Jakharia

Spinning your stories

JAKHARIA FABRIC LIMITED

CIN: L17200MH2007PLC171939

17th ANNUAL REPORT

2023-2024

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Nitin K. Shah – Chairman & Managing Director
Jignesh H. Shah[1] - Executive Director
Dixit Shah[2] - Whole Time Executive Director
Himatlal Shah[3]- Whole Time Executive Director
Manekchand Shah[4] - Whole Time Executive Director
Sejal Nitin Shah[5] - Executive Director
Shejal Jignesh Shah[6] - Executive Director

INDEPENDENT DIRECORS:

Mukul Vora- Non-Executive Independent Director
Ajitsingh Ghorpade- Non – Executive Independent Director
Jawahar Desai- Non – Executive Independent Director

KEY MANAGERIAL PERSONNEL:

Manojkumar Tiwari- Chief Financial Officer
Vijay Thakkar[7]- Company Secretary & Compliance Officer
Bhavin Waghela[8] – Company Secretary & Compliance Officer

Listed 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.

STATUTORY AUDITORS:

Shah Shroff & Associates
Chartered Accountants

SECRETARIAL AUDITORS:

Nagdev & Associates
Practicing Company Secretaries

INTERNAL AUDITORS:

M/S. R M F & CO.
Chartered Accountants

REGISTRAR AND TRANSFER AGENTS:

Bigshare Services Private Limited

BANKERS TO THE COMPANY:

Kotak Mahindra Bank Ltd.

REGISTERED OFFICE[9]:

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

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.

[1]Mr. Jignesh H. Shah resigned on 05/09/2024 as Executive Director
[2]Mr. Dixit Shah resigned on 05/09/2024 as Whole-time Director
[3]Mr. Himatlal Shah resigned on 05/09/2024 as Whole-time Director
[4]Mr. Manekchand Shah resigned on 05/09/2024 as Whole-time Director
[5]Mrs. Sejal Nitin Shah appointed on 14/11/2023 as Additional Director (Executive Director) and Appointed as Executive Director in EGM on 25/04/2024
[6] Mrs. Shejal Jignesh Shah resigned on 14/11/2023 as Executive Director
[7]Mr. Vijay Thakkar resigned as Company Secretary & Compliance Officer on 06/08/2024
[8]Mr. Bhavin Waghela has appointed as Company Secretary & Compliance Officer on 10/08/2024
[9]The Members at EGM held on 25/04/2024 approved the change of Registered Office

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is my privilege to write to you over this forum for the first time. I am pleased to report another year of satisfactory performance. Almost all nations felt the impact of global uncertainties, which includes higher energy and food prices, inflation rates and volatile markets. During the year under review, we deftly maneuvered through these headwinds. Our progress in a year of global volatility is a testament of the teams hard work, resilience and unwavering commitment to move forward. In F.Y. 2023-24, we have been able to turnaround and registered a robust growth of 140% in the profitability. The operational efficiency in terms of reduced cost and efficient yield to products have been the key factors in this turnaround. We need to make it happen, stand up and deliver and make every person associated with us feel special. As a move forward in our aspiration positively, I would like to gratefully acknowledge the unwavering support of our customers and the dedication of employees, both of which have been instrumental in the steady progress, the company has made thus far and would like to assure you of our continuing endeavors in leading new heights together on journey year after year.

With best wishes,
Sincerely,
For JAKHARIA FABRIC LIMITED

Sd/-
Nitin Shah
Chairman & Executive Director
(DIN: 01869318)

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Financial Statements of accounts of the Company for the Financial Year ended 31st March, 2024.

COMPANIES SPECIFIC INFORMATION:

1. Financial Results:

The Company's financial performance for the year ended 31st March, 2024 & 31st March, 2023 are summarized below:

Particulars	(Rs. In lakhs)	
	2023-2024	2022-2023
Revenue from Operation	8822.89	8611.69
Other Income	57.39	122.81
Total Income	**8880.27**	**8734.50**
Expenses:		
Cost of Material consumed	4416.08	4701.00
Change in Inventory	41.07	88.01
Employee Benefit	1530.45	1445.94
Finance Cost	113.68	95.45
Depreciation & Amortization Exp.	152.68	162.41
Other Expenses (including prior period expenses)	2480.92	2443.23
Total Expenses	**8734.88**	**8936.04**
Profit/ (Loss) Before Prior items and Tax	**145.39**	**(201.53)**
Prior Period Income / (expenses)	**(1.31)**	**(2.12)**
Net Profit / (Loss) Before Tax	**144.08**	**(203.66)**
Less: Tax Expenses		
- Current Tax	(56.50)	0.00
- Excess/(short) Provision in earlier year	(3.89)	(1.34)
- Deferred Tax	(50.02)	(12.35)
Net Profit / (Loss) After Tax	**33.67**	**(217.34)**
Opening Balance of Profit & Loss A/c	**(684.62)**	**(467.28)**
Add: Profit/ (Loss) for the year	33.67	(217.34)
Closing Balance of Profit & Loss A/c	**(650.95)**	**(684.62)**
- Earnings per share		
Basic	**0.83**	**(5.35)**
Diluted	**0.83**	**(5.35)**

2. Operational performance:

Your directors inform the members that the financial year 2023-2024 was favorable.

The Total income during the year has increased by **1.67%** i.e. from **Rs. 8734.50 Lakhs** to **Rs. 8880.27 Lakhs** over the last year and the total expenditure of the company is stood at **Rs. 8734.88 Lakhs.**

The Net Profit of the Company has drastically increased by **115.49%** as compared from Net Loss of **Rs. 217.34 Lakhs** in the previous year to Net Profit of **Rs. 33.67 Lakhs** in the current 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. 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 Rs. 33.67 Lakhs is increased in the Reserve and Surplus Account for the year under review.

4. Dividend:

The company has turned around its performance during the current year. However, with the intension to strengthen the financial position of the company, no dividend out of profit is recommended by the Board for the financial year ended March 31, 2024. (Previous year NIL).

5. Capital Structure:

The Capital Structure of the Company as on 31.03.2024 is 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 fully paid up.

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.

6. Material changes between the date of the board report and end of financial year:

Although executed amongst the family members, but having a significant outcome, it is hereby informed that on 30th June, 2024, the family members of the "Jakharia Group" entered into a "Memorandum of Family Arrangement (MFA). On receipt of this and to comply with the requirement of regulation 30 & 30A of SEBI LODR regulations, the company has intimated to the stock exchange i.e. NSE.

The MFA was entered into, to separate the ownership, control and management of the Jakharia Group entities among each branch of the shah family.

The significant terms of the MFA and the extent and nature of impact on management or control of the company has informed to the stock exchange.

7. Change in nature of business:

There have been no material changes in the nature of any business of the company during the financial year under review.

8. 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 **i**mpacting the going concern status and company's operations in future.

9. Subsidiaries, Associate companies & Joint Ventures:

The details of Subsidiaries, Associate companies & Joint Ventures are provided in Form AOC – 1 as **"Annexure – IV"**

10. Extract of Annual Return:

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

11. 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 I".**

12. Board of Directors, their meetings & KMP(S):

I. Constitution of the Board:

The Board of directors comprise of total 9 (Nine) Directors, which includes 3 (Three) Independent directors. 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. Mukul Vora
(ii) Mr. Ajitsingh Arjun Ghorpade
(iii) Mr. Jawahar Desai

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 2023-24.

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. NITIN KESHAVJI SHAH (DIN: 01869318), 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

A. During the year there are following changes in Directors:

Sr No.	Particulars	Date of Event
1.	Appointment of Mrs. Sejal Nitin Shah as Additional Director (Executive director)	14th November, 2023

2.	Resignation of Mrs. Shejal Jignesh Shah from the post of Executive Director	14th November, 2023
3.	Appointment of Mrs. Sejal Nitin Shah as Executive director	25th April, 2024

B. Pursuant to the execution of Memorandum of Family arrangement dated 30th June, 2024 and to give effect to the same, the following directors have tendered their resignation from the company w.e.f. 5th September, 2024.

- Manekchand Panachand Shah
- Dixit Manekchand Shah
- Himatlal Panachand Shah
- Jignesh Himatlal Shah

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 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 **6 (Six) times** in the Financial Year 2023-24. 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	29.05.2023	9	9
2	07.09.2023	9	9
3	18.10.2023	9	9
4	14.11.2023	9	9
5	29.12.2023	9	9
6	13.03.2024	9	9

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 31st March, 2024 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.

13. Committees of The Board:

The Company has following committees:

I. Audit Committee:

The Company has reconstituted the Audit Committee on 30th May, 2022 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. There has been no instance where the Board of Directors had not accepted any recommendation of the Audit Committee.

During the financial year ended 31st March, 2024, 5 (Five) Audit Committee Meetings were held on the following dates:

(1) 29.05.2023 (2) 07.09.2023 (3) 18.10.2023
(4) 14.11.2023 (5) 13.03.2024

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

Sr. No.	Name	No. of meeting entitled to attend	No. of meetings attended during the year
1	Mr. Mukul Vora -Independent Director (Chairperson)	5	5
2	Mr. Jignesh Shah - Chairman & Executive Director (Member)	5	5
3	Mr. Ajitsingh Ghorpade- Independent Director (Member)	5	5
4	Mr. Jawahar Desai- Independent Director (Member)	5	5

II. Nomination and Remuneration Committee:

The Company has reconstituted the Nomination and Remuneration Committee on 30th May, 2022 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.

During the financial year ended 31st March, 2024, 4 (Four) Nomination and Remuneration Committee Meetings were held on the following dates:

(1) 29.05.2023 (2) 07.09.2023 (3) 14.11.2023
(4) 13.03.2024

The Reconstituted Nomination and Remuneration Committee comprises of the following Directors of the Company:

Sr. No.	Name	No. of meeting entitled to attend	No. of meetings attended during the year
1	Mr. Mukul Vora- -Independent Director (Chairperson)	4	4
2	Mr. Ajitsingh Ghorpade- Independent Director (Member)	4	4
3	Mr. Jawahar Desai- Independent Director (Member)	4	4

III. Stakeholders' Relationship Committee:

The Company has reconstituted the Stakeholders' Relationship Committee on 30th May, 2022 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.

During the financial year ended 31st March, 2024, 4 (Four) Stakeholders' Relationship Committee Meetings were held on the following dates:

(1) 29.05.2023 (2) 07.09.2023 (3) 14.11.2023
(4) 13.03.2024

The Reconstituted Stakeholders' Relationship Committee comprises the following Directors:

Sr. No.	Name	No. of meeting entitled to attend	No. of meetings attended during the year
1	Mr. Ajitsingh Ghorpade- Independent Director (Chairperson)	4	4
2	Mr. Jawahar Desai- Independent Director (Member)	4	4
3	Mr. Himatlal Panachand Shah - Director (Member)	4	4

IV. Corporate Social Responsibility (CSR) Committee:

The Company has reconstituted the CSR Committee on 30th May, 2022 in accordance with the provisions of section 135 of the Companies Act, 2013.

During the financial year ended 31st March, 2024, 2 (Two) Corporate Social Responsibility Committee Meetings were held on the following dates:

(1) 07.09.2023 & (2) 13.03.2024

The Reconstituted CSR Committee comprises the following Directors:

Sr. No.	Name	No. of meeting entitled to attend	No. of meetings attended during the year
1	Mr. Ajitsingh Ghorpade- Independent Director (Chairperson)	2	2
2	Mr. Mukul Vora -Independent Director (Member)	2	2
3	Mr. Jignesh Shah -Chairman & Executive Director (Member)	2	2

14. Corporate Social Responsibility:

The provisions of section 135 of the Companies Act, 2013 is not applicable to your Company for F.Y. 2023-2024, as the Company does not fall under the criteria limits mentioned in the said section of the Act. Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility

15. Statutory Auditor & Audit Report:

In terms of provisions of the Companies Act, 2013, at the 13th Annual General Meeting (31.12.2020) of the Company, M/s. SHAH SHROFF & ASSOCIATES, Chartered Accountants, (Firm Registration No. 0128920W), Mumbai, were appointed as Statutory Auditors of the Company to hold the office from the conclusion of the 13th annual general meeting till the conclusion of 18th annual general meeting to be held in the year 2025. They have confirmed

that they are not disqualified from continuing as auditors of the company.

As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has confirmed that they holding 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.

16. Secretarial Auditor:

The Board of Directors, on the recommendations of the Audit Committee, of the Company, has appointed **M/s. Nagdev & Associates**, Company Secretaries, Mumbai, [ICSI Membership No. FCS - F12214 & Certificate of Practice No. 19177], as the Secretarial Auditors of the Company for the financial year 2023-2024.

The Secretarial Audit Report in Form No. MR-3 submitted by the said Secretarial Auditors, do not contain any major 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 2023-2024 forms part of the Annual Report as **"Annexure V"** to the Board's report.

Certification from Company Secretary in Practice:

M/s. Nagdev & 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- VI"**

17. 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 for the financial year 2023-2024 ended on 31.03.2024. The Internal Audit Finding/s and Report/s submitted by **M/s R M F & Co.,** 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.

18. 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 is not required to appoint cost auditor for the financial year 2023-24.

19. 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.

20. 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.

21. Corporate Governance:

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 is not 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.

22. Industrial Relations:

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

23. 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.

24. Deposits:

During the financial year ended 31st March, 2023 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.

25. 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

26. 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 2023- 24.

27. 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.

28. Meetings of the Members:

During the year under review 16th Annual General Meeting of the Company was held on 30.09.2023.

29. 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.

30. 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- II'.**

31. 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.

32. 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.

33. 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.

34. 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.

35. 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-III'.**

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.

36. 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.

37. Investors Education and Protection Fund:

During the financial year 2023-2024 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.

38. 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.

39. 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 "Pinnacle Business Park, Office No. S6-2, 6th Floor, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai-400093, Maharashtra.

40. Dematerialization 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 2024, 40,23,831 equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents whole 99.02% of the total issued, subscribed and paid-up capital of the Company as on that date. 39,999 equity shares are in physical form. The ISIN allotted to your Company is INE00N401018.

41. 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 2023-2024.

42. 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.

43. 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 of Directors
For Jakharia Fabric Limited
Sd/-
Nitin Shah
Chairman & Managing Director
DIN: 01869318

Place: Palghar
Date: 05.09.2024

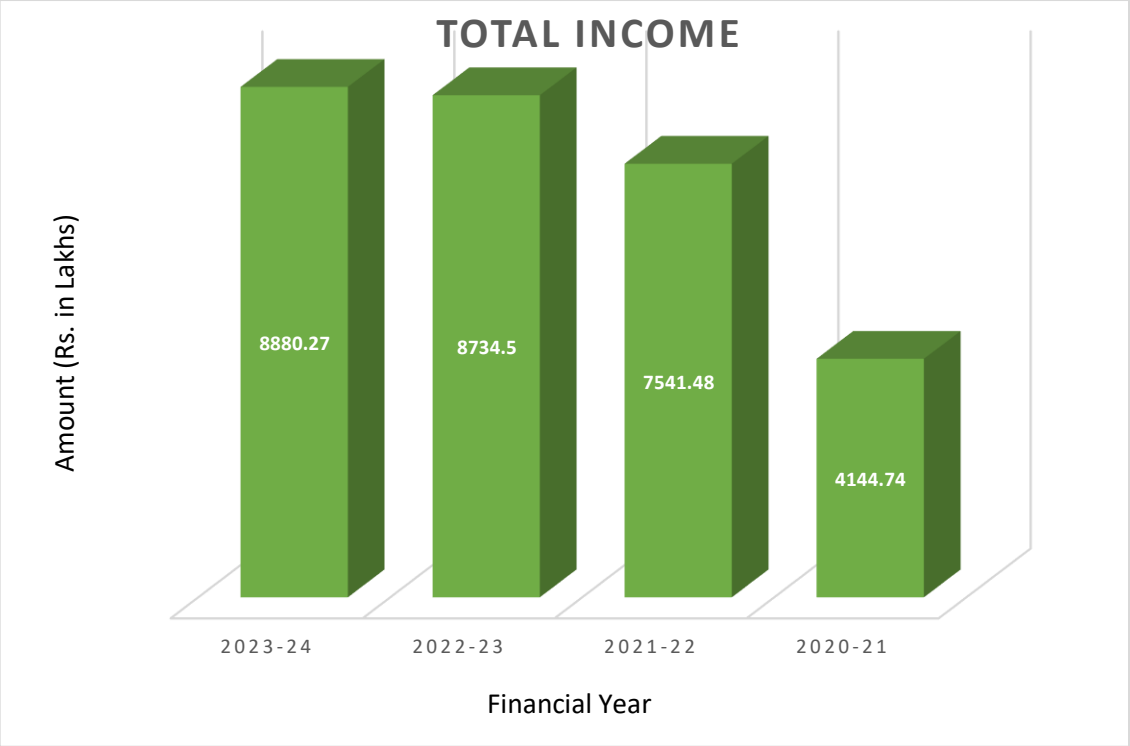
'ANNEXURE I'
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

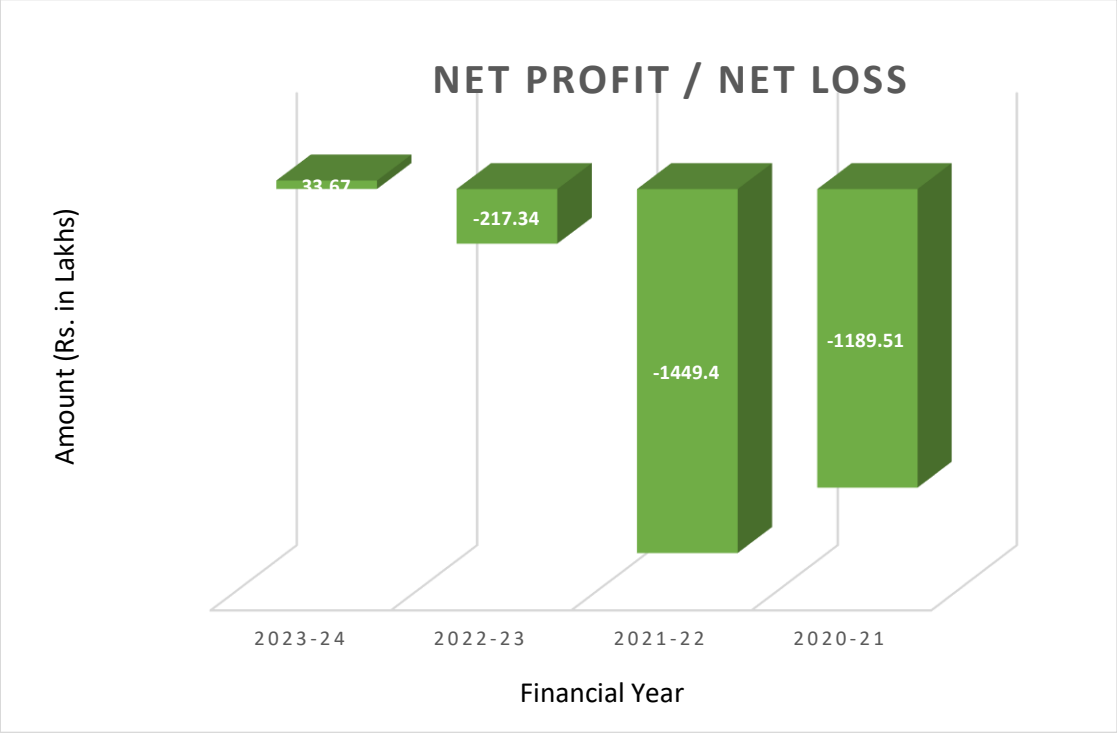
In pursuant of section 134(3)(m) of the Companies Act, 2013 read together with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 2014, the relevant information is provided herein below:-

Sr. No.	Particulars	Current Year (2023-24)	Previous Year (2022-23)
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.)	78.83 599.91 7.61	77.46 596.66 7.70
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	0.09	0.09
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	Nil Nil	Nil Nil

By order of the Board of Directors for
JAKHARIA FABRIC LIMITED
Sd/-
Nitin Shah
Chairman & Managing Director
DIN: 01869318
Place: Palghar
Date: 05.09.2024

ANNEXURE- II
MANAGEMENT DISCUSSION AND ANALYSIS REPORT





The management discussion and analysis report provides an over view of the financial activities for the fiscal year ended on 31st March 2024, gives an overall sight of the textile industry and Company's strategy to deal with that. This report is designed to focus on current years' activities, resulting changes and other known facts in conjunction to the financial and strategic position of the Company.

Economic Review

Global Economy and Outlook

The global economy witnessed a challenging CY2024. While fluctuations in commodity prices led to inflation in both developed and developing nations, persistent geopolitical issues resulted in supply chain disruptions. Additionally, the global economy recorded the sharpest increase in interest rates in 40 years.
(source:https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024)

However, several economies demonstrated resilience in these times of adversity. Emerging markets and developing nations such as India, Mexico and Vietnam observed robust growth and foreign capital inflow. Furthermore, with debottlenecking of supply chains and easing of restrictive monetary policies, global inflation rate fell from 6.8% in CY2023 to 5.9% in CY2024. (source:
https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024) Certain low-income and frontier economies also reclaimed their position in the market.

Indian Economy Overview and Outlook

Despite a sluggish global economy, India maintained its trajectory as one of the fastest growing economies in the world. This economic growth can be primarily attributed to robust domestic consumption and less reliance on foreign imports. While government initiatives facilitated domestic demand, increased investments to bolster manufacturing sector and improve digital and physical infrastructure mitigated supply chain issues effectively. The government's emphasis on improving infrastructure, as evident through initiatives such as the PM Gati Shakti National Master Plan, logistics upgradation and industrial corridors, is anticipated to increase industrial competitiveness and spur future growth. In FY2024, India's GDP touched 7.6% with Current Account Deficit (CAD) at 1.9% of GDP. With the improvement of business accessibility, the general investment climate is growing more favourable. Furthermore, with rising consumer confidence, progression of labour markets and increasing private consumption, the Government aims to improve capital investment and lower budget deficit. (source:
https://rbi.org.in/scripts/AnnualReportPublications.aspx 4)

Industry Overview

Global textile industry

The global textile industry comprises textile manufacturing, refining and retail clothing. A multi-billion dollar manufacturing sector, the global textile business consists of production, refining and sale of synthetic and natural fibres. As of 2024, the textile market size is estimated at USD 748 billion and is expected to reach USD 889 billion by 2029, growing at a CAGR of 3.5% between 2024 and 2029. (source: https://www.giiresearch.com/report/moi1433856-textile-market-share-analysis-industry-trends.html)
The textile industry is a dynamic market with key players being China, European Union, US and India. China is the largest textile producing and exporting country in the world. On the other hand, the European Union comprises Germany, Spain, France, Italy and Portugal at the forefront with a value of more than one-fifth of the global textile industry. India is the third-largest textile manufacturing industry and is responsible for more than 6% of the total textile production globally. With rapid industrialisation and the advent of technology, textile industry is incorporating modern installations to increase the production of textiles. The industry is also observing a paradigm shift towards natural fibers such as cotton, silk, linen, wool, hemp, jute, and cashmere. These fibers are favoured for their low density and high strength compared to conventional fibers, leading to a rise in demand for fiber fabrics. Additionally, post-pandemic awareness of hygiene products has contributed to the growing popularity of natural fiber fabrics in the textile industry. (source: Overview of the Global Textile Industry)
Indian Textile Industry

As one of the largest textile industries in the world, the Indian textile industry contributes approximately 2.3% to the country's GDP, 13% to industrial production and 12% to total exports earnings. India is one of the largest producers of cotton and jute in the world. It is also the 2nd largest producer of silk, with 95% of the world's hand-woven fabric comes from India. India's total textile exports are expected to reach USD 65 Billion by FY2026 and is expected to grow at 10% CAGR 2019-2020 to reach USD 190 Billion by 2025-2026. The textiles and apparel industry in India has strengths across the entire value chain from fibre, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products. India has been observing a robust trade in technical textile products and the country has been a net exporter. The government has also launched the Production Linked Incentive Scheme with an approved outlay of H 10,683 crore to promote production of Man-Made Fibre Apparel, Man-Made Fibre Fabric and products of Technical Textiles in the country. ((source: Textile Industry in India: Insights into the Garment & Apparel... (investindia.gov.in))

By order of the Board of Directors for
JAKHARIA FABRIC LIMITED
Sd/-
Nitin Shah
Chairman & Managing Director
DIN: 01869318
Place: Palghar
Date: 05.09.2024

ANNEXURE-III
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 2023-2024 (in Rs.)	Remuneration for the year 2022-2023 (in Rs.)	% Increase/ decrease in Remuneration	Ratio between Director or KMP and Median Employee
1	Jignesh Shah[1]	Director	-	-	-	
2	Nitin Shah	Managing Director	50,00,000	74,00,000	-48%	29.96:1
3	Dixit Shah[2]	Whole Time Director	72,00,000	30,00,000	140%	43.15:1
4	Manekchand Shah[3]	Whole Time Director	24,00,000	30,00,000	-20%	14.38:1
5	Himatlal Shah[4]	Whole Time Director	-	-	-	-
6	Shejal Jignesh Shah[5]	Director	-	-	-	-
7	Sejal Nitin Shah[6]	Additional Director	-	-	-	-
8	Mukul Vora	Independent Director				
9	Ajitsingh Arjun Ghorpade	Independent Director	-	-	-	-
10	Jawahar Desai	Additional Director	-	-	-	-
11	Manoj Tiwari	Chief Financial Officer	6,08,000	5,48,000	10.95%	3.64:1
12	Vijay Thakkar[7]	Company Secretary	-	2,10,700	NA	-
13	Bhavin Waghela[8]	Company Secretary	3,60,000	86,600	315.70%	2.16:1

[1]Mr. Jignesh H. Shah resigned on 05/09/2024 as Executive Director
[2]Mr. Dixit Shah resigned on 05/09/2024 as Whole-time Director
[3]Mr. Manekchand Shah resigned on 05/09/2024 as Whole-time Director
[4]Mr. Himatlal Shah resigned on 05/09/2024 as Whole-time Director
[5]Mrs. Shejal Jignesh Shah resigned on 14/11/2023 as Executive Director
[6]Mrs. Sejal Nitin Shah appointed on 14/11/2023 as Additional Director (Executive Director) and Appointed as Executive Director in EGM on 25/04/2024
[7]Mr. Vijay Thakkar resigned as Company Secretary & Compliance Officer on 06/08/2024
[8]Mr. Bhavin Waghela has appointed as Company Secretary & Compliance Officer on 10/08/2024

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.166870/- during the year 2023-24 as compared to Rs. 1,37,462/- in the previous year 2022-2023. On-roll employees were 193 in the financial year 2023-2034 as compared to 146 in the financial year 2022-2023.

D. Number of permanent employees on the rolls of company

As on 31st March, 2024 the total number of employees on the roll was 193

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

Based on Remuneration Policy of the Company, salary of the employees was increased around 26.54% 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
For JAKHARIA FABRIC LIMITED
Sd/-
Nitin Shah
Chairman & Managing Director
DIN: 01869318
Place: Palghar
Date: 05.09.2024

ANNEXURE-IV

(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** (Amt. ` in Lakh)
1. Latest audited Balance Sheet Date	31st March, 2024
2. Shares of Associate or Joint Ventures held by the company on the year end	
No.	-
Amount of Investment in Associates or Joint Venture	1357.13
Extent of Holding (in percentage)	65.12% 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. Net-worth attributable to shareholding as per latest audited Balance Sheet (Capital account as on 31.03.2024)	1357.13
7. Profit or (Loss) for the year	
i. Considered in Consolidation	(261.03)
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 Board of Directors
For JAKHARIA FABRIC LIMITED
Sd/-
Nitin Shah
Chairman & Managing Director
DIN: 01869318
Place: Palghar
Date: 05.09.2024

'ANNEXURE-V'

FORM MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE PERIOD 01-04-2023 TO 31-03-2024

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JAKHARIA FABRIC LIMITED (CIN L17200MH2007PLC171939)** (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 my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period from **1st April, 2023 to 31st March, 2024 ("the reporting period"),** 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the period from 1st April, 2023 to 31st March, 2024 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, Overseas Direct Investment and External Commercial Borrowings; *(Not applicable to the Company during the audit period)*

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2021;

d) The Securities and Exchange Board of India (Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable during the financial year under review.

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not applicable during the financial year under review.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of (Delisting of Equity Shares) Regulations, 2021; and Not applicable during the financial year under review.

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018; Not applicable during the financial year under review.

i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

j) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

k) The Memorandum and Articles of Association.

(vi) We have relied on the representation made by the Company there are no laws which may be specifically applicable to the Company during the audit period.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform listing Agreements entered into by the company with National Stock Exchange of India Limited.

(iii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

I further report that:

I have not reviewed the Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company as the same has been subject to review by the Statutory Auditors and others designated professionals.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc as mentioned above. Subject to the following observation:-

E-form MSME 1 for period 2023-24 were pending for filing with Ministry of Corporate Affairs.

I 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, subject to the above. 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For Nagdev & Associates
Practicing Company Secretaries

Sd/-
Karan Nagdev
M. No. F12214
COP No. 19177
PR NO.: 1271/2021
UDIN: F012214F001071162

Place: Mumbai
Date: 29/08/2024

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

ANNEXURE - A TO THE SECRETARIAL AUDIT REPORT

To,
The Board of Directors
Jakharia Fabric Limited
Plot No A 13, MIDC Tarapur,
Boisar, District – Palghar 401 506.

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 financial records and Books of Accounts of the company.
4. Where ever 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, standards is 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.

For Nagdev & Associates
Practicing Company Secretaries

Sd/-
Karan Nagdev
M. No. F12214
COP No. 19177
PR NO.: 1271/2021
UDIN: F012214F001071162
Place: Mumbai
Date: 29/08/2024

INDEPENDENT AUDITORS' REPORT

To,
The Members of Jakharia Fabric Limited

Report on the audit of Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **Jakharia Fabric Limited ("the company")**, which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state-of-affairs of the Company as at 31st March 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, 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 audit opinion on the standalone financial statements.

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, for the year ended 31st March 2024 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matters	How was the matter addressed in our audit
Exposure in associate entity	
The exposure in associate entity i.e. carrying amount of the Company's investments, loans and advances, trade & other receivables. Their recoverability is dependent on associate entity generating enough cash flows in future, estimation of which requires significant management judgement. We do not consider valuation of these investments and recovery of associate receivables, payables to be at a high risk of significant misstatement. However, due to their materiality in the context of the Company's financial statement, this is considered to be the area that had a significant effect on the company audit. Refer Note 12 forming part of the notes to the Standalone Financial Statements.	We compared the carrying value of these investments, loans and advances, trade & other receivables and trade payables with the associate financial statements to identify whether their net assets were in excess of their carrying amount and assessed whether the associate have historically been profit making. We evaluated the associate entities statement of profit and loss and projected statement of cash flows with management assumptions relating to key inputs such as projected long-term growth and discount rates and assessing the managements assumptions over the recoverability of intercompany receivables against our own knowledge of the trading performance of the associate entity. We have also assessed the appropriateness of the disclosure in the Standalone Financial Statements in accordance with the applicable financial reporting framework.

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 for standalone financial statement

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 and presentation 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 the 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 Responsibilities for the audit of standalone financial statements

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

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

- Obtain an understanding of internal 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.

2. A. 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, the statement of Cash Flows and Notes to the standalone financial statements 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 31/03/2024 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2024 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

B. 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- refer note no 38 to the 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.
iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the noted to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

v. Since the company has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.

vi. The reporting under rule 11(g) of The Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.

a. Based on our examination which included test checks, except for the instance mentioned below, the Company has used accounting software (Tally Prime) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

b. The Trac ERP Software for Tarapur Unit and Foxpro software for Saravali Unit used by the company for maintaining inventory did not have an audit trail feature enabled, consequently, there was no audit trail maintained for transactions recorded within this particular software for the whole year.

c. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with during the course of our audit.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

Sd/-
per Yashesh Shroff
Partner
Membership number: 103277
UDIN: 24103277BKAIOF8153

Place: Mumbai
Date: 29-05-2024

"Annexure – A" to the Independent Auditors' Report

(Refer to in paragraph on 'Report on Other Legal and Regulatory Requirements section of Independent Auditors Report of even date of the members of Jakharia Fabric Limited on standalone financial statements as at for the year ended 31st March 2024)

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) The Company has ***not*** maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").

(b) As explained to us, all the Property, Plant and Equipment ("PPE") 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 activities. No material discrepancies were noticed on such physical verification.

(c) The title deeds of all the 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. 2.74 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.

(d) The company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As explained to us, physical verification of the inventories has been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on verification between the physical stock and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The company has not been sanctioned working capital in excess of Rs.5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under sub-clause 3(ii)(b) of the order is not applicable.

(iii) During the year 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), (c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) The company has not advanced loans to directors including the entities in which they are interested to which provisions of section 185 of the Act apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments, loans, securities and guarantees given have been complied with by the Company.

(v) 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. Accordingly, paragraph 3(v) of the order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under section 148(1)

of the Companies Act, 2013, for any of the products 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 not been regularly deposited during the year by the Company with the appropriate authorities though the delays in deposits have not been serious.

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

Name of the statute	Nature of dues	Period for which amount relates	Forum where dispute is pending	Amount
Income-tax Act, 1961	Income Tax	2015-2016	Income-tax-Assessing	2,610
Income-tax Act, 1961	Income Tax	2016-2017	CPC, Bangalore	3,30,590

(viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) The Company has not defaulted in repayment of loans or borrowings to any lender.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) The Company has not taken any term loan during the year and hence, reporting under clause (ix)(c) of the Order is not applicable

(d) On an overall examination of the financial statement of the company, we report that, prima-facia it appears that no funds raised on short-term basis have been used for long-term purpose by the company.

(e) On an overall explanation of the financial statements of the company, we report that during the year the company has not taken any funds from an entity or person, on account of or to meet the obligation of its subsidiary or associate entity.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures and associate companies.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented by the Management, there was no whistle blower complaints received by the Company during the year (and upto the date of this audit report).

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) In our opinion the company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of the entity.

(b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedure.

(xv) The Company has not entered into non-cash transactions with its directors or persons connected with them and hence provision of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence, reporting under clause (xvi)(a), (b) and (c) of the order is not applicable.

(xvii) The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 40 of the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) During the year under review, the company did not get attracted under the provision of Section 135 and accordingly, reporting under clause 3(xx) of the order is not applicable for the year.

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

Sd/-
per Yashesh Shroff
Partner
Membership number: 103277
UDIN: 24103277BKAIOF8153

Place: Mumbai

Date: 29-05-2024

"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 31st March 2023, 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 Act.

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 amount 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 with reference to standalone financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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
ICAI firm registration number: 0128920W

Sd/-
per Yashesh Shroff
Partner
Membership number: 103277
UDIN: 24103277BKAIOF8153

Place: Mumbai
Date: 29-05-2024

Jakharia Fabric Limited
Standalone Balance sheet as at March 31, 2024
(Amount ₹ in lakhs, unless otherwise mentioned)

Particulars	Note No.	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	406.38	406.38
(b) Reserves and surplus	4	1,481.77	1,448.10
		1,888.15	1,854.48
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	1,088.99	1,502.36
(b) Deferred-tax Liabilities (net)	13	34.66	-
(c) Long-term provisions	6	99.48	121.71
		1,223.13	1,624.07
(3) Current Liabilities			
(a) Short-term borrowings	7	66.44	248.43
(b) Trade payables:-			
(A) total outstanding dues of micro enterprises and small enterprises; and	8	1,402.64	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	449.54	2,533.51
(c) Other current liabilities	9	270.89	273.18
(d) Short-term provisions	10	151.36	120.54
		2,340.86	3,175.67
TOTAL		5,452.14	6,654.22
II ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	11	1,500.27	1,575.41
(ii) Capital work-in-progress		83.12	-
(b) Non-current investments	12	1,437.76	2,485.31
(c) Deferred-tax assets (net)	13	-	15.36
(d) Long-term loans and advances	14	719.37	750.78
(e) Other non-current assets	15	192.56	99.61
		3,933.08	4,926.48
(2) Current Assets			
(a) Inventories	16	240.88	291.55
(b) Trade receivables	17	1,103.23	1,282.93
(c) Cash and cash equivalents	18	112.67	108.89
(d) Short-term loans and advances	19	58.97	40.62
(e) Other current assets	20	3.31	3.75
		1,519.06	1,727.74
TOTAL		5,452.14	6,654.22
Statement of significant accounting policies	2		

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

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yashesh Shroff
Partner
Membership number: 103277

Place: Tarapur
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
CIN : L17200MH2007PLC171939

Jignesh Shah — **Director** — **[DIN: 00256315]**
Nitin Shah — **Director** — **[DIN: 01869318]**
Dixit Shah — **Director** — **[DIN: 01911262]**

Manoj Tiwari
Chief Financial Officer

Place: Tarapur
Date: May 29, 2024

Vijay Thakkar
Company Secretary
M No.A48722

Jakharia Fabric Limited

Standalone Statement of Profit and Loss account for the year ended March 31, 2024

(Amount ₹ in lakhs, unless otherwise mentioned)

	Particulars	Note No.	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
I	Revenue from operations	21	8,822.89	8,611.69
II	Other income	22	57.39	122.81
III	**Total Income (I+II)**		**8,880.27**	**8,734.50**
IV	**Expenses**			
	Cost of material consumed	23	4,416.08	4,701.00
	Changes in inventories of finished goods and work-in-progress	24	41.07	88.01
	Employee benefits expense	25	1,530.45	1,445.94
	Depreciation and amortization expenses	26	152.68	162.41
	Finance cost	27	113.68	95.45
	Other expenses	28	2,480.92	2,443.23
	Total expenses		**8,734.88**	**8,936.04**
V	**Profit before exceptional items and tax (III – IV)**		145.39	(201.53)
VI	**Exceptional items**			
	Prior period income/(expenses)	29	(1.31)	(2.12)
VII	**Profit before tax (V-VI)**		**144.08**	**(203.66)**
VIII	**Tax Expense:**			
	Current Tax		(56.50)	-
	Excess/(short) provision in earlier year		(3.89)	(1.34)
	Deferred tax		(50.02)	(12.35)
IX	Profit/(loss) after tax for the year		**33.67**	**(217.34)**
X	Earnings per equity share			
	(1) Basic (Face value per share Rs.10/-)		0.83	(5.35)
	(2) Diluted		0.83	(5.35)
	Statement of significant accounting policies	2		

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

As per our Report of even date

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yashesh Shroff
Partner
Membership number: 103277

Place: Tarapur
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
CIN : L17200MH2007PLC171939

Jignesh Shah	Nitin Shah	Dixit Shah
Director	Director	Director
[DIN: 00256315]	[DIN: 01869318]	[DIN: 01911262]

Manoj Tiwari
Chief Financial Officer

Vijay Thakkar
Company Secretary
M No.A48722

Place: Tarapur
Date: May 29, 2024

Jakharia Fabric Limited
Standalone statement of cash flow for the year ended March 31, 2024
(Amount ₹ in lakhs, unless otherwise mentioned)

Particulars	March 31, 2024 Amount in INR		March 31, 2023 Amount in INR	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		144.08		(203.66)
Adjustments for				
Depreciation and amortization	152.68		162.41	
Bad debts	-		53.77	
Provision written back	-		(65.12)	
Sundry credit balance written back (net)	(38.35)		(28.68)	
Loss on sale of machinery	16.94		(6.21)	
Foreign exchange gain	(0.18)		(1.41)	
Interest & financial cost	113.68		95.45	
Interest received	(18.19)	226.58	(5.65)	204.55
Operating profit before working capital changes		370.66		0.89
(Increase) \ decrease in operating assets				
Inventories	50.67		172.79	
Trade receivables	179.88		113.23	
Short term loans & advances	(18.34)		(9.72)	
Other non current assets	(92.95)		(12.11)	
Other current assets	0.44		2.70	
Trade payables	(642.99)		45.29	
Other current liabilities	(2.29)		(25.47)	
Long term provisions	(22.23)		(11.40)	
Short term provisions	30.82		(26.46)	
		(517.00)		248.85
Cash generated from operating activities		(146.33)		249.74
Tax provision		(60.39)		(1.34)
Net cash flow from operating activities		(206.72)		248.40
B. Cash flow from investing activities				
Purchase of fixed assets	(121.49)		(49.96)	
Investment in Capital WIP	(83.12)		-	
Sale of fixed assets	27.00		8.56	
Interest received	18.19		5.65	
Investment in firm	1,047.55		399.79	
Net cash used in investing activities		888.14		364.04
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(413.37)		(84.68)	
Increase / (Decrease) in short term borrowings	(181.99)		(340.25)	
Increase / (Decrease) in long term loans & advances	31.41		(79.03)	
Interest & financial charges	(113.68)		(95.45)	
Net cash used in financing activities		(677.64)		(599.41)
Net increase / (decrease) in cash and cash equivalents		3.78		13.03
Cash and cash equivalents (Opening balance)		108.89		95.86
Cash and cash equivalents (Closing balance)		**112.67**		**108.89**
Reconciliation of cash and cash equivalent with Balance Sheet				
Cash and cash equivalent as per balance sheet		131.36		134.01
Less: Deposit with banks with original maturity of 3-12 months		18.69		25.12
Cash and cash equivalent at the end of the year as per cash flow		**112.67**		**108.89**

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

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yashesh Shroff
Partner
Membership number: 103277

Place: Tarapur
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
CIN : L17200MH2007PLC171939

Jignesh Shah — **Director** — **[DIN: 00256315]**
Nitin Shah — **Director** — **[DIN: 01869318]**
Dixit Shah — **Director** — **[DIN: 01911262]**

Manoj Tiwari
Chief Financial Officer

Vijay Thakkar
Company Secretary
M No.A48722

Place: Tarapur
Date: May 29, 2024

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

3 Share capital

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
AUTHORIZED SHARES		
50,00,000/-Equity shares of Rs.10/- each	500.00	500.00
Total	500.00	500.00
ISSUED , SUBSCRIBED & FULLY PAID-UP SHARES		
40,63,830/- (P.Y.40,63,830/-) Equity shares of Rs.10/- each	406.38	406.38
	406.38	406.38

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

	March 31, 2024		March 31, 2023	
	Nos	Amount	Nos	Amount
At the beginning of the period	40,63,830	406.38	40,63,830	406.38
Add: Issued during the year	-	-	-	-
Outstanding at the end of the period	40,63,830	406.38	40,63,830	406.38

(b) Terms/ rights attached to 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:

Name of the shareholder	March 31, 2024		March 31, 2023	
	Nos	% holding in the class	Nos	% holding in the class
Nitin K Shah	9,12,833	22.46%	9,12,833	22.46%
Dixit M Shah	3,47,000	8.54%	3,47,000	8.54%
Manekchand Shah	5,05,833	12.45%	5,05,833	12.45%
Jakharia Synthetics Private Limited	6,15,000	15.13%	6,15,000	15.13%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Disclosure of shareholding of promoters:
Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	Shares held by promoter				% change during the year
	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Jignesh Himatlal Shah	1,37,000	3.37	1,37,000	3.37	-
Nitin Keshavji Shah	9,12,833	22.46	9,12,833	22.46	-
Dixit Manikchand Shah	3,47,000	8.54	3,47,000	8.54	-
Himatlal Panachand Shah	60,834	1.50	60,834	1.50	-
Champaben Himatlal Shah	25,000	0.62	25,000	0.62	-
Suryaben Manekchand Shah	60,000	1.48	60,000	1.48	-
Manekchand Panachand Shah	5,05,833	12.45	5,05,833	12.45	-
Shejal Jignesh Shah	75,000	1.85	75,000	1.85	-
Jakharia Synthetics Private Limited	6,15,000	15.13	6,15,000	15.13	-

Jakharia Fabric Limited
Notes forming part of standalone financial statements

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	Shares held by promoter				% change during the year
	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Jignesh Himatlal Shah	1,37,000	3.37	1,37,000	3.37	-
Nitin Keshavji Shah	9,12,833	22.46	9,12,833	22.46	-
Dixit Manikchand Shah	3,47,000	8.54	3,47,000	8.54	-
Himatlal Panachand Shah	60,834	1.50	60,834	1.50	-
Champaben Himatlal Shah	25,000	0.62	25,000	0.62	-
Suryaben Manekchand Shah	60,000	1.48	60,000	1.48	-
Manekchand Panachand Shah	5,05,833	12.45	5,05,833	12.45	-
Shejal Jignesh Shah	75,000	1.85	75,000	1.85	-
Jakharia Synthetics Private Limited	6,15,000	15.13	6,15,000	15.13	-

4 Reserves and surplus

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Securities Premium :		
Opening balance	**2,109.39**	**2,109.39**
Add : addition during the year	-	-
Closing balance	2,109.39	2,109.39
Capital Redemption Reserves :		
Opening balance	**23.33**	**23.33**
Add : addition during the year	-	-
Closing balance	23.33	23.33
Surplus/ (deficit) in the statement of profit and loss		
Opening balance	(684.62)	**(467.28)**
Profit/(Loss) for the year	33.67	(217.34)
Net surplus in the statement of profit and loss	**(650.95)**	**(684.62)**
Total reserves and surplus	**1,481.77**	**1,448.10**

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

5 **Long-term borrowings**

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
A. Secured		
Term loans from bank	62.18	282.17
Vehicle loan from bank and NBFC	12.77	4.99
Less : Current maturities of long term debt	(64.48)	(224.97)
(Amount disclosed under the head 'short-term borrowings' refer note no. 7)		
A.....	**10.47**	**62.18**

Secured term loans taken from Bank

Particulars	Term Loan-1	LAP-1	LAP-2
Name of the bank	Kotak	Kotak	Kotak
Total number of instalments	60	84	54
Amount of equated monthly instalment	4.18	17.68	4.49
Rate of Interest (%)	MCLR+1.30%	MCLR+1.30%	MCLR+1.30%
Principle amount payable with in one year	-	-	50.76
Principal amount payable after one year	-	-	50.76
	-	-	**101.52**
Previous year	31.39	502.61	181.10

Particulars	Finance Loan*	Car Loan	Guaranteed Emergency credit line
Name of the bank	HDFC	HDFC	Kotak
Total number of instalments	48	60	36
Amount of equated monthly instalment	0.28	0.28	3.54
Rate of Interest (%)	9.27%	9.10%	9.25%
Principle amount payable with in one year	-	2.30	11.42
Principal amount payable after one year	-	2.52	11.42
	-	**4.82**	**22.84**
Previous year	1.65	7.94	111.00

Security:

Primary:

- First and exclusive charge by way of hypothecation on all existing and future receivables/ current assets/ movable assets/ movable fixed assets of the borrower.

*Car loans are secured by way of hypothecation of specific vehicle.

Collateral:

Equitable morgaged of :-

a. Plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Taluka Palghar, Dist. Thane
b. Flat no. 605, 6th Floor, Building No.2, Man Mandir Suraksha CHS, Mulund West, Mumbai - 400080 owned by Mrs. Sejal Shah
c. Flat no. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund Wet, Mumbai - 400080 owned by Mr. Dixit Shah & Mr. Manekchand Shah
d. Flat no. 1201, 12th Floor, B-Wing, E/6 Apartment, Nahar Sarvodaya Heights CHSL, Mulund West, Mumbai - 400080 owned by Mr. Jignesh Shah, Mr. Himmatlal Shah and Mrs. Sejal J Shah.
e. Personal guarantee of following directors:
Himmatlal Shah, Jignesh Shah, Nitin Shah, Dixit Shah and Manekchand Shah

B. Unsecured		
From Bank and NBFC	1.95	25.42
Less: Current Maturities of Long Term Loan	(1.95)	(23.46)
(Amount disclosed under the head 'short-term borrowings' refer note no. 7)	-	-
From directors *	893.60	1,378.94
From relatives of directors *	65.68	59.28
From Body Corporates		
- Relatded party	19.24	
- Others	100.00	
*The unsecured loans from directors / relatives have been subordinated with the bank.		
B.....	**1,078.52**	**1,440.18**
(A+B).....	**1,088.99**	**1,502.36**

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

Unsecured term loans taken from Bank

Particulars	IDFC First Bank Ltd	Fedral Bank Ltd	ICICI Bank Ltd
Total number of instalments	36	18	24
Amount of equated monthly instalment	2.03	1.60	0.88
Rate of Interest (%)	16.00%	18.00%	17.50%
Principle amount payable with in one year	-	-	0.87
Principal amount payable after one year	-	-	0.87
	-	-	**1.74**
Previous year	23.85	10.53	18.67

Particulars	Bajaj Finance Ltd
Total number of instalments	36
Amount of equated monthly instalment	1.10
Rate of Interest (%)	17.00%
Principle amount payable with in one year	1.08
Principal amount payable after one year	1.08
	2.16
Previous year	**22.96**

6 Long-term provisions

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Provision for gratuity	97.05	121.71
(Refer note no. 32(c))	-	-
Interest Provision - MSME Creditors	2.43	-
	99.48	**121.71**

7 Short-term borrowings

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Secured		
Cash credit facility from bank	-	-
Current maturities of long term debts		
Secured	64.48	224.97
Unsecured	1.95	23.46
	66.44	**248.43**

Security:
Primary:
- First and exclusive charge by way of hypothecation on all existing and future receivables/ current assets/ movable assets/ movable fixed assets of the borrower.

Collateral:
Equitable morgaged of :-
a. Plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Taluka Palghar, Dist. Thane
b. Flat no. 605, 6th Floor, Building No.2, Man Mandir Suraksha CHS, Mulund West, Mumbai - 400080 owned by Mrs. Sejal Shah
c. Flat no. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund Wet, Mumbai - 400080 owned by Mr. Dixit Shah & Mr. Manekchand Shah
d. Flat no. 1201, 12th Floor, B-Wing, E/6 Apartment, Nahar Sarvodaya Heights CHSL, Mulund West, Mumbai - 400080 owned by Mr. Jignesh Shah, Mr. Himmatlal Shah and Mrs. Sejal J Shah.
e. Personal guarantee of following directors:
Himmatlal Shah, Jignesh Shah, Nitin Shah, Dixit Shah and Manekchand Shah

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

8 Trade payables

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Creditors		
-for capital goods	29.38	155.68
-for raw material and others	1,742.79	2,308.39
-for expenses	80.01	69.45
	1,852.18	**2,533.51**

Trade payable ageing schedule as at 31st March, 2024

Particulars	Outsatnding for following periods from date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	1,399.15	2.89	0.59	-	1,402.64
(ii) Others	431.31	8.35	1.63	8.25	449.54
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing schedule as at 31st March, 2023

Particulars	Outsatnding for following periods from date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2,241.20	177.14	34.05	81.12	2,533.51
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Dues remaining unpaid as at 31st March		
(a) Principal	1,402.64	-
Interest on the above	2.43	-
(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, 2024 Amount in INR	March 31, 2023 Amount in INR
Statutory dues payable	41.93	67.64
Salaries and wages payable	165.09	144.41
Electricity & water dues payable	63.05	59.48
Interest accrued but not due on term loans	0.82	1.65
	270.89	**273.18**

10 Short-term provisions

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Provision for gratuity	52.22	21.40
Provision for liability (refer note no.39)	99.14	99.14
	151.36	**120.54**

Jakharia Fabric Limited

Notes forming part of standalone financial statements

(Amount ₹ in lakhs, unless otherwise mentioned)

