



MAHALAXMI FABRIC MILLS LIMITED

Mahalaxmi Fabric Mills Limited (“MFML” or “Company” or “First Resulting Company”) was incorporated in India (Ahmedabad, Gujarat) as a Private Company under the Companies Act, 1956, with the name and style of “Sonnet Colours Pvt Ltd” pursuant to a Certificate of Incorporation dated April 04, 1991, issued by the Registrar of Companies, Ahmedabad. For further details, see “Our History and Certain Other Corporate Matters” on Page No.:- 41.

CIN:- U17100GJ1991PLC015345

Registered and Corporate Office:- “Mahalaxmi House”, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat.

Tel. No.:- 079 4000 8000 **E-mail:-** mfm@mahalaxmigroup.com; **Website:-** www.mahalaxmigroup.net/MFML

Contact Person:- Shri Jeetmal Bhoorchand Parekh, Director (DIN:- 00512415)

INFORMATION MEMORANDUM FOR LISTING OF 1,06,20,275 NUMBER OF EQUITY SHARES OF A FACE VALUE OF RS. 10/- EACH PURSUANT TO THE SCHEME OF ARRANGEMENTS INVOLVING DEMERGER

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM


PROMOTERS	
1. Shri Jeetmal Bhoorchand Parekh 2. Shri Rahul Jeetmal Parekh 3. Shri Anand Jeetmal Parekh 4. Smt. Kamladevi Jeetmal Parekh 5. Smt. Ratna Rahul Parekh 6. Shri Rohan Anand Parekh 7. Shri Yashovardhan Rahul Parekh 8. Shri Atul Jain 9. Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta) 10. Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta) 11. Jeetmal Rahulