provision for gratuity	4,269,000	
	4,269,000	-

7) Short Term Borrowings

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Secured		
From Banks-Cash credit account	12,442,536	11,749,863
	12,442,536	**11,749,863**

The above cash credit facility is secured against stock and book debts of the company and further secured against

1. Equitable mortgage of factory land & building located at plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Taluka Palghar, Dist Thane (factory of JFPL) owned by M/s Jakharia Fabrics Pvt Ltd
2. 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 (factory of JSPL) owned by Mr. Himatlal Shah and Mr. Jignesh Shah
3. Equitable mortgage of Flat No. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund W Mumbai 400080 owned by Mr. Dixit Shah and Mr. Manekchand Shah
4. Equitable mortgage of Flat No. 1201, 12th Floor, B-Wing, E/6 Apartment, Nahar Sarvodaya Heights CSHL, Sarvodaya Parshwanath Nagar, Mulund W, Mumbai 400080 owned by Jignesh H Shah, Himatlal Shah & Sejal Shah
5. Equitable mortgage of Flat No. 605, 6th Floor, Building No 2, Man Mandir Suraksha CHS, Mulund W, Mumbai 400080 owned by Sejal Nitin Shah
6. Equitable mortgage of J-1/11, MIDC, Tarapur Indl Area, Village Saravali, Taluka Palghar, Dist Thane owned by Jakharia Industries (Agreement Value INR 11.00 Cr.)
7. Personal guarantee of following directors :-
   a. Mr. Himmatlal P. Shah
   b. Mr. Jignesh H Shah
   c. Mr. Nitin K Shah
   d. Mr. Manekchand P Shah
   e. Mr. Dixit M Shah

8) Trade Payables

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Trade payable	142,664,942	142,055,048
	142,664,942	**142,055,048**

9) Other Current Liabilities

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Current maturities of long term debts	12,054,396	10,904,390
Statutory dues payable	2,748,949	2,394,033
Salaries and wages payable	12,797,246	2,409,326
Advance from customers	2,951	35,321
	27,603,542	**15,743,070**

10) Short-Term Provisions

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Provision for gratuity	607,000	-
	607,000	-

Shah Shroff & Associates FRN 128920W Mumbai

JAKHARIA FABRIC PRIVATE LIMITED THANE

Jakharia Fabrics Private Limited

Notes to the Financila Statements for the year ended 31 December 2017

(All amounts in Indian rupees unless otherwise stated)

11) Property, Plant & Equipment

As at December 31, 2017

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2017	Addition during the year	Disposal during the year	Value at the end of the period 31.12.2017	Value at the beginning 01.04.2017	Addition for the year	Disposal during the year	Value at the end of the period 31.12.2017	WDV as on 31.12.2017	WDV as on 31.03.2017
A. Tangible Assets										
Land	27,351,966	-	-	27,351,966	-	-	-	-	27,351,966	27,351,966
Factory Building	36,191,201	-	-	36,191,201	17,051,346	1,316,422	-	18,367,768	17,823,433	19,139,855
Buiding at Tarapur	29,604,509	483,070	-	30,087,579	8,809,893	758,457	-	9,568,350	20,519,229	20,794,616
Plant & Machinery	220,497,529	6,107,914	-	226,605,443	117,860,694	8,186,286	-	126,046,979	100,558,464	102,636,835
Expenses Plant & Machinery	21,178,765	1,327,478	-	22,506,243	7,354,339	1,247,610	-	8,601,948	13,904,295	13,824,426
Computer	516,938	60,266	-	577,204	468,401	37,994	-	506,395	70,809	48,537
Air Conditioner	876,506	168,750	-	1,045,256	721,561	65,587	-	787,148	258,108	154,945
Bike	198,405	-	-	198,405	169,836	5,574	-	175,410	22,995	28,569
Car	1,744,307	1,301,301	-	3,045,608	1,294,573	213,216	-	1,507,790	1,537,818	449,734
Roto Crate	60,480	-	-	60,480	50,459	1,362	-	51,821	8,659	10,021
Fire Extinguisher	253,467	-	-	253,467	242,833	261	-	243,094	10,373	10,634
Mobile	65,400	-	-	65,400	61,546	322	-	61,868	3,532	3,854
Factory Shade	524,000	-	-	524,000	257,659	18,861	-	276,520	247,480	266,341
EPBAX System	177,849	-	-	177,849	78,486	8,152	-	86,638	91,211	99,363
Laboratory	645,564	1,250,000	-	1,895,564	494,425	140,966	-	635,391	1,260,173	151,139
Furniture	1,057,249	14,982	-	1,072,231	775,019	59,794	-	834,814	237,417	282,230
LED TV	56,626	-	-	56,626	54,482	58	-	54,539	2,087	2,144
Electrical Goods	11,314,514	-	-	11,314,514	7,813,610	737,175	-	8,550,785	2,763,729	3,500,904
Electrical Installations	2,275,472	-	-	2,275,472	1,982,849	44,392	-	2,027,241	248,231	292,623
Total Property, Plant and Equipment	**354,590,747**	**10,713,761**	**-**	**365,304,508**	**165,542,010**	**12,842,491**	**-**	**178,384,501**	**186,920,008**	**189,048,737**
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	**354,590,747**	**10,713,761**	**-**	**365,304,508**	**165,542,010**	**12,842,491**	**-**	**178,384,501**	**186,920,008**	**189,048,737**
As at March 31, 2017										
Total Assets	**342,275,774**	**12,479,973**	**165,000**	**354,590,747**	**147,504,732**	**18,188,548**	**151,269**	**165,542,011**	**189,048,736**	**194,771,042**

Jakharia Fabric Private Limited
Notes to Financial Statement for the nine months period ended December 31, 2017
(All amounts in Indian rupees unless otherwise stated)

12) Non-Current Investments

		Dec 31,2017 Rs.	Rs.	March 31,2017 Rs.	Rs.
A)	**Investment in equity instruments (unquoted)**				
i)	Shares of NKGSB Co- Operative Bank		100,000		100,000
B)	**Investment in Partnership Firms :**				
(i)	**Capital Investment in Jakharia Industries**				
	Balance as per Last BalanceSheet	91,075,187		38,800,000	
	Add : Capital introduced during the year	47,592,254		105,911,855	
	Less : Withdrawals during the year	(5,386,000)		(53,636,668)	
	Add : Share of Profit for the Year	-	133,281,441	-	91,075,187
	The Partner -wise break-up of Capital and Profit Sharing ratio in M/s. Jakharia Industries is as under :-				

Name of the Partner	Profit / loss Sharing Ratio	Capital as on 31 Dec 2017 Rs.	Profit / loss Sharing Ratio	Capital as on Rs. Rs.
M/s. Jakharia Fabrics Private Limited	55.00%	133,281,441	55.00%	91,075,187
Mr. Nitin Shah	15.00%	2,800,000	15.00%	2,800,000
Mr. Himmatlal Shah	7.50%	2,800,000	7.50%	2,800,000
Mr. Jignesh Shah	7.50%	2,825,000	7.50%	2,825,000
Mr. Dixit Shah	7.50%	2,800,000	7.50%	2,800,000
Mr. Maneckchand Shah	7.50%	2,800,000	7.50%	2,800,000
		147,306,441		105,100,187
TOTAL		**133,381,441**		**91,175,187**

Jakharia Fabric Private Limited
Notes to Financial Statement for the nine months period ended December 31, 2017
(All amounts in Indian rupees unless otherwise stated)

13) Deferred Tax Assets

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Deferred Tax Assets/(Liabilities) (Net)		
Depreciation	2,054,223	(1,212,267)
Disallowance of expenses	1,467,590	(34,220)
	3,521,813	**(1,246,487)**

14) Long Term Loans & Advances

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Balance with Govt Authorities	36,189,473	39,179,676
Security Deposit	16,635,794	16,545,491
	52,825,267	**55,725,167**

15) Other Non-Current Assets

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Other Non-Current Assets		
Deposits with banks (with original maturity period of more than 12 months)	5,664,720	6,880,328
(Note: Held as lien by Banks against bank guarantees in favour of company)		
	5,664,720	**6,880,328**

16) Inventories

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	8,863,109	9,701,987
- Others	1,321,344	2,854,494
Work in Progress		
- Fabrics	22,178,166	15,385,961
Finished Goods		
- Fabrics	2,816,426	4,618,532
	35,179,045	**32,560,974**

17) Trade Receivables

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Unsecured and Considered Good:		
Outstanding for a period exceeding six months from the date of Invoice	8,013,319	20,968,821
Others	149,223,586	151,045,301
	157,236,905	**172,014,122**

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates FRN 12[illegible]20W Mumbai

Jakharia Fabric Private Limited

Notes to Financial Statement for the nine months period ended December 31, 2017

(All amounts in Indian rupees unless otherwise stated)

18) Cash and Bank Balances

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Cash and cash equivalents		
Cash on hand	292,343	719,425
Balance with banks	2,043,874	457,061
Balance with deposit accounts	10,219,430	10,909,993
	12,555,647	12,086,479
Less:Deposits with banks (with original maturity period of more than 12 months)	(5,664,720)	(6,880,328)
	6,890,927	**5,206,151**

19) Short-Term Loans and Advances

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Secured and Considered Goods		
Advance to suppliers	323,352	1,865,691
Advance to Employees	1,148,128	907,504
	1,471,480	**2,773,195**