11 Property, Plant and Equipment

As at March 31, 2024

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2023	Addition during the year	Disposal during the year	Value at the end of the period 31.03.2024	Value at the beginning 01.04.2023	Addition for the year	Disposal during the year	Value at the end of the period 31.03.2024	WDV as on 31.03.2024	WDV as on 31.03.2023
A. Tangible assets										
Leasehold Land	273.52	-	-	273.52	-	-	-	-	273.52	273.52
Factory Building	374.71	-	-	374.71	259.99	10.90	-	270.89	103.82	114.72
Buiding at Tarapur	300.88	-	-	300.88	142.68	7.70	-	150.38	150.49	158.20
Plant & Machinery	2,926.66	97.54	211.51	2,812.68	1,946.43	115.76	167.57	1,894.63	918.05	980.22
Computer	11.40	3.39	-	14.79	10.30	1.11	-	11.41	3.38	1.11
Office Equipment	67.38	0.78	-	68.16	44.04	10.43	-	54.48	13.68	23.34
Bike	0.53	-	-	0.53	0.51	-	-	0.51	0.03	0.03
Car	11.63	16.67	-	28.30	8.49	3.07	-	11.56	16.74	3.13
Roto Crate	3.29	-	-	3.29	2.03	0.22	-	2.25	1.04	1.27
Factory Shed	5.57	-	-	5.57	3.89	0.16	-	4.05	1.52	1.68
EPBAX System	1.78	-	-	1.78	1.24	0.06	-	1.30	0.47	0.53
Laboratory	29.32	0.47	-	29.79	24.24	1.31	-	25.55	4.24	5.08
Furniture	12.32	2.64	-	14.97	11.26	0.38	-	11.64	3.33	1.06
Electrical Goods	141.75	-	-	141.75	130.23	1.56	-	131.79	9.96	11.52
Total Property, Plant and Equipment	**4,160.74**	**121.49**	**211.51**	**4,070.72**	**2,586.33**	**152.68**	**167.57**	**2,570.45**	**1,500.27**	**1,575.41**
Intangible assets	-	-	-	-	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-	-	-	-	-
Total assets	**4,160.74**	**121.49**	**211.51**	**4,070.72**	**2,586.33**	**152.68**	**167.57**	**2,570.45**	**1,500.27**	**1,575.41**
As at March 31, 2023										
Total assets	4,128.35	49.96	17.57	4,160.74	2,438.14	162.41	15.22	2,585.33	1,575.41	1,690.21

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

12 Non-current investments

	March 31,2024 Amount in INR		March 31,2023 Amount in INR	
A. Investment in equity instruments (unquoted)				
(i) Shares of NKGSB Co- Operative Bank		1.00		1.00
B. Investment in partnership firms :				
(i) Capital Investment in Jakharia Industries				
Balance as per last balance sheet	2,410.98		2,810.77	
Add : Capital introduced during the year	-		235.99	
Less : Withdrawals during the year	(792.82)		(348.00)	
Less: Share of loss for the year	(261.03)	1,357.13	(287.78)	2,410.98

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 March 31, 2024 Amount in INR	Profit Sharing Ratio	Capital as on March 31, 2023 Amount in INR
M/s. Jakharia Fabrics Private Limited	0.65	1,357.13	0.97	2,410.98
Mr. Nitin Shah	0.01	11.74	0.01	12.95
Mr. Himmatlal Shah	0.19	396.03	0.01	12.93
Mr. Jignesh Shah	0.14	295.70	0.01	16.64
Mr. Dixit Shah	0.01	11.72	0.01	12.93
Mr. Maneckchand Shah	0.01	11.72	0.01	12.93
		2,084		2,479
Others				
Tarapur Environment Protection		79.63		73.33
TOTAL		**1,437.76**		**2,485.31**

13 Deferred-tax (liabilities) /assets-(net)

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Deferred tax liabilities/(assets) (net)		
Depreciation	(52.38)	(55.03)
Business loss	-	70.39
MSME Creditors	17.73	-
	(34.66)	**15.36**

14 Long-term loans and advances

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Balance with government authorities	597.43	538.22
Advance income-tax (net)	121.94	212.56
	719.37	**750.78**

15 Other non-current assets

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Other non-current assets		
Security deposit	173.87	74.49
Deposits with banks (with original maturity period of more than 12 months) (Note: Held under lien by Bank against bank guarantees issued in favour of company)	18.69	25.12
	192.56	**99.61**

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

16 Inventories

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	54.81	65.52
- Others	15.97	14.86
Work in Progress		
- Fabrics	65.22	78.26
Finished Goods		-
- Fabrics	104.89	132.92
(As taken, certified and valued by the management)		
	240.88	**291.55**

17 Trade receivables

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Outstanding for a period exceeding six months from the date of Invoice		
Secured, considered good	-	-
Unsecured, considered good	989.92	1,209.91
Doubtful	-	-
Others	-	-
Secured, considered good	-	-
Unsecured, considered good	126.57	86.27
Doubtful	-	-
Less: provision for doubtful debts	(13.26)	(13.26)
	1,103.23	**1,282.93**

Trade Receivables ageing schedule as at 31st March, 2024

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	989.92	60.48	33.89	6.52	25.68	1,116.49
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	13.26	13.26

Trade Receivables ageing schedule as at 31st March, 2023

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,209.91	46.96	10.27	9.12	19.92	1,296.18
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	13.26	13.26

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

18 Cash and cash equivalents:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Cash on hand	2.04	2.28
Balance with banks		
- In current accounts	(90.67)	17.94
- In fixed deposits	220.00	113.80
	131.36	134.01
Less:Deposits with banks (with original maturity period of more than 12 months)	(18.69)	(25.12)
	112.67	**108.89**

19 Short-term loans and advances

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Unsecured and considered good		
Advance to suppliers	13.10	1.37
Advance to employees	45.87	39.25
	58.97	**40.62**

20 Other current assets

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Unsecured and considered good		
Prepaid expenses	3.31	3.75
	3.31	**3.75**

Jakharia Fabric Limited

Notes forming part of standalone financial statements

(Amount ₹ in lakhs, unless otherwise mentioned)

21 Revenue from operations

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Sale of services		
Job work/sales	8,797.34	8,259.08
Sale of products		
Finished goods	25.55	352.61
	8,822.89	**8,611.69**
Details of finished goods		
Fabrics	25.55	352.61

22 Other income

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Interest on bank fixed deposit	6.91	5.65
Sundry credit balance written back (net)	38.35	28.68
Dividend	0.07	0.14
Duty drawback	0.59	1.13
Foreign exchange gain	0.18	1.41
Excess provision written back	-	53.77
Excess gratuity provision	-	11.35
Profit on sale of machinery	-	6.21
Interest on deposits	3.71	3.38
Interest on income tax refund	7.58	11.07
	57.39	**122.81**

23 Cost of materials consumed

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Other materials		
Opening stock	80.37	165.16
Add: Purchases	-	-
Coal and biomass	1,862.88	1,919.57
Dyes and chemicals	2,023.47	1,898.51
Finished goods	30.91	98.01
Grey fabric	35.39	257.93
Packing material	227.55	228.92
Stores and spares	263.24	224.55
Custom Duty	0.37	-
Less : Discount on purchases	(37.32)	(11.28)
Less: Closing stock	(70.77)	(80.37)
	4,416.08	**4,701.00**

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

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Opening stock		
Work-in-progress	78.26	126.92
Finished goods	132.92	172.27
	211.18	299.19
Less: Closing stock		
Work-in-progress	65.22	78.26
Finished goods	104.89	132.92
	41.07	**88.01**

25 Employee benefits expense

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Salary and wages	1,334.54	1,287.03
Directors remuneration	146.00	134.00
Contribution to provident and other funds	12.06	13.17
Staff welfare	8.34	7.78
Gratuity	26.89	-
Others	2.62	3.96
	1,530.45	**1,445.94**

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

26 Depreciation and amortization expenses

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Depreciation	152.68	162.41
	152.68	**162.41**

27 Financial cost

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Interest expenses	112.97	82.62
Others*	0.72	12.83
	113.68	**95.45**

* including bank charges,processing fees etc.

28 Other expenses

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Manufacturing and service cost		
Cash discount	12.57	4.36
Contractors expenses	676.55	758.51
Loading and unloading charges	53.04	49.68
Packing expenses	30.56	26.76
Power and fuel	737.34	715.49
Rent, rates and taxes	64.68	62.20
Repairs and maintenance	111.48	89.60
Pollution control and others testing charges	22.32	19.43
Water expenses	63.88	40.86
	1,772.41	**1,766.89**
Administrative & Selling expenses		
Brokerage	87.50	65.25
Security expenses	14.94	14.16
Computer expenses	5.30	2.80
Travelling, conveyance and petrol expenses	6.00	7.19
Selling expenses	3.54	2.42
Courier charges	0.48	0.34
Donation	1.10	0.25
Bad debts	-	53.77
GST ineligible	0.44	3.18
Insurance	8.42	12.73
Interest on statutory dues	0.89	0.81
Loss on sale of asset	16.94	-
Share of loss from partnership firm	261.03	287.78
Motor car expenses	0.54	0.91
Penalty	0.55	0.03
Printing and stationery	12.85	12.21
Professional fees	37.86	19.58
Sundry expenses	20.00	13.90
Telephone expenses	1.05	0.82
Transport charges	223.06	172.21
Payment to Auditors (Note no.30)	6.00	6.00
	708.51	**676.34**
	2,480.92	**2,443.23**

29 Prior period income/(expenses)

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Others	1.31	2.12
	1.31	**2.12**

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

30 Remuneration to Auditors:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Audit fees	4.00	4.00
Tax audit fees	2.00	2.00
Other Service	15.01	7.00

31 Earnings per share (EPS)
The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Profit/ (loss) after tax	33.67	(217.34)

	March 31,2024	March 31,2023
Weighted average number of equity shares in calculating basic EPS		
Equivalent weighted average number of equity shares at the end of the year	40,63,830	40,63,830
Diluted weighted average number of equity shares at the end of the year / period	40,63,830	40,63,830
Earnings Per Share		
Basic EPS	0.83	(5.35)
Diluted	0.83	(5.35)

32 Employee benefit expenses:
a) Reconciliation of defined benefit obligation:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Present value of DBO at start of year	143.11	154.46
Current Service Cost	32.39	29.47
Interest cost	10.76	11.37
Benefits paid	(20.73)	-
Acturial Gain /(Loss) gain	(16.26)	(52.19)
Present value cost	149.27	143.11

b) Expenses recognised in Profit & Loss account

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Current Service Cost	32.39	29.47
Interest cost	10.76	11.37
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	(16.26)	(52.19)
Present value cost	26.89	(11.35)

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

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Present value of DBO	149.27	143.11
Fair value of Plan Assets	-	-
Net Liabilty/ (Assets)	149.27	143.11
Less: Unrecognised Past Service Cost	-	-
Liability /(assets) recognised in Balance Sheet	149.27	143.11
of which Short Term Provision	52.22	21.40

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

33 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.
M/s. KKP Fashion Private Limited	Enterprise over which directors have significant influence.

Key managerial personnel

Mr. Himmatlal Shah	Whole Time Director
Mr. Jignesh Shah	Chairman cum Executive Director
Mr. Nitin Shah	Managing Director (From September 30, 2023)
Mr. Nitin Shah	Additional Director (Till September 29, 2023)
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
Mr. Vijay Thakkar	Company Secretary

(b) Related party transaction

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

	Nature of Transaction	March 31,2024 Amount in INR	March 31,2023 Amount in INR
M/s. Jakharia Industries	Investments	(792.82)	(112.01)
M/s. Jakharia Industries	Purchases	-	6.85
Mr. Himmatlal Shah	Rent	-	1.20
M/s. KKP Fashion Private Limited	Loan Received	716.02	30.79
M/s. KKP Fashion Private Limited	Loan Paid	716.02	30.79
M/s. KKP Fashion Private Limited	Sales	25.39	37.47
M/s. KKP Fashion Private Limited	Brokerage	0.26	0.58

(ii) Remuneration to key managerial personnel:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Mr. Dixit Shah	72.00	30.00
Mr. Manekchand Shah	24.00	30.00
Mr. Nitin Shah	50.00	90.00
Mr. Manoj Tiwari	6.08	5.48
Mr. Vijay Thakkar	3.60	3.00

(iii) Outstanding balances

Name of the Party	March 31,2024 Amount in INR	March 31,2023 Amount in INR
(a) Receivables		
KKP Fashion Private Limited	-	9.41
(b) Investments		
M/s. Jakharia Industries	1,357.13	2,410.98
(c) Creditors		
Jakharia Industries	1.65	1.65
Dixit Processors	-	52.72
(d) Rent Payable		
Mr. Himatlal Shah	4.80	4.80
(f) Unsecured Loan		
Mr. Himatlal Shah	-	449.85
Mr. Dixit Shah	325.90	120.60
Mr. Jignesh Shah	-	334.59
Mr. Manekchand Shah	141.10	122.25
Mr. Nitin Shah	426.59	351.66
Mrs. Rinkal D Shah	65.68	59.28
KKP Fashion Private Limited	1.05	-
(f) Loans and advances		
Mr. Manoj Tiwadi	4.00	4.00
Dixit Processors	4.60	-

Jakharia Fabric Limited
Notes forming part of standalone financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

34 Foreign currency balance:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Payable	7.53	-

35 Contingent liabilities:
(To the extent not provided for)

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Disputed Income-tax	3.33	3.33
Bank guarantee	95.92	95.92
	99.25	99.25

36 Corporate Social Responsibility (CSR):

As per section 135 of the Companies 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 financials years in accordance with its CSR Policy.

During the period under review, the company did not meet this criteria and therefore was not required to spend any amount towards CSR activity.

Particulars	March 31,2024 Amount in INR	March 31,2023 Amount in INR
a. Amount required to be spent by the company during the year	Nil	Nil
b. Amount of expenditure incurred on :		
i. Construction/acquisition of any assets	-	-
ii. On purpose other than (i) above	-	-
c. Shortfall at the end of the year	-	-
d. Total of previous years shortfall	-	-
e. Reason for shortfall	NA	As aforesaid mentioned
f. Nature of CSR activities	NA	NA
g. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

37 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses accounting software (Tally Prime) for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The company uses Trac ERP software for Tarapur Unit and Foxpro software for Saravali Unit for recording of inventory. With regard to the tally prime, the audit trail (edit log) facility has been operational throughout the year for all relevant transactions recorded in the accounting software. However, in Trac ERP software and Foxpro software which is used for maintaining inventory records the audit trail (edit log) facility has not been operational throughout the period under audit.

38 Penalty amounting to INR 251.54 lakhs has been levied by NGT for alleged violation of environmental norms by the Company at its factory located at Tarapur MIDC. As per the directions of the Honourable Supreme Court dated December 14, 2020, the Company has deposited 30% of the penalty amounting to INR 75.46 lakhs which was disclosed as recoverable advance in financial year 2020-21. The order of penalty was stayed by the Honourable Supreme Court and has directed to hear the case afresh by giving opportunity to the concerned parties. Pursuant to the directions of the Honorable Supreme Court dated December 14, 2020, National Green Tribunal had reheard the matter and vide its direction dated January 24, 2022 had reduced the portion of compensation attributable to the company for alleged violations of environmental norms of manufacturers at Tarapur MIDC to an amount of of Rs.98.88 lakhs from Rs.251.51 lakhs. In view of the same the company has debited penalty amouting to INR 98.88 lakhs in the financial year 2021-22.

Jakharia Fabric Limited

Notes forming part of standalone financial statements

(Amount ₹ in lakhs, unless otherwise mentioned)

39 Returns filed with banks with respect to working capital facilities availed

Name of the Bank	Quarters	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference-(short)/excess	Reasons for material discrepancies
Kotak Bank	Q-1 of FY 2022-23	Inventory	490.41	490.41	-	The difference are because the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets / liabilities in the statements filed with the lenders.
		Debtors	1,320.07	1,400.85	80.78	
		Creditors	(1,826.44)	(1,327.89)	498.54	
Kotak Bank	Q-2 of FY 2022-23	Inventory	533.38	533.38	-	
		Debtors	1,381.91	1,495.97	114.07	
		Creditors	(1,894.43)	(1,559.49)	334.94	
Kotak Bank	Q-3 of FY 2022-23	Inventory	320.91	320.91	-	
		Debtors	1,422.47	1,546.22	123.75	
		Creditors	(1,839.75)	(1,885.00)	(45.25)	
Kotak Bank	Q-4 of FY 2022-23	Inventory	291.55	201.46	90.09	
		Debtors	1,282.93	1,276.86	(6.06)	
		Creditors	(1,963.27)	(1,972.73)	(9.47)	
Kotak Bank	Q-1 of FY 2023-24	Inventory	314.76	314.76	-	
		Debtors	1,350.35	1,359.35	9.00	
		Creditors	(2,012.68)	(1,998.78)	13.90	
Kotak Bank	Q-2 of FY 2023-24	Inventory	302.97	302.97	-	
		Debtors	1,523.98	1,555.60	31.63	
		Creditors	(2,192.71)	(2,152.48)	40.23	
Kotak Bank	Q-3 of FY 2023-24	Inventory	390.03	390.03	-	
		Debtors	1,469.07	1,444.54	(24.54)	
		Creditors	(2,137.25)	(2,150.64)	(13.39)	
Kotak Bank	Q-4 of FY 2023-24	Inventory	240.88	240.88	(0.00)	
		Debtors	1,103.23	1,108.41	5.18	
		Creditors	(1,489.15)	(1,481.79)	7.36	

40 Key Ratios

Ratio	Numerator	Denominator	March 31,2024	March 31,2023	% Variance	Reason for variance
(a) Current Ratio	Total Current Assets	Total Current Liabilities	0.65	0.54	(19.28)	Improved due to better working capital management
(b) Debt-Equity Ratio	Total Borrowing	Total Equity	0.61	0.94	35.18	Reduced because of repayment of borrowing.
(c) Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Noncash operating expenses + Interest + Other non-cash	Debt service = Interest and lease payments + Principal repayments	2.04	0.01	(158.58)	Ratio increase on account of increased earning in the current year.
(d Return on Equity Ratio	Loss for the period less Preference dividend (if any)	Average total equity	0.02	(0.11)	116.25	Improvement in profitability ratio.
(e) Inventory Turnover Ratio	Cost of goods sold = Cost material Consumed + Purchases of stock in trade + Change in inventories of Finished Goods, Work in progress and Stock in trade	Average Stock	16.74	12.67	(32.13)	Ratio has improved as there is increase in revenue over previous year.

40 Key Ratios

(f) Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	7.40	6.43	14.97	Ratio has improved as there is increase in revenue over previous year.
(g) Trade Payables Turnover Ratio	Net purchase = Purchase of Stock in trade + Purchase of Raw Material	Average Trade Payables	2.57	1.83	40.45	
(h) Net Capital Turnover Ratio	Revenue from Operations	Working Capital = Total Current Asset - Total Current Liabilities	(10.74)	(5.95)	(80.51)	
(i) Net Profit Ratio	Profit for the period	Revenue from Operations	0.0038	(0.03)	115.12	Net profit margin of current year is better than previous year due to higher sales.
(j) Return on Capital Employed	Earning before finance cost and tax	Capital employed = Tangible Net worth + Total Borrowings + Deferred Tax	0.08	(0.03)	382.17	Improvement in profitability ratio.

41 Other Statutory Information :

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(ii) The company do not have any transactions with companies struck off.
(iii) The Company has not entered into any scheme of arrangement which has an accouting impact on current or previous financial year.
(iv) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
(v) The Company has not declared wilful defaulter by any bank or financial institution or Government or Government Authority.
(vi) There is no income surrendered or disclosed as income during the current or previous year in the tax assessment under Income Tax Act, 1961 that has not been recorded in the books of accounts.
(vii) There are no other significant events which have occurred after the reporting period.

42 As per the information available with the Company, there are Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company ows dies on account of Principal and Interest.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

43 The Company operates in a single reportable business segment, which is textile processing and related activity. Further, the Company operates primarily in India and there is no other significant geographical segment. Accordingly, no significant information has been submitted as a part of these financial statements.

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

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

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yashesh Shroff
Partner
Membership number: 103277

Place: Bhiwandi
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Private Limited)
CIN : L17200MH2007PLC171939

Jignesh Shah	**Nitin Shah**	**Dixit Shah**	
Director	**Director**	**Director**	
[DIN: 00256315]	**[DIN: 01869318]**	**[DIN: 01911262]**	
Manoj Tiwari		**Vijay Thakkar**	
Chief Financial Officer		**Company Secretary**	
		M No.A48722	

Place: Bhiwandi
Date: May 29, 2024

Jakharia Fabric Limited
Notes forming part of Standalone Financial Statements

Note 1: 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 Standalone Financial Statement of the company for the year ended 31st March 2024, were approved by the board of directors and authorized for issue on 29th May 2024.

Note 2: 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.

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 compulsory requirement of adoption of IND-AS, as the company is covered under the exempted category, it has not adopted IND-AS for preparation of financial results.

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.

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 97.24% 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. Accordingly, the investment in JI has been accounted under the equity method and the same is in line as required by 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.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

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:

Basic The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for effects of all dilutive potential equity shares, except where the results are anti-dilutive. The number of shares and potentially dilutive equity shares are adjusted for share splits and bonus shares issued including for changes effected prior to the approval of the financial statements by the Board of Directors

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.

INDEPENDENT AUDITORS' REPORT

To,
The Members of Jakharia Fabric Limited

Report on the audit of Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Jakharia Fabric Limited ("the company")**, which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state-of-affairs of the Company as at 31st March 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, 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 audit opinion on the consolidated financial statements.

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, for the year ended 31st March 2024 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How was the matter addressed in our audit
Exposure in associate entity	
The exposure in associate entity i.e. carrying amount of the Company's investments, loans and advances, trade & other receivables. Their recoverability is dependent on associate entity generating enough cash flows in future, estimation of which requires significant management judgement. We do not consider valuation of these investments and recovery of associate receivables, payables to be at a high risk of significant misstatement. However, due to their materiality in the context of the Company's financial statement, this is considered to be the area that had a significant effect on the company audit. Refer Note 12 forming part of the notes to the Consolidated Financial Statements.	We compared the carrying value of these investments, loans and advances, trade & other receivables and trade payables with the associate financial statements to identify whether their net assets were in excess of their carrying amount and assessed whether the associate have historically been profit making. We evaluated the associate entities statement of profit and loss and projected statement of cash flows with management assumptions relating to key inputs such as projected long-term growth and discount rates and assessing the managements assumptions over the recoverability of intercompany receivables against our own knowledge of the trading performance of the associate entity. We have also assessed the appropriateness of the disclosure in the Consolidated Financial Statements in accordance with the applicable financial reporting framework.

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 for consolidated financial statement

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 and presentation 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 the 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 Responsibilities for the audit of consolidated financial statements

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

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

- Obtain an understanding of internal 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

3. As required by the Companies (Auditor's Report) Order, 2020 ("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.

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

(h) 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.
(i) 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.
(j) The Balance Sheet, the Statement of Profit and Loss, the statement of Cash Flows and Notes to the consolidated financial statements dealt with by this Report are in agreement with the books of account.
(k) 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.
(l) On the basis of the written representations received from the directors as on 31/03/2024 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2024 from being appointed as a director in terms of Section 164 (2) of the Act.
(m) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
(n) 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.

D. 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:

vii. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements- refer note no 38 to the consolidated financial statements.
viii. 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.
ix. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
x. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the noted to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

xi. Since the company has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.

xii. The reporting under rule 11(g) of The Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.

d. Based on our examination which included test checks, except for the instance mentioned below, the Company has used accounting software (Tally Prime) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

e. The Trac ERP Software for Tarapur Unit and Foxpro software for Saravali Unit used by the company for maintaining inventory did not have an audit trail feature enabled, consequently, there was no audit trail maintained for transactions recorded within this particular software for the whole year.

f. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with during the course of our audit.

E. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

Sd/-
per Yashesh Shroff
Partner
Membership number: 103277
UDIN: 24103277BKAIOG3364

Place: Mumbai
Date: 29-05-2024

"Annexure – A" to the Independent Auditors' Report

(Refer to in paragraph on 'Report on Other Legal and Regulatory Requirements section of Independent Auditors Report of even date of the members of Jakharia Fabric Limited on consolidated financial statements as at for the year ended 31st March 2024)

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) The Company has ***not*** maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").

(b) As explained to us, all the Property, Plant and Equipment ("PPE") 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 activities. No material discrepancies were noticed on such physical verification.

(c) The title deeds of all the 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. 2.74 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.

(d) The company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As explained to us, physical verification of the inventories has been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on verification between the physical stock and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The company has not been sanctioned working capital in excess of Rs.5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under sub-clause 3(ii)(b) of the order is not applicable.

(iii) During the year 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), (c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) The company has not advanced loans to directors including the entities in which they are interested to which provisions of section 185 of the Act apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments, loans, securities and guarantees given have been complied with by the Company.

(v) 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. Accordingly, paragraph 3(v) of the order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under section 148(1)

of the Companies Act, 2013, for any of the products 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 not been regularly deposited during the year by the Company with the appropriate authorities though the delays in deposits have not been serious.

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

Name of the statute	Nature of dues	Period for which amount relates	Forum where dispute is pending	Amount
Income-tax Act, 1961	Income Tax	2015-2016	Income-tax-Assessing	2,610
Income-tax Act, 1961	Income Tax	2016-2017	CPC, Bangalore	3,30,590

(viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) The Company has not defaulted in repayment of loans or borrowings to any lender.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) The Company has not taken any term loan during the year and hence, reporting under clause (ix)(c) of the Order is not applicable

(d) On an overall examination of the financial statement of the company, we report that, prima-facia it appears that no funds raised on short-term basis have been used for long-term purpose by the company.

(e) On an overall explanation of the financial statements of the company, we report that during the year the company has not taken any funds from an entity or person, on account of or to meet the obligation of its subsidiary or associate entity.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures and associate companies.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented by the Management, there was no whistle blower complaints received by the Company during the year (and upto the date of this audit report).

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) In our opinion the company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable for all transactions with the related parties and the details of related party transactions have been disclosed in the consolidated financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of the entity.

(b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedure.

(xv) The Company has not entered into non-cash transactions with its directors or persons connected with them and hence provision of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence, reporting under clause (xvi)(a), (b) and (c) of the order is not applicable.

(xvii) The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 40 of the consolidated financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) During the year under review, the company did not get attracted under the provision of Section 135 and accordingly, reporting under clause 3(xx) of the order is not applicable for the year.

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W
Sd/-
per Yashesh Shroff
Partner
Membership number: 103277
UDIN: 24103277BKAIOG3364

Place: Mumbai

Date: 29-05-2024

"Annexure B" to the Independent Auditor's Report of even date on the Consolidated 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 31st March 2023, 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 Act.

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 amount 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 with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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
ICAI firm registration number: 0128920W

Sd/-
per Yashesh Shroff
Partner
Membership number: 103277
UDIN: 24103277BKAIOG3364

Place: Mumbai
Date: 29-05-2024

Jakharia Fabric Limited
Consolidated Balance sheet as at March 31, 2024
(Amount ₹ in lakhs, unless otherwise mentioned)

Particulars	Note No.	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
I. **EQUITY AND LIABILITIES**			
(1) **Shareholders' funds**			
(a) Share capital	3	406.38	406.38
(b) Reserves and surplus	4	1,481.77	1,448.10
		1,888.15	**1,854.48**
(2) **Non-Current Liabilities**			
(a) Long-term borrowings	5	1,088.99	1,502.36
(b) Deferred-tax Liabilities (net)	13	34.66	-
(c) Long-term provisions	6	99.48	121.71
		1,223.13	**1,624.07**
(3) **Current Liabilities**			
(a) Short-term borrowings	7	66.44	248.43
(b) Trade payables:-			
(A) total outstanding dues of micro enterprises and small enterprises; and	8	1,402.64	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	449.54	2,533.51
(c) Other current liabilities	9	270.89	273.18
(d) Short-term provisions	10	151.36	120.54
		2,340.86	**3,175.67**
TOTAL		**5,452.14**	**6,654.22**
II. **ASSETS**			
(1) **Non-current assets**			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	11	1,500.27	1,575.41
(ii) Capital work-in-progress		83.12	-
(b) Non-current investments	12	1,437.76	2,485.31
(c) Deferred-tax assets (net)	13	-	15.36
(d) Long-term loans and advances	14	719.37	750.78
(e) Other non-current assets	15	192.56	99.61
		3,933.08	**4,926.48**
(2) **Current Assets**			
(a) Inventories	16	240.88	291.55
(b) Trade receivables	17	1,103.23	1,282.93
(c) Cash and cash equivalents	18	112.67	108.89
(d) Short-term loans and advances	19	58.97	40.62
(e) Other current assets	20	3.31	3.75
		1,519.06	**1,727.74**
TOTAL		**5,452.14**	**6,654.22**
Statement of significant accounting policies	2		

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

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yashesh Shroff
Partner
Membership number: 103277

Place: Tarapur
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
CIN : L17200MH2007PLC171939

Jignesh Shah — **Director** — **[DIN: 00256315]**
Nitin Shah — **Director** — **[DIN: 01869318]**
Dixit Shah — **Director** — **[DIN: 01911262]**

Manoj Tiwari
Chief Financial Officer

Vijay Thakkar
Company Secretary
M No.A48722

Place: Tarapur
Date: May 29, 2024

Jakharia Fabric Limited

Consolidated Statement of Profit and Loss account for the year ended March 31, 2024

(Amount ₹ in lakhs, unless otherwise mentioned)

	Particulars	Note No.	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
I	Revenue from operations	21	8,822.89	8,611.69
II	Other income	22	57.39	122.81
III	**Total Income (I+II)**		**8,880.27**	**8,734.50**
IV	**Expenses**			
	Cost of material consumed	23	4,416.08	4,701.00
	Changes in inventories of finished goods and work-in-progress	24	41.07	88.01
	Employee benefits expense	25	1,530.45	1,445.94
	Depreciation and amortization expenses	26	152.68	162.41
	Finance cost	27	113.68	95.45
	Other expenses	28	2,480.92	2,443.23
	Total expenses		**8,734.88**	**8,936.04**
V	**Profit before exceptional items and tax (III – IV)**		145.39	(201.53)
VI	**Exceptional items**			
	Prior period income/(expenses)	29	(1.31)	(2.12)
VII	**Profit before tax (V-VI)**		**144.08**	**(203.66)**
VIII	**Tax Expense:**			
	Current Tax		(56.50)	-
	Excess/(short) provision in earlier year		(3.89)	(1.34)
	Deferred tax		(50.02)	(12.35)
IX	Profit/(loss) after tax for the year		**33.67**	**(217.34)**
X	Earnings per equity share			
	(1) Basic (Face value per share Rs.10/-)		0.83	(5.35)
	(2) Diluted		0.83	(5.35)
	Statement of significant accounting policies	2		

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

As per our Report of even date

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
CIN : L17200MH2007PLC171939

per Yashesh Shroff
Partner
Membership number: 103277

Jignesh Shah
Director
[DIN: 00256315]

Nitin Shah
Director
[DIN: 01869318]

Dixit Shah
Director
[DIN: 01911262]

Manoj Tiwari
Chief Financial Officer

Vijay Thakkar
Company Secretary
M No.A48722

Place: Tarapur
Date: May 29, 2024

Place: Tarapur
Date: May 29, 2024

Jakharia Fabric Limited
Consolidated statement of cash flow for the year ended March 31, 2024
(Amount ₹ in lakhs, unless otherwise mentioned)

Particulars	March 31, 2024 Amount in INR		March 31, 2023 Amount in INR	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		144.08		(203.66)
Adjustments for				
Depreciation and amortization	152.68		162.41	
Bad debts	-		53.77	
Provision written back	-		(65.12)	
Sundry credit balance written back (net)	(38.35)		(28.68)	
Loss on sale of machinery	16.94		(6.21)	
Foreign exchange gain	(0.18)		(1.41)	
Interest & financial cost	113.68		95.45	
Interest received	(18.19)	226.58	(5.65)	204.55
Operating profit before working capital changes		370.66		0.89
(Increase) \ decrease in operating assets				
Inventories	50.67		172.79	
Trade receivables	179.88		113.23	
Short term loans & advances	(18.34)		(9.72)	
Other non current assets	(92.95)		(12.11)	
Other current assets	0.44		2.70	
Trade payables	(642.99)		45.29	
Other current liabilities	(2.29)		(25.47)	
Long term provisions	(22.23)		(11.40)	
Short term provisions	30.82		(26.46)	
		(517.00)		248.85
Cash generated from operating activities		(146.33)		249.74
Tax provision		(60.39)		(1.34)
Net cash flow from operating activities		(206.72)		248.40
B. Cash flow from investing activities				
Purchase of fixed assets	(121.49)		(49.96)	
Investment in Capital WIP	(83.12)		-	
Sale of fixed assets	27.00		8.56	
Interest received	18.19		5.65	
Investment in firm	1,047.55		399.79	
Net cash used in investing activities		888.14		364.04
Cash flow from financing activities				
Increase / (Decrease) long term borrowings	(413.37)		(84.68)	
Increase / (Decrease) in short term borrowings	(181.99)		(340.25)	
Increase / (Decrease) in long term loans & advances	31.41		(79.03)	
Interest & financial charges	(113.68)		(95.45)	
Net cash used in financing activities		(677.64)		(599.41)
Net increase / (decrease) in cash and cash equivalents		3.78		13.03
Cash and cash equivalents (Opening balance)		108.89		95.86
Cash and cash equivalents (Closing balance)		112.67		108.89
Reconciliation of cash and cash equivalent with Balance Sheet				
Cash and cash equivalent as per balance sheet		131.36		134.01
Less: Deposit with banks with original maturity of 3-12 months		18.69		25.12
Cash and cash equivalent at the end of the year as per cash flow		112.67		108.89

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

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yazhesh Shroff
Partner
Membership number: 103277

Place: Tarapur
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
CIN : L17200MH2007PLC171939

Jignesh Shah	Nitin Shah	Dixit Shah
Director	Director	Director
[DIN: 00256315]	[DIN: 01869318]	[DIN: 01911262]

Manoj Tiwari	Vijay Thakkar
Chief Financial Officer	Company Secretary
	M No.A48722

Place: Tarapur
Date: May 29, 2024

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

3 Share capital

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
AUTHORIZED SHARES		
50,00,000/-Equity shares of Rs.10/- each	500.00	500.00
Total	500.00	500.00
ISSUED , SUBSCRIBED & FULLY PAID-UP SHARES		
40,63,830/- (P.Y.40,63,830/-) Equity shares of Rs.10/- each	406.38	406.38
	406.38	406.38

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

	March 31, 2024		March 31, 2023	
	Nos	Amount	Nos	Amount
At the beginning of the period	40,63,830	406.38	40,63,830	406.38
Add: Issued during the year	-	-	-	-
Outstanding at the end of the period	40,63,830	406.38	40,63,830	406.38

(b) Terms/ rights attached to 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:

Name of the shareholder	March 31, 2024		March 31, 2023	
	Nos	% holding in the class	Nos	% holding in the class
Nitin K Shah	9,12,833	22.46%	9,12,833	22.46%
Dixit M Shah	3,47,000	8.54%	3,47,000	8.54%
Manekchand Shah	5,05,833	12.45%	5,05,833	12.45%
Jakharia Synthetics Private Limited	6,15,000	15.13%	6,15,000	15.13%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Disclosure of shareholding of promoters:
Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	Shares held by promoter				% change during the year
	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Jignesh Himatlal Shah	1,37,000	3.37	1,37,000	3.37	-
Nitin Keshavji Shah	9,12,833	22.46	9,12,833	22.46	-
Dixit Manikchand Shah	3,47,000	8.54	3,47,000	8.54	-
Himatlal Panachand Shah	60,834	1.50	60,834	1.50	-
Champaben Himatlal Shah	25,000	0.62	25,000	0.62	-
Suryaben Manekchand Shah	60,000	1.48	60,000	1.48	-
Manekchand Panachand Shah	5,05,833	12.45	5,05,833	12.45	-
Shejal Jignesh Shah	75,000	1.85	75,000	1.85	-
Jakharia Synthetics Private Limited	6,15,000	15.13	6,15,000	15.13	-