20) Other Current Assets

	Dec 31, 2017 Rs.	March 31, 2017 Rs.
Unsecured and Considered Good		
Prepaid Expenses	257,856	259,465
Other receivables	-	310,037
	257,856	**569,502**

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates PAN 1268 Mumbai

Jakharia Fabric Private Limited

Notes to Financial Statement for the nine months period ended December 31, 2017

(All amounts in Indian rupees unless otherwise stated)

21) Revenue from operations

	For the nine months period ended December 31, 2017	March 31, 2017
	Rs.	Rs.
Sale of services		
Job work/sales	500,795,533	616,302,585
Sale of products		
Finished goods	34,007,916	138,280,390
	534,803,449	**754,582,975**
Details of finished goods		
Fabrics	34,007,916	138,280,390

22) Other income

	For the nine months period ended December 31, 2017	March 31, 2017
	Rs.	Rs.
Dividend income	12,000	12,000
Interest on Bank FD	444,547	1,237,740
Interest on IT Refund	150,780	1,404,612
Sundry credit balance written back	-	11,503,504
Profit on sale of fixed assets	-	34,269
EPGC	-	4,597,943
Duty drawback	377,758	2,213,525
Vat refund	1,139,584	92,284
Exchange Gain		191,609
Other income	696,553	1,091,369
	2,821,222	**22,378,855**

23) Cost of materials consumed

	For the nine months period ended December 31, 2017	March 31, 2017
	Rs.	Rs.
Other materials		
Opening stock	12,556,481	12,026,628
Add: Purchases		
Coal	79,456,485	70,360,044
Dyes and chemicals	125,910,677	148,946,630
Grey	12,458,135	89,672,596
Packing material	11,165,124	17,135,409
Stores and spares	13,354,368	20,476,202
Other materials	19,051,539	19,485,168
Less: Discount on purchase	993	216,269
Less: Closing stock	10,184,453	12,556,481
	263,767,363	**365,329,927**

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

	For the nine months period ended December 31, 2017	March 31, 2017
	Rs.	Rs.
Opening stock		
Work-in-progress	15,385,961	12,670,099
Finished goods	4,618,532	21,188,121
	20,004,493	33,858,220
Less: Closing stock		
Work-in-progress	22,178,166	15,385,961
Finished goods	2,816,426	4,618,532
	(4,990,099)	**13,853,727**

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates FRN 128910W Mumbai

Jakharia Fabric Private Limited

Notes to Financial Statement for the nine months period ended December 31, 2017

(All amounts in Indian rupees unless otherwise stated)

25) Employee benefits expenses

	For the nine months period ended December 31, 2017 Rs.	March 31, 2017 Rs.
Contribution to provident and other funds	1,720,471	1,918,055
Directors remuneration	16,824,360	38,250,000
Salary and wages	56,854,452	36,484,008
Staff welfare	949,931	1,442,880
Gratuity	1,392,000	-
Others	242,800	253,800
	77,984,014	**78,348,743**

26) Financial cost

	For the nine months period ended December 31, 2017 Rs.	March 31, 2017 Rs.
Bank charges	12,257	1,106,830
Bank interest	742,508	786,375
Interest on bank borrowings	6,473,831	6,082,258
Interest on unsecured loan	91,675	14,136,989
Loan processing fees	70,000	1,352,532
	7,390,271	**23,464,984**

27) Other administrative expenses

	For the nine months period ended December 31, 2017 Rs.	March 31, 2017 Rs.
Manufacturing and service cost		
Cash discount	5,347,815	13,823,264
Consultancy	503,200	1,237,603
Jobwork / Subcontracting	54,377,672	99,582,505
Loading and unloading charges	2,739,893	3,292,125
Packing expenses	1,332,450	1,865,371
Power and fuel	41,922,419	56,064,592
Rent, rates and taxes	4,951,578	7,530,680
Repairs and maintenance	6,212,986	8,963,195
Water expenses	2,662,456	3,540,527
	120,050,469	**195,899,862**
Other expenses		
Brokerage	7,398,098	9,014,222
Computer expenses	102,955	178,598
Conveyance and petrol expenses	421,262	602,732
Courier charges	356,020	593,970
Exchange loss	144,238	-
Selling expenses	86,158	1,202,613
Insurance	1,268,300	1,234,153
Interest on statutory dues	44,710	11,972
Motor car expenses	159,692	286,726
Penalty	9,000	15,400
Printing and stationery	640,141	841,220
Short provision for tax	-	421,532
Sundry expenses	722,755	1,376,976
Sundry debit balance w/off	17,932,353	-
Telephone expenses	117,806	159,291
Transport charges	9,829,744	12,807,738
Payment to Auditors		
Audit Fees	110,625	143,750
Tax Audit Fees	154,875	201,250
	39,498,732	**29,092,143**
	159,549,201	**224,992,005**