Jakharia Fabric Limited
Notes forming part of consolidated financial statements

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	Shares held by promoter				% change during the year
	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Jignesh Himatlal Shah	1,37,000	3.37	1,37,000	3.37	-
Nitin Keshavji Shah	9,12,833	22.46	9,12,833	22.46	-
Dixit Manikchand Shah	3,47,000	8.54	3,47,000	8.54	-
Himatlal Panachand Shah	60,834	1.50	60,834	1.50	-
Champaben Himatlal Shah	25,000	0.62	25,000	0.62	-
Suryaben Manekchand Shah	60,000	1.48	60,000	1.48	-
Manekchand Panachand Shah	5,05,833	12.45	5,05,833	12.45	-
Shejal Jignesh Shah	75,000	1.85	75,000	1.85	-
Jakharia Synthetics Private Limited	6,15,000	15.13	6,15,000	15.13	-

4 Reserves and surplus

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Securities Premium :		
Opening balance	**2,109.39**	**2,109.39**
Add : addition during the year	-	-
Closing balance	2,109.39	2,109.39
Capital Redemption Reserves :		
Opening balance	**23.33**	**23.33**
Add : addition during the year	-	-
Closing balance	23.33	23.33
Surplus/ (deficit) in the statement of profit and loss		
Opening balance	(684.62)	**(467.28)**
Profit/(Loss) for the year	33.67	(217.34)
Net surplus in the statement of profit and loss	**(650.95)**	**(684.62)**
Total reserves and surplus	**1,481.77**	**1,448.10**

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

5 **Long-term borrowings**

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
A. Secured		
Term loans from bank	62.18	282.17
Vehicle loan from bank and NBFC	12.77	4.99
Less : Current maturities of long term debt	(64.48)	(224.97)
(Amount disclosed under the head 'short-term borrowings' refer note no. 7)		
A.....	**10.47**	**62.18**

Secured term loans taken from Bank

Particulars	Term Loan-1	LAP-1	LAP-2
Name of the bank	Kotak	Kotak	Kotak
Total number of instalments	60	84	54
Amount of equated monthly instalment	4.18	17.68	4.49
Rate of Interest (%)	MCLR+1.30%	MCLR+1.30%	MCLR+1.30%
Principle amount payable with in one year	-	-	50.76
Principal amount payable after one year	-	-	50.76
	-	-	101.52
Previous year	31.39	502.61	181.10

Particulars	Finance Loan*	Car Loan	Guaranteed Emergency credit line
Name of the bank	HDFC	HDFC	Kotak
Total number of instalments	48	60	36
Amount of equated monthly instalment	0.28	0.28	3.54
Rate of Interest (%)	9.27%	9.10%	9.25%
Principle amount payable with in one year	-	2.30	11.42
Principal amount payable after one year	-	2.52	11.42
	-	4.82	22.84
Previous year	1.65	7.94	111.00

Security:

Primary:

- First and exclusive charge by way of hypothecation on all existing and future receivables/ current assets/ movable assets/ movable fixed assets of the borrower.

*Car loans are secured by way of hypothecation of specific vehicle.

Collateral:

Equitable morgaged of :-

a. Plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Tahka Palghar, Dist. Thane
b. Flat no. 605, 6th Floor, Building No.2, Man Mandir Suraksha CHS, Mulund West, Mumbai - 400080 owned by Mrs. Sejal Shah
c. Flat no. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund Wet, Mumbai - 400080 owned by Mr. Dixit Shah & Mr. Manekchand Shah
d. Flat no. 1201, 12th Floor, B-Wing, E/6 Apartment, Nahar Sarvodaya Heights CHSL, Mulund West, Mumbai - 400080 owned by Mr. Jignesh Shah, Mr. Himmatlal Shah and Mrs. Sejal J Shah.
e. Personal guarantee of following directors:
Himmatlal Shah, Jignesh Shah, Nitin Shah, Dixit Shah and Manekchand Shah

B. Unsecured		
From Bank and NBFC	1.95	25.42
Less: Current Maturities of Long Term Loan	(1.95)	(23.46)
(Amount disclosed under the head 'short-term borrowings' refer note no. 7)	-	-
From directors *	893.60	1,378.94
From relatives of directors *	65.68	59.28
From Body Corporates		
- Relatded party	19.24	
- Others	100.00	
*The unsecured loans from directors / relatives have been subordinated with the bank.		
B.....	**1,078.52**	**1,440.18**
(A+B).....	**1,088.99**	**1,502.36**

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

Unsecured term loans taken from Bank

Particulars	IDFC First Bank Ltd	Fedral Bank Ltd	ICICI Bank Ltd
Total number of instalments	36	18	24
Amount of equated monthly instalment	2.03	1.60	0.88
Rate of Interest (%)	16.00%	18.00%	17.50%
Principle amount payable with in one year	-	-	0.87
Principal amount payable after one year	-	-	0.87
	-	-	1.74
Previous year	23.85	10.53	18.67

Particulars	Bajaj Finance Ltd
Total number of instalments	36
Amount of equated monthly instalment	1.10
Rate of Interest (%)	17.00%
Principle amount payable with in one year	1.08
Principal amount payable after one year	1.08
	2.16
Previous year	22.96

6 Long-term provisions

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Provision for gratuity	97.05	121.71
(Refer note no. 32(c))	-	-
Interest Provision - MSME Creditors	2.43	-
	99.48	121.71

7 Short-term borrowings

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Secured		
Cash credit facility from bank	-	-
Current maturities of long term debts		
Secured	64.48	224.97
Unsecured	1.95	23.46
	66.44	248.43

Security:

Primary:

- First and exclusive charge by way of hypothecation on all existing and future receivables/ current assets/ movable assets/ movable fixed assets of the borrower.

Collateral:

Equitable morgaged of :-

a. Plot no.A/13, MIDC Tarapur Industrial area, Village Pamtembhi, Tahka Palghar, Dist. Thane
b. Flat no. 605, 6th Floor, Building No.2, Man Mandir Suraksha CHS, Mulund West, Mumbai - 400080 owned by Mrs. Sejal Shah
c. Flat no. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund Wet, Mumbai - 400080 owned by Mr. Dixit Shah & Mr. Manekchand Shah
d. Flat no. 1201, 12th Floor, B-Wing, E/6 Apartment, Nahar Sarvodaya Heights CHSL, Mulund West, Mumbai - 400080 owned by Mr. Jignesh Shah, Mr. Himmatlal Shah and Mrs. Sejal J Shah.
e. Personal guarantee of following directors:
Himmatlal Shah, Jignesh Shah, Nitin Shah, Dixit Shah and Manekchand Shah

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

8 Trade payables

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Creditors		
-for capital goods	29.38	155.68
-for raw material and others	1,742.79	2,308.39
-for expenses	80.01	69.45
	1,852.18	**2,533.51**

Trade payable ageing schedule as at 31st March, 2024

Particulars	Outsatnding for following periods from date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	1,399.15	2.89	0.59	-	1,402.64
(ii) Others	431.31	8.35	1.63	8.25	449.54
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing schedule as at 31st March, 2023

Particulars	Outsatnding for following periods from date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2,241.20	177.14	34.05	81.12	2,533.51
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Dues remaining unpaid as at 31st March		
(a) Principal	1,402.64	-
Interest on the above	2.43	-
(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, 2024 Amount in INR	March 31, 2023 Amount in INR
Statutory dues payable	41.93	67.64
Salaries and wages payable	165.09	144.41
Electricity & water dues payable	63.05	59.48
Interest accrued but not due on term loans	0.82	1.65
	270.89	**273.18**

10 Short-term provisions

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Provision for gratuity	52.22	21.40
Provision for liability (refer note no.39)	99.14	99.14
	151.36	**120.54**

Jakharia Fabric Limited

Notes forming part of consolidated financial statements

(Amount ₹ in lakhs, unless otherwise mentioned)

11 Property, Plant and Equipment

As at March 31, 2024

	Gross Block				Accumulated Depreciation				Net Block	
	Value at the beginning 01.04.2023	Addition during the year	Disposal during the year	Value at the end of the period 31.03.2024	Value at the beginning 01.04.2023	Addition for the year	Disposal during the year	Value at the end of the period 31.03.2024	WDV as on 31.03.2024	WDV as on 31.03.2023
A. Tangible assets										
Leasehold Land	273.52	-	-	273.52	-	-	-	-	273.52	273.52
Factory Building	374.71	-	-	374.71	259.99	10.90	-	270.89	103.82	114.72
Buiding at Tarapur	300.88	-	-	300.88	142.68	7.70	-	150.38	150.49	158.20
Plant & Machinery	2,926.66	97.54	211.51	2,812.68	1,946.43	115.76	167.57	1,894.63	918.05	980.22
Computer	11.40	3.39	-	14.79	10.30	1.11	-	11.41	3.38	1.11
Office Equipment	67.38	0.78	-	68.16	44.04	10.43	-	54.48	13.68	23.34
Bike	0.53	-	-	0.53	0.51	-	-	0.51	0.03	0.03
Car	11.63	16.67	-	28.30	8.49	3.07	-	11.56	16.74	3.13
Roto Crate	3.29	-	-	3.29	2.03	0.22	-	2.25	1.04	1.27
Factory Shed	5.57	-	-	5.57	3.89	0.16	-	4.05	1.52	1.68
EPBAX System	1.78	-	-	1.78	1.24	0.06	-	1.30	0.47	0.53
Laboratory	29.32	0.47	-	29.79	24.24	1.31	-	25.55	4.24	5.08
Furniture	12.32	2.64	-	14.97	11.26	0.38	-	11.64	3.33	1.06
Electrical Goods	141.75	-	-	141.75	130.23	1.56	-	131.79	9.96	11.52
Total Property, Plant and Equipment	**4,160.74**	**121.49**	**211.51**	**4,070.72**	**2,586.33**	**152.68**	**167.57**	**2,570.45**	**1,500.27**	**1,575.41**
Intangible assets	-	-	-	-	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-	-	-	-	-
Total assets	**4,160.74**	**121.49**	**211.51**	**4,070.72**	**2,586.33**	**152.68**	**167.57**	**2,570.45**	**1,500.27**	**1,575.41**
As at March 31, 2023										
Total assets	4,128.35	49.96	17.57	4,160.74	2,438.14	162.41	15.22	2,585.33	1,575.41	1,690.21

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

12 Non-current investments

	March 31,2024 Amount in INR		March 31,2023 Amount in INR	
A. Investment in equity instruments (unquoted)				
(i) Shares of NKGSB Co- Operative Bank		1.00		1.00
B. Investment in partnership firms :				
(i) Capital Investment in Jakharia Industries				
Balance as per last balance sheet	2,410.98		2,810.77	
Add : Capital introduced during the year	-		235.99	
Less : Withdrawals during the year	(792.82)		(348.00)	
Less: Share of loss for the year	(261.03)	1,357.13	(287.78)	2,410.98

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 March 31, 2024 Amount in INR	Profit Sharing Ratio	Capital as on March 31, 2023 Amount in INR
M/s. Jakharia Fabrics Private Limited	0.65	1,357.13	0.97	2,410.98
Mr. Nitin Shah	0.01	11.74	0.01	12.95
Mr. Himmatlal Shah	0.19	396.03	0.01	12.93
Mr. Jignesh Shah	0.14	295.70	0.01	16.64
Mr. Dixit Shah	0.01	11.72	0.01	12.93
Mr. Manekchand Shah	0.01	11.72	0.01	12.93
		2,084		2,479
Others				
Tarapur Environment Protection		79.63		73.33
TOTAL		**1,437.76**		**2,485.31**

13 Deferred-tax (liabilities) /assets-(net)

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Deferred tax liabilities/(assets) (net)		
Depreciation	(52.38)	(55.03)
Business loss	-	70.39
MSME Creditors	17.73	-
	(34.66)	**15.36**

14 Long-term loans and advances

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Balance with government authorities	597.43	538.22
Advance income-tax (net)	121.94	212.56
	719.37	**750.78**

15 Other non-current assets

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Other non-current assets		
Security deposit	173.87	74.49
Deposits with banks (with original maturity period of more than 12 months)	18.69	25.12
(Note: Held under lien by Bank against bank guarantees issued in favour of company)		
	192.56	**99.61**

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

16 Inventories

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Inventories		
At cost or net realisable value, which ever is lower, except otherwise stated		
Raw material		
- Dyes and chemicals	54.81	65.52
- Others	15.97	14.86
Work in Progress		
- Fabrics	65.22	78.26
Finished Goods		-
- Fabrics	104.89	132.92
(As taken, certified and valued by the management)		
	240.88	**291.55**

17 Trade receivables

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Outstanding for a period exceeding six months from the date of Invoice		
Secured, considered good	-	-
Unsecured, considered good	989.92	1,209.91
Doubtful	-	-
Others	-	-
Secured, considered good	-	-
Unsecured, considered good	126.57	86.27
Doubtful	-	-
Less: provision for doubtful debts	(13.26)	(13.26)
	1,103.23	**1,282.93**

Trade Receivables ageing schedule as at 31st March, 2024

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	989.92	60.48	33.89	6.52	25.68	1,116.49
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	13.26	13.26

Trade Receivables ageing schedule as at 31st March, 2023

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,209.91	46.96	10.27	9.12	19.92	1,296.18
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	13.26	13.26

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

18 Cash and cash equivalents:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Cash on hand	2.04	2.28
Balance with banks		
- In current accounts	(90.67)	17.94
- In fixed deposits	220.00	113.80
	131.36	134.01
Less:Deposits with banks (with original maturity period of more than 12 months)	(18.69)	(25.12)
	112.67	**108.89**

19 Short-term loans and advances

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Unsecured and considered good		
Advance to suppliers	13.10	1.37
Advance to employees	45.87	39.25
	58.97	**40.62**

20 Other current assets

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Unsecured and considered good		
Prepaid expenses	3.31	3.75
	3.31	**3.75**

Jakharia Fabric Limited

Notes forming part of consolidated financial statements

(Amount ₹ in lakhs, unless otherwise mentioned)

21 Revenue from operations

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Sale of services		
Job work/sales	8,797.34	8,259.08
Sale of products		
Finished goods	25.55	352.61
	8,822.89	**8,611.69**
Details of finished goods		
Fabrics	25.55	352.61

22 Other income

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Interest on bank fixed deposit	6.91	5.65
Sundry credit balance written back (net)	38.35	28.68
Dividend	0.07	0.14
Duty drawback	0.59	1.13
Foreign exchange gain	0.18	1.41
Excess provision written back	-	53.77
Excess gratuity provision	-	11.35
Profit on sale of machinery	-	6.21
Interest on deposits	3.71	3.38
Interest on income tax refund	7.58	11.07
	57.39	**122.81**

23 Cost of materials consumed

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Other materials		
Opening stock	80.37	165.16
Add: Purchases	-	-
Coal and biomass	1,862.88	1,919.57
Dyes and chemicals	2,023.47	1,898.51
Finished goods	30.91	98.01
Grey fabric	35.39	257.93
Packing material	227.55	228.92
Stores and spares	263.24	224.55
Custom Duty	0.37	-
Less : Discount on purchases	(37.32)	(11.28)
Less: Closing stock	(70.77)	(80.37)
	4,416.08	**4,701.00**

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

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Opening stock		
Work-in-progress	78.26	126.92
Finished goods	132.92	172.27
	211.18	299.19
Less: Closing stock		
Work-in-progress	65.22	78.26
Finished goods	104.89	132.92
	41.07	**88.01**

25 Employee benefits expense

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Salary and wages	1,334.54	1,287.03
Directors remuneration	146.00	134.00
Contribution to provident and other funds	12.06	13.17
Staff welfare	8.34	7.78
Gratuity	26.89	-
Others	2.62	3.96
	1,530.45	**1,445.94**

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

26 Depreciation and amortization expenses

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Depreciation	152.68	162.41
	152.68	**162.41**

27 Financial cost

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Interest expenses	112.97	82.62
Others*	0.72	12.83
	113.68	**95.45**

* including bank charges,processing fees etc.

28 Other expenses

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Manufacturing and service cost		
Cash discount	12.57	4.36
Contractors expenses	676.55	758.51
Loading and unloading charges	53.04	49.68
Packing expenses	30.56	26.76
Power and fuel	737.34	715.49
Rent, rates and taxes	64.68	62.20
Repairs and maintenance	111.48	89.60
Pollution control and others testing charges	22.32	19.43
Water expenses	63.88	40.86
	1,772.41	**1,766.89**
Administrative & Selling expenses		
Brokerage	87.50	65.25
Security expenses	14.94	14.16
Computer expenses	5.30	2.80
Travelling, conveyance and petrol expenses	6.00	7.19
Selling expenses	3.54	2.42
Courier charges	0.48	0.34
Donation	1.10	0.25
Bad debts	-	53.77
GST ineligible	0.44	3.18
Insurance	8.42	12.73
Interest on statutory dues	0.89	0.81
Loss on sale of asset	16.94	-
Share of loss from partnership firm	261.03	287.78
Motor car expenses	0.54	0.91
Penalty	0.55	0.03
Printing and stationery	12.85	12.21
Professional fees	37.86	19.58
Sundry expenses	20.00	13.90
Telephone expenses	1.05	0.82
Transport charges	223.06	172.21
Payment to Auditors (Note no.30)	6.00	6.00
	708.51	**676.34**
	2,480.92	**2,443.23**

29 Prior period income/(expenses)

	March 31, 2024 Amount in INR	March 31, 2023 Amount in INR
Others	1.31	2.12
	1.31	**2.12**

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

30 Remuneration to Auditors:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Audit fees	4.00	4.00
Tax audit fees	2.00	2.00
Other Service	15.01	7.00

31 Earnings per share (EPS)
The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Profit/ (loss) after tax	33.67	(217.34)

	March 31,2024	March 31,2023
Weighted average number of equity shares in calculating basic EPS		
Equivalent weighted average number of equity shares at the end of the year	40,63,830	40,63,830
Diluted weighted average number of equity shares at the end of the year / period	40,63,830	40,63,830
Earnings Per Share		
Basic EPS	0.83	(5.35)
Diluted	0.83	(5.35)

32 Employee benefit expenses:
a) Reconciliation of defined benefit obligation:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Present value of DBO at start of year	143.11	154.46
Current Service Cost	32.39	29.47
Interest cost	10.76	11.37
Benefits paid	(20.73)	-
Acturial Gain /(Loss) gain	(16.26)	(52.19)
Present value cost	149.27	143.11

b) Expenses recognised in Profit & Loss account

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Current Service Cost	32.39	29.47
Interest cost	10.76	11.37
Benefits paid	-	-
Past service cost	-	-
Acturial Gain /(Loss) gain	(16.26)	(52.19)
Present value cost	26.89	(11.35)

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

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Present value of DBO	149.27	143.11
Fair value of Plan Assets	-	-
Net Liabilty/ (Assets)	149.27	143.11
Less: Unrecognised Past Service Cost	-	-
Liability /(assets) recognised in Balance Sheet	149.27	143.11
of which Short Term Provision	52.22	21.40

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

33 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.
M/s. KKP Fashion Private Limited	Enterprise over which directors have significant influence.

Key managerial personnel

Mr. Himmatlal Shah	Whole Time Director
Mr. Jignesh Shah	Chairman cum Executive Director
Mr. Nitin Shah	Managing Director (From September 30, 2023)
Mr. Nitin Shah	Additional Director (Till September 29, 2023)
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
Mr. Vijay Thakkar	Company Secretary

(b) Related party transaction

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

	Nature of Transaction	March 31,2024 Amount in INR	March 31,2023 Amount in INR
M/s. Jakharia Industries	Investments	(792.82)	(112.01)
M/s. Jakharia Industries	Purchases	-	6.85
Mr. Himmatlal Shah	Rent	-	1.20
M/s. KKP Fashion Private Limited	Loan Received	716.02	30.79
M/s. KKP Fashion Private Limited	Loan Paid	716.02	30.79
M/s. KKP Fashion Private Limited	Sales	25.39	37.47
M/s. KKP Fashion Private Limited	Brokerage	0.26	0.58

(ii) Remuneration to key managerial personnel:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Mr. Dixit Shah	72.00	30.00
Mr. Manekchand Shah	24.00	30.00
Mr. Nitin Shah	50.00	90.00
Mr. Manoj Tiwari	6.08	5.48
Mr. Vijay Thakkar	3.60	3.00

(iii) Outstanding balances

Name of the Party	March 31,2024 Amount in INR	March 31,2023 Amount in INR
(a) Receivables		
KKP Fashion Private Limited	-	9.41
(b) Investments		
M/s. Jakharia Industries	1,357.13	2,410.98
(c) Creditors		
Jakharia Industries	1.65	1.65
Dixit Processors	-	52.72
(d) Rent Payable		
Mr. Himatlal Shah	4.80	4.80
(f) Unsecured Loan		
Mr. Himatlal Shah	-	449.85
Mr. Dixit Shah	325.90	120.60
Mr. Jignesh Shah	-	334.59
Mr. Manekchand Shah	141.10	122.25
Mr. Nitin Shah	426.59	351.66
Mrs. Rinkal D Shah	65.68	59.28
KKP Fashion Private Limited	1.05	-
(f) Loans and advances		
Mr. Manoj Tiwadi	4.00	4.00
Dixit Processors	4.60	-

Jakharia Fabric Limited
Notes forming part of consolidated financial statements
(Amount ₹ in lakhs, unless otherwise mentioned)

34 Foreign currency balance:

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Payable	7.53	-

35 Contingent liabilities:
(To the extent not provided for)

	March 31,2024 Amount in INR	March 31,2023 Amount in INR
Disputed Income-tax	3.33	3.33
Bank guarantee	95.92	95.92
	99.25	99.25

36 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 financials years in accordance with its CSR Policy.
During the period under review, the company did not meet this criteria and therefore was not required to spend any amount towards CSR activity.

Particulars	March 31,2024 Amount in INR	March 31,2023 Amount in INR
a. Amount required to be spent by the company during the year	Nil	Nil
b. Amount of expenditure incurred on :		
i. Construction/acquisition of any assets	-	-
ii. On purpose other than (i) above	-	-
c. Shortfall at the end of the year	-	-
d. Total of previous years shortfall	-	-
e. Reason for shortfall	NA	As aforesaid mentioned
f. Nature of CSR activities	NA	NA
g. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

37 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses accounting software (Tally Prime) for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The company uses Trac ERP software for Tarapur Unit and Foxpro software for Saravali Unit for recording of inventory. With regard to the tally prime, the audit trail (edit log) facility has been operational throughout the year for all relevant transactions recorded in the accounting software. However, in Trac ERP software and Foxpro software which is used for maintaining inventory records the audit trail (edit log) facility has not been operational throughout the period under audit.

38 Penalty amounting to INR 251.54 lakhs has been levied by NGT for alleged violation of environmental norms by the Company at its factory located at Tarapur MIDC. As per the directions of the Honourable Supreme Court dated December 14, 2020, the Company has deposited 30% of the penalty amounting to INR 75.46 lakhs which was disclosed as recoverable advance in financial year 2020-21. The order of penalty was stayed by the Honourable Supreme Court and has directed to hear the case afresh by giving opportunity to the concerned parties. Pursuant to the directions of the Honorable Supreme Court dated December 14, 2020, National Green Tribunal had reheard the matter and vide its direction dated January 24, 2022 had reduced the portion of compensation attributable to the company for alleged violations of environmental norms of manufacturers at Tarapur MIDC to an amount of of Rs.98.88 lakhs from Rs.251.51 lakhs. In view of the same the company has debited penalty amouting to INR 98.88 lakhs in the financial year 2021-22.

Jakharia Fabric Limited
Notes forming part of consolidated financial statements:
(Amount ₹ in lakhs, unless otherwise mentioned)

39 Returns filed with banks with respect to working capital facilities availed

Name of the Bank	Quarters	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference-(short)/excess	Reasons for material discrepancies
Kotak Bank	Q-1 of FY 2022-23	Inventory	490.41	490.41	-	The difference are because the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets / liabilities in the statements filed with the lenders.
		Debtors	1,320.07	1,400.85	80.78	
		Creditors	(1,826.44)	(1,327.89)	498.54	
Kotak Bank	Q-2 of FY 2022-23	Inventory	533.38	533.38	-	
		Debtors	1,381.91	1,495.97	114.07	
		Creditors	(1,894.43)	(1,559.49)	334.94	
Kotak Bank	Q-3 of FY 2022-23	Inventory	320.91	320.91	-	
		Debtors	1,422.47	1,546.22	123.75	
		Creditors	(1,839.75)	(1,885.00)	(45.25)	
Kotak Bank	Q-4 of FY 2022-23	Inventory	291.55	201.46	90.09	
		Debtors	1,282.93	1,276.86	(6.06)	
		Creditors	(1,963.27)	(1,972.73)	(9.47)	
Kotak Bank	Q-1 of FY 2023-24	Inventory	314.76	314.76	-	
		Debtors	1,350.35	1,359.35	9.00	
		Creditors	(2,012.68)	(1,998.78)	13.90	
Kotak Bank	Q-2 of FY 2023-24	Inventory	302.97	302.97	-	
		Debtors	1,523.98	1,555.60	31.63	
		Creditors	(2,192.71)	(2,152.48)	40.23	
Kotak Bank	Q-3 of FY 2023-24	Inventory	390.03	390.03	-	
		Debtors	1,469.07	1,444.54	(24.54)	
		Creditors	(2,137.25)	(2,150.64)	(13.39)	
Kotak Bank	Q-4 of FY 2023-24	Inventory	240.88	240.88	(0.00)	
		Debtors	1,103.23	1,108.41	5.18	
		Creditors	(1,489.15)	(1,481.79)	7.36	

40 Key Ratios:

Ratio	Numerator	Denominator	March 31,2024	March 31,2023	% Variance	Reason for variance
(a) Current Ratio	Total Current Assets	Total Current Liabilities	0.65	0.54	(19.28)	Improved due to better working capital management
(b) Debt-Equity Ratio	Total Borrowing	Total Equity	0.61	0.94	35.18	Reduced because of repayment of borrowing.
(c) Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Noncash operating expenses + Interest + Other non-cash	Debt service = Interest and lease payments + Principal repayments	2.04	0.01	(158.58)	Ratio increase on account of increased earning in the current year.
(d Return on Equity Ratio	Loss for the period less Preference dividend (if any)	Average total equity	0.02	(0.11)	116.25	Improvement in profitability ratio.
(e) Inventory Turnover Ratio	Cost of goods sold = Cost material Consumed + Purchases of stock in trade + Change in inventories of Finished Goods, Work in progress and Stock in trade	Average Stock	16.74	12.67	(32.13)	Ratio has improved as there is increase in revenue over previous year.

40 Key Ratios

(f) Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	7.40	6.43	14.97	Ratio has improved as there is increase in revenue over previous year.
(g) Trade Payables Turnover Ratio	Net purchase = Purchase of Stock in trade + Purchase of Raw Material	Average Trade Payables	2.57	1.83	40.45	
(h) Net Capital Turnover Ratio	Revenue from Operations	Working Capital = Total Current Asset - Total Current Liabilities	(10.74)	(5.95)	(80.51)	
(i) Net Profit Ratio	Profit for the period	Revenue from Operations	0.0038	(0.03)	115.12	Net profit margin of current year is better than previous year due to higher sales.
(j) Return on Capital Employed	Earning before finance cost and tax	Capital employed = Tangible Net worth + Total Borrowings + Deferred Tax	0.08	(0.03)	382.17	Improvement in profitability ratio.

41 Other Statutory Information :

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(ii) The company do not have any transactions with companies struck off.
(iii) The Company has not entered into any scheme of arrangement which has an accouting impact on current or previous financial year.
(iv) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
(v) The Company has not declared wilful defaulter by any bank or financial institution or Government or Government Authority.
(vi) There is no income surrendered or disclosed as income during the current or previous year in the tax assessment under Income Tax Act, 1961 that has not been recorded in the books of accounts.
(vii) There are no other significant events which have occurred after the reporting period.

42 As per the information available with the Company, there are Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of Principal and Interest.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

43 The Company operates in a single reportable business segment, which is textile processing and related activity. Further, the Company operates primarily in India and there is no other significant geographical segment. Accordingly, no significant information has been submitted as a part of these financial statements.

44 Previous year figures :

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

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

As per our Report of even date

For Shah Shroff & Associates
Chartered Accountants
ICAI firm registration number: 0128920W

per Yashesh Shroff
Partner
Membership number: 103277

Place: Bhiwandi
Date: May 29, 2024

For and on behalf of the Board of Directors of
Jakharia Fabric Limited
(Formerly known as Jakharia Fabric Private Limited)
CIN : L17200MH2007PLC171939

Jignesh Shah	**Nitin Shah**	**Dixit Shah**	
Director	**Director**	**Director**	
[DIN: 00256315]	**[DIN: 01869318]**	**[DIN: 01911262]**	
Manoj Tiwari		**Vijay Thakkar**	
Chief Financial Officer		**Company Secretary**	
		M No.A48722	

Place: Bhiwandi
Date: May 29, 2024

Jakharia Fabric Limited
Notes forming part of Consolidated Financial Statements

Note 1: 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 31st March 2024, were approved by the board of directors and authorized for issue on 29th May 2024.

Note 2: Significant Accounting Policies:

p) 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.

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 compulsory requirement of adoption of IND-AS, as the company is covered under the exempted category, it has not adopted IND-AS for preparation of financial results.

q) 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.

r) 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.

s) 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.

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.

t) 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.

u) 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 97.24% 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. Accordingly, the investment in JI has been accounted under the equity method and the same is in line as required by AS-23.

v) 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.

w) 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.

x) 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.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

y) 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.

z) 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:

3) 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.
4) All other exchange differences are recognized as income or as expenses in the period in which they arise.

aa) 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.

bb) 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.

cc) Earnings Per Share:

Basic The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for effects of all dilutive potential equity shares, except where the results are anti-dilutive. The number of shares and potentially dilutive equity shares are adjusted for share splits and bonus shares issued including for changes effected prior to the approval of the financial statements by the Board of Directors

dd) 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.

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

To,
The Members of
JAKHARIA FABRIC LIMITED
(CIN: L17200MH2007PLC171939)
Registered Office Plot no. A-13, MIDC Tarapur, Boisar, Palghar – 401506, Maharashtra

Notice is hereby given that the **17th Annual General Meeting** of the members of **JAKHARIA FABRIC LIMITED** will be held on **Monday, 30TH September, 2024 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:

1. To receive, consider and adopt the Standalone Audited financial statements and Consolidated Audited Financial Statements of the Company for the year 2023-24 ended 31st March 2024, comprising of the Standalone & Consolidated Balance Sheet as at 31st March 2024, Standalone & Consolidated Statement of Profit & Loss and Standalone & Consolidated Statement of Cash Flow for the year 2023-24 ended 31st March 2024, together with the Report of the Statutory Auditors and Board's Report thereon.

2. To re-appoint **Mr. NITIN KESHAVJI SHAH (DIN: 01869318)** Managing Director**,** who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Approval for Sale of Unit No. 1 (Bhiwandi) Business Undertaking

To consider and if thought fit to pass, with or without modification, the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, and the rules made thereunder (including any statutory modifications, amendments or re-enactments to each of the foregoing), (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable law for the time being in force and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable, and subject to the Memorandum and Articles of Association of the Company, the requisite approvals, if any, of any relevant governmental authorities, and further subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary, the members hereby approve the Sale of Unit No. 1 (Bhiwandi) as set out in the Business Transfer Agreement ("BTA") by way of a slump sale on a going concern basis to **Jakharia Processors LLP**, a Limited Liability Partnership incorporated under provisions of Limited Liability Partnership Act, 2008 having its registered office at registered office address is Runwal Anthurium, Tower1-504, LBS Road, Opp Veena Nagar, Mulund West, Mumbai - 400 080 ("Purchaser"), a related party for an aggregate lumpsum consideration of **Rs. 2,31,50,000 (Rupees Two Crore Thirty One Lakh and Fifty Thousand)**, subject to the adjustments specified in the BTA on the terms and conditions specified in the BTA and other agreements, deeds, undertaking and documents executed or to be executed by the Company and the Purchaser.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any directors of the Company, Chief Financial Officers and the Company Secretary be and are hereby severally authorised, on behalf of the Company, to negotiate, finalise and execute the BTA and any other related documentation in connection with the transfer of the Undertaking to the Purchaser and to do all such acts, deeds, matters, things and to execute all documents,

instruments, agreements or writings and amendments thereof, as may be necessary, proper, desirable or expedient for giving effect to the above resolution including filing any forms or records in connection therewith with any regulatory authority, including the Registrar of Companies, Mumbai in accordance with applicable law."

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."

4. To approve Sale of Investment held in Jakharia Industries (Partnership Firm):

To consider and if thought fit to pass, with or without modification, the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, and the rules made thereunder (including any statutory modifications, amendments or re-enactments to each of the foregoing), (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable law for the time being in force and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable, and subject to the Memorandum and Articles of Association of the Company, the requisite approvals, if any, of any relevant governmental authorities, and further subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary, the members hereby approve the sale of whole of its investment in **"Jakharia Industries"** a partnership firm, a related party (wherein the company is represented as a partner) by way of retirement w.e.f. 30th June, 2024 for a consideration represented by capital balance outstanding as on that date of retirement in the books of the firm."

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any directors of the Company, Chief Financial Officers and the Company Secretary be and are hereby severally authorised, on behalf of the Company, to finalise and execute all relevant documentation in connection with sale of whole of its investment in **"Jakharia Industries"** by way of retirement w.e.f. 30th June, 2024 including filing any forms or records in connection therewith with any regulatory authority, including the Registrar of Companies, Mumbai in accordance with applicable law.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."

5. To take approval for sale of unit No. 1 (Bhiwandi) as a related party transaction

To consider and if thought fit to pass, with or without modification, the following Resolution as a **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable rules, if any, enabling provisions and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable law for the time being in force and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable and subject to the Memorandum and Articles of Association of the Company and any other law for the time being in force and subject to such other approvals as may be required under applicable laws, consent of shareholders be and is hereby accorded to for Sale of Unit No. 1 (Bhiwandi) as set out in the Business Transfer Agreement ("BTA") by way of

a slump sale on a going concern basis to Jakharia Processors LLP, a Limited Liability Partnership incorporated under provisions of Limited Liability Partnership Act, 2008, a related party within the meaning of Section 2(76) of the Act on such terms and conditions as approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any directors of the Company, Chief Financial Officers and the Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all such acts, deeds, matters, things and to execute all documents, instruments, agreements or writings and amendments thereof, as may be necessary, proper, desirable or expedient for giving effect to the above resolution including filing any forms or records in connection therewith with any regulatory authority, including the Registrar of Companies, Mumbai accordance with applicable law."

6. To take approval for Sale of Investment held in Jakharia Industries (Partnership Firm) as a related party transaction

To consider and if thought fit to pass, with or without modification, the following Resolution as a **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable rules, if any, enabling provisions and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable law for the time being in force and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable and subject to the Memorandum and Articles of Association of the Company and any other law for the time being in force and subject to such other approvals as may be required under applicable laws, consent of members hereby accorded for the sale of whole of its investment in **"Jakharia Industries"** a partnership firm, related party within the meaning of Section 2(76) of the Act on such terms and conditions as approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any directors of the Company, Chief Financial Officers and the Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all such acts, deeds, matters, things and to execute all documents, instruments, agreements or writings and amendments thereof, as may be necessary, proper, desirable or expedient for giving effect to the above resolution including filing any forms or records in connection therewith with any regulatory authority, including the Registrar of Companies, Mumbai accordance with applicable law."

NOTES:

I. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto. The relevant details of the Director seeking appointment/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'** of this Notice.

II. Pursuant to the execution of Memorandum of Family arrangement dated 30th June, 2024 and to give effect to the same, the following directors have tendered their resignation from the company w.e.f. 5th September, 2024.

- Manekchand Panachand Shah
- Dixit Manekchand Shah
- Himatlal Panachand Shah
- Jignesh Himatlal Shah

III. General instructions for accessing and participating in the 17th AGM through VC/OAVM facility and voting through electronic means including remote e-Voting.

a) In terms of Ministry of Corporate Affairs ('MCA') in continuation to its previous General Circulars No. 20/2020 dated 5th May, 2020, No. 02/2021 dated 13th January, 2021, No. 21/2021 dated 14th December, 2021, No. 02/2022 dated 5th May 2022, No. 10/2022 dated 28th December, 2022 further extended the relaxation vide Circular No. 09/2023 dated 25th September 2023 ('MCA Circulars') and in terms of The Securities and Exchange Board of India ('SEBI') in continuation to its previous Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 further extended the relaxation vide Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 ('SEBI Circulars'), and in compliance with the provisions of the Act and with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

b) In terms of the MCA Circulars, the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM. However, in pursuance of Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM.

c) In line with the aforementioned MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Integrated Annual Report for the Financial Year 2023-24 ('the Integrated Annual Report') is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participants. The Members may note that notice of the AGM and the Integrated Annual Report is also available on the website of the Company at www.jakhariafabric.com and on the website of National Stock Exchange of India Limited (NSE) at www.nseindia.com.

d) Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.

e) NSDL will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM.

f) Members may join the AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility at 30 minutes after the scheduled time to start the AGM.

g) Members may note that the VC/OAVM facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-serve principle.

h) Attendance of the Members participating in the AGM through VC/OAVM facility shall be counted for the purpose of considering the quorum under Section 103 of the Act.

i) Pursuant to the provisions of Section 108 of the Act and any other applicable provisions, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of SEBI Listing Regulations, read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

j) The Register of Members and Share transfer Books of the Company will remain closed from **Monday 23rd September, 2024 to Monday 30th September, 2024** (both days inclusive).

k) Members are requested to:

(i) Send all share transfer lodgments (Physical mode)/ correspondence to the Registrar and Share Transfer Agent up to the record date.

(ii) Write to the Compliance Officer of the Company for their queries or if desirous of obtaining any information, concerning the accounts and operations of the Company, at the Company's Registered Office at least seven days before the date of the Annual General Meeting in order to enable the management to keep the information ready at the meeting.

(iii) The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to R&TA.

(iv) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Mis. Bigshare Services Private Limited in case the shares are held by them in physical form.

(v) Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/ R&TA along with the relevant Share Certificates for consolidation of such Folios in one Folio.

(vi) Members are informed that in case joint holders attend the Meeting, only

such joint holder who is higher in the order of names in the Register of Members/ Beneficial Holders will be entitled to vote.

l) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited for assistance in this regard.

m) As per Sections 101, 136 and other applicable provisions of the Companies Act, 2013, read with the Rules made there under and circulars issued by the Ministry of Corporate Affairs, Companies can now send various reports, documents, communications, including but not limited to Annual Reports to its Members through electronic mode at their registered e-mail addresses. The Company believes in green initiative and is concerned about the environment. Hence, Annual Report including inter alia the Report of the Board of Directors, Auditors' Report, Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, notice of this AGM, instructions for e-voting, etc. is being sent by electronic mode to all Members whose addresses are registered with the Company/ R&TA/ depositories.

n) To support "Green initiative", Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with their depository participants, in respect of electronic holdings. Members holding shares in physical form are requested to kindly register their e-mail addresses with the Company's R&TA at their abovementioned address. Annual Report is also available on the Company's website at https://www.jakhariafabric.com/investor-relationship.

o) 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, 2024, 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.

p) 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.
Office Address :-
Pinnacle Business Park, Office No S6-2, 6th, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai – 400 093.

q) 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.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- The voting period begins on Thursday, 26th September, 2024 (9:00 am IST) and will end on Sunday, 29th September, 2024 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date (record date) Monday, 23rd September, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.

- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

  Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders

  In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of **BIGSHARE** the e-Voting service provider and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. **BIGSHARE**, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following

	URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be redirected to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free No. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.com** or call at 022- 48867000.

2. **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "LOGIN" button under the 'INVESTOR LOGIN' section to Login on E-Voting Platform.

- Please enter you 'USER ID' (User id description is given below) and 'PASSWORD' which is shared separately on you register email id.
    - Shareholders holding shares in CDSL demat account should enter 16 Digit Beneficiary ID as user id.
    - Shareholders holding shares in NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.
    - Shareholders holding shares in physical form should enter Event No + Folio Number registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on I AM NOT A ROBOT (CAPTCHA) option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?
- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'Reset'.
  (In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEW EVENT DETAILS (CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "VOTE NOW" option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "IN FAVOUR", "NOT IN FAVOUR" or "ABSTAIN" and click on "SUBMIT VOTE". A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "CHANGE PASSWORD" or "VIEW/UPDATE PROFILE" under "PROFILE" option on investor portal.

1. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "REGISTER" under "CUSTODIAN LOGIN", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.

- After Successful registration, message will be displayed with "User id and password will be sent via email on your registered email id".
  NOTE: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on 'LOGIN' under 'CUSTODIAN LOGIN' tab and further Click on 'Forgot your password?
- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'RESET.
  (In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under "DOCUMENTS" option on custodian portal.
  - Click on "DOCUMENT TYPE" dropdown option and select document type power of attorney (POA).
  - Click on upload document "CHOOSE FILE" and upload power of attorney (POA) or board resolution for respective investor and click on "UPLOAD".
    Note: The power of attorney (POA) or board resolution has to be named as the "InvestorID.pdf" (Mention Demat account number as Investor ID.)
  - Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "VOTE FILE UPLOAD" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "UPLOAD". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "CHANGE PASSWORD" or "VIEW/UPDATE PROFILE" under "PROFILE" option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22, 022-62638338

2. Procedure for joining the AGM/EGM through VC/ OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at https://ivote.bigshareonline.com under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEW EVENT DETAILS (CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on "VC/OAVM" link placed beside of "VIDEO CONFERENCE LINK" option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.

- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.

- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22, 022-62638338.

By order of the Board
For Jakharia Fabric Limited
Sd/-
Bhavin Waghela
Company Secretary
Date: 05.09.2024

Registered Office:
Plot no. A-13, MIDC Tarapur, Boisar, Palghar – 401506, Maharashtra.
Email: info@jakhariafabric.com

EXPLANATORY STATEMENT:

Item No. 3

The Company proposes to Sale Unit no. 1 (Bhiwandi) Business undertaking / division as set out in the Business Transfer Agreement ("BTA") by way of a slump sale on a going concern basis to Jakharia Processors LLP, a related party and a Limited Liability Partnership incorporated under provisions of Limited Liability Partnership Act, 2008 having its registered office at registered office address is Runwal Anthurium, Tower1-504, LBS Road, Opp Veena Nagar, Mulund West, Mumbai - 400 080 ("Purchaser"), for an aggregate lumpsum consideration of Rs. 2,31,50,000 (Ruppes Two Crore Thirty One Lakh and Fifty Thousand), subject to the adjustments specified in the BTA on the terms and conditions specified in the BTA and other agreements executed or to be executed by the Company and the Purchaser and with the intension to give effect to the family arrangement executed on 30th June, 2024.

The Board at its meeting on 5th September, 2024 has, subject to approval from members of the Company, approved the sale of Unit No. 1 (Bhiwandi), by way of a slump sale on a going concern basis to the Purchaser in accordance with the terms of the BTA approved by the Board at the same meeting.

As per the terms of the BTA, the items exhaustively specified under the BTA, shall be transferred by the Company to the Purchaser, for an aggregate lumpsum consideration of Rs. 2,31,50,000 (Ruppes Two Crore Thirty One Lakh and Fifty Thousand), subject to the adjustments specified in the BTA on the terms and conditions specified in the BTA and other agreements, deeds, undertaking and documents executed or to be executed by the Company and the Purchaser.
The closing of the Transaction is conditional upon passing of the Special Resolution by the shareholders of your Company and receipt of all the required approvals, if any as set out in the BTA.

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013 (The Act), any sale, lease or otherwise disposal of the whole or substantially all of the undertaking of the Company required the approval of the members of the Company accorded by way of the special resolution. An undertaking for the purpose of Section 180(1)(a) of the Act means an undertaking in which the investment of the Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Since the Unit No. 1 (Bhiwandi) exceeds the threshold specified herein, the transfer of the Unit No. 1 (Bhiwandi) undertaking / division requires approval of the members by a special resolution under Section 180(1)(a) of the Act.

The Board is of the opinion that the aforesaid special resolution is in the best interest of the Company and is required to be passed to give effect to family arrangement also, and hence, recommends the special resolution for approval of the members of the Company.

The buyer i.e. Jakharia Processors LLP and seller i.e. Jakharia Farbic Limited have directors in common and are family members, therefore the transaction is a related transaction.

Except Mr. Manekchand Panachand Shah, Mr. Dixit Manekchand Shah, Mr. Nitin Keshavji Shah, Mr. Himatlal Panachand Shah, Mr. Jignesh Himatlal Shah and Mrs. Sejal Nitin Shah all being the Directors, family members and related parties, none of Directors, Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, in any way, in the proposed resolutions except to the extent of their shareholding, if any, in the Company

Item No. 4

The Shareholders(s) may note that, the Board of Directors of the Company vide Memorandum of Family arrangement dated 30th June, 2024 and their meeting held on 5th September, 2024, approved sale the whole of its investment in **"Jakharia Industries"** a partnership firm, a related party (wherein the company is represented as a partner) by way of retirement w.e.f. 30th June, 2024 for a consideration represented by capital balance outstanding as on that date of retirement in the books of the firm.

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013 (The Act), any sale, lease or otherwise disposal of the whole or substantially all of the undertaking of the Company required the approval of the members of the Company accorded by way of the special resolution. An undertaking for the purpose of Section 180(1)(a) of the Act means an undertaking in which the investment of the Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Since the investment amount in the partnership firm exceeds the threshold specified herein, the sale of investment by way of retirement from the firm requires approval of the members by a special resolution under section 180 (1)(a) of the act.

The Board is of the opinion that the aforesaid special resolution is in the best interest of the Company and is required to be passed to give effect to family arrangement also, and hence, recommends the special resolution for approval of the members of the Company.

The Parties in the partnership firm are family members and common director in the compnay, therefore the transaction is a related transaction.

Except Mr. Manekchand Panachand Shah, Mr. Dixit Manekchand Shah, Mr. Nitin Keshavji Shah, Mr. Himatlal Panachand Shah, Mr. Jignesh Himatlal Shah and Mrs. Sejal Nitin Shah all being the Directors, family members and related parties, none of Directors, Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, in any way, in the proposed resolutions except to the extent of their shareholding, if any, in the Company

Item No. 5

Section 188(1)(b) of the Act read with Rule 15(3)(a(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014 require that any transaction entered into between related parties for selling or otherwise disposing of, or buying property of any kind, where the amount involved is equal to or exceeds 10% of the net worth of the Company, is to be approved by the members of the Company by way of passing an ordinary resolution.

The Proposed Transaction would be in the nature of a related party transaction under Section 188(1)(b) of the Act read with the rules framed thereunder. Since the Proposed Transaction meets the thresholds prescribed under Section 188(1) (b) of the Act, it requires approval of members by way of an ordinary resolution.

'The third proviso to Section 188(1) of the Act states that the aforementioned provision shall not apply to any transaction entered into by a company in its ordinary business, on an arm's length basis. The Proposed Transaction could be construed as being outside the ordinary course of business, and therefore, approval of the members of the Company under Section 188 of the Act is being sought by way of an ordinary resolution.

The disclosures under, Rule 15 (3)(ii) of the Companies (Meetings of the Board and its Powers) Rules 2014, as amended thereon:

Particulars	Information
Name of the related party	Jakharia Processors LLP
Name of the Director or KMP, who is related	Mr. Manekchand Panachand Shah, Mr. Dixit Manekchand Shah, Mr. Nitin Keshavji Shah, Mr. Himatlal Panachand Shah, Mr. Jignesh Himatlal Shah and Mrs. Sejal Nitin Shah
Nature of Relationship	Directors and family members
Nature, Material terms, monetary value and particulars of contract or arrangement	The Sale of business Unit No. 1 (Bhiwandi) to the purchaser, as a going concern on slump-sale basis for an aggregate lumpsum consideration of Rs. 2,31,50,000 (Rupees Two Crore Thirty One Lakh and Fifty Thousand), subject to the adjustments specified in the BTA on the terms and conditions specified in the BTA and other agreements, deeds, undertaking and documents executed or to be executed by the Company and the Purchaser.
Any other information relevant or important for the members to take a decision on the proposed resolution	All important or relevant information have been provided in the foregoing paragraphs of this explanatory statement.

Except Mr. Manekchand Panachand Shah, Mr. Dixit Manekchand Shah, Mr. Nitin Keshavji Shah, Mr. Himatlal Panachand Shah, Mr. Jignesh Himatlal Shah and Mrs. Sejal Nitin Shah all being the Directors, family members and related parties, none of Directors, Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, in any way, in the proposed resolutions except to the extent of their shareholding, if any, in the Company

The Board is of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board recommends passing of the aforementioned ordinary resolution for approval by the members of the Company.

Item No. 6

Section 188(1)(b) of the Act read with Rule 15(3)(a(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014 require that any transaction entered into between related parties for selling or otherwise disposing of, or buying property of any kind, where the amount involved is equal to or exceeds 10% of the net worth of the Company, is to be approved by the members of the Company by way of passing an ordinary resolution.

The Proposed Transaction would be in the nature of a related party transaction under Section 188(1)(b) of the Act read with the rules framed thereunder. Since the Proposed Transaction meets the thresholds prescribed under Section 188(1) (b) of the Act, it requires approval of members by way of an ordinary resolution.

'The third proviso to Section 188(1) of the Act states that the aforementioned provision shall not apply to any transaction entered into by a company in its ordinary business, on an arm's length basis. The Proposed Transaction could be construed as being outside the ordinary course of business, and therefore, approval of the members of the Company under Section 188 of the Act is being sought by way of an ordinary resolution.

The disclosures under, Rule 15 (3)(ii) of the Companies (Meetings of the Board and its Powers) Rules 2014, as amended thereon:

Particulars	Information
Name of the related party	Jakharia Industries
Name of the Director or KMP, who is related	Mr. Manekchand Panachand Shah, Mr. Dixit Manekchand Shah, Mr. Nitin Keshavji Shah, Mr. Himatlal Panachand Shah, Mr. Jignesh Himatlal Shah and Mrs. Sejal Nitin Shah
Nature of Relationship	Directors and family members
Nature, Material terms, monetary value and particulars of contract or arrangement	sale of whole of its investment in **"Jakharia Industries"** a partnership firm, a related party (wherein the company is represented as a partner) by way of retirement w.e.f. 30th June, 2024 for a consideration represented by capital balance outstanding as on that date of retirement in the books of the firm."
Any other information relevant or important for the members to take a decision on the proposed resolution	All important or relevant information have been provided in the foregoing paragraphs of this explanatory statement.

Except Mr. Manekchand Panachand Shah, Mr. Dixit Manekchand Shah, Mr. Nitin Keshavji Shah, Mr. Himatlal Panachand Shah, Mr. Jignesh Himatlal Shah and Mrs. Sejal Nitin Shah all being the Directors, family members and related parties, none of Directors, Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, in any way, in the proposed resolutions except to the extent of their shareholding, if any, in the Company

The Board is of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board recommends passing of the aforementioned ordinary resolution for approval by the members of the Company.

By order of the Board
For Jakharia Fabric Limited
Sd/-
Bhavin Waghela
Company Secretary
Date: 05.09.2024

Registered Office:
Jakharia Fabric Limited
Plot no. A-13, MIDC Tarapur, Boisar,
Palghar – 401506, Maharashtra
Email: info@jakhariafabric.com

'Annexure A to Notice of AGM'

Details of director seeking re-appointment & appointment pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name	**: Mr. Nitin Keshavji Shah:**
DIN	: 01869318
Age	: 48 Years
Qualification	: B. Com. from Mumbai University and Diploma in Textile Weaving Technology from Samsira Institute
Current Designation	: Managing Director
Occupation	: Business
Nationality	: Indian
Expertise in Specific Area	: He has been the main guiding force behind the growth and business strategy of Company. He is into the Textile Business since the year 1995. He has experience of two decades in the field of Textile Weaving. He holds a good command over the Technicalities and the production Processes.
Terms and conditions of re-appointment	: Director liable to retire by rotation

Other directorship:

CIN	Company Name	Begin Date	Designation
L17200MH2007PLC171939	JAKHARIA FABRIC LIMITED	14/11/2022	Managing Director
U17299MH2022PTC378213	K.K.P FASHIONS PRIVATE LIMITED	09/03/2022	Director