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates FRN 128900W Mumbai

28) Earnings per share (EPS)

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

	For the nine months period ended December 31,2017	March 31, 2017
	Rs.	Rs.
Profit/ (Loss) After Tax	15,870,081	35,266,518

	For the nine months period ended December 31,2017	March 31, 2017
Weighted average number of equity shares in calculating basic EPS		
Equivalent Weighted Avg number of Equity Shares at the end of the year	2,738,500	2,738,500
Diluted Weighted Avg number of Equity Shares at the end of the year / period	2,971,830	2,971,830
Earnings Per Share		
Basic EPS	5.80	12.88
Diluted	5.34	11.87

JAKHARIA FABRIC PRIVATE LIMITED THANE

Shah Shroff & Associates FRN 128120W Mumbai

Jakharia Fabric Private Limited
Notes to Financial Statement for the nine months period ended December 31, 2017
(All amounts in Indian rupees unless otherwise stated)

29) Contingent Liabilities

(To the extent not provided for)

	December 31,2017 Rs.	March 31,2017 Rs.
Disputed Income-tax demand	9,203,410	4,378,030
Bank guarantee	5,926,000	3,926,000
	15,129,410	8,304,030

30) Related party disclosures

a. Names of related parties and related party relationship

Name of the Party	Description of Relationship
M/s. Jakharia Synthetics Private Limited	Enterprise over which directors have significant influence.
M/s. Jakharia Industries	Enterprise over which directors have significant influence.
M/s. Dixit Processors	Enterprise over which directors have significant influence.
Key managerial personnel	
Mr. Himmatlal Shah	Whole Time Director
Mr. Jignesh Shah	Whole Time Director
Mr. Nitin Shah	Whole Time Director
Mr. Dixit Shah	Whole Time Director
Mr. Manekchand Shah	Whole Time Director

b. Related Party Transaction

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Nature of Transaction	December 31,2017 Rs.	March 31,2017 Rs.
Mr. Himmatlal Shah	Interest on loan	-	3,414,591
Mr. Dixit Shah	Interest on loan	-	1,007,606
Mr. Jignesh Shah	Interest on loan	-	3,873,439
Mr. Manekchand Shah	Interest on loan	-	1,303,455
Mr. Nitin Shah	Interest on loan	-	2,695,437
Mrs Rinkal Shah	Interest on loan	-	821,211
M/s. Jakharia Industries	Investments	42,206,254	52,275,187
M/s.Jakharia Synthetics Pvt Ltd	Purchase	18,500,048	12,317,300
M/s.Jakharia Synthetics Pvt Ltd	Sales	1,641,068	764,497
M/s.Dixit Processors	Purchase	2,805,793	655,761

c. Remuneration to key managerial personnel

	December 31,2017 Rs.	March 31,2017 Rs.
Mr. Himatlal Shah	2,450,000	7,200,000
Mr. Dixit Shah	4,574,360	6,300,000
Mr. Jignesh Shah	2,450,000	7,200,000
Mr. Manekchand Shah	2,450,000	6,300,000
Mr. Nitin Shah	4,900,000	11,250,000

31) Remuneration to Auditors :

	December 31,2017 Rs.	March 31,2017 Rs.
Audit Fees	265,500.00	345,000.00

32) Employee Benefit Expenses

a) Reconciliation of defined benefit obligation

	December 31,2017 Rs.
Present value of DBO at start of year	3,484,000
Current Service Cost	1,016,000
Interest cost	178,000
Benefits paid	-
Past service cost	-
Acturial Gain /(Loss) gain	198,000
Present value cost	4,876,000

b) Expenses recognised in Profit & Loss Account

	December 31,2017 Rs.
Current Service Cost	1,016,000
Interest cost	178,000
Benefits paid	-
Past service cost	-
Acturial Gain /(Loss) gain	198,000
Present value cost	1,392,000

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

	December 31,2017 Rs.
Present value of DBO	4,876,000
Fair value of Plan Assets	-
Net Liabilty/ (Assets)	4,876,000
Less: Unrecognised Past Service Cost	-
Liability /(assets) recognised in Balance Sheet	4,876,000
Of Which Short Term Provision	607,000

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

	December 31,2017 Rs.	March 31,2017 Rs.
Earning in Foreign Exchange-export sales	-	32,839,089
Expenditure in Foreign Exchange	-	-
Total	-	32,839,089

The accompanying notes are an integral part of Financial Statements

As per our Report of even date.

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

Yashesh Shroff
Partner
Membership No: 103277
Place: Mumbai
Date:

For and on behalf of the Board of Directors of Jakharia Fabric Private Limited

Jignesh H. Shah
Director
[DIN: 00256315]
Place: Mumbai
Date:

Himmatlal P. Shah
Director
[DIN: 01431240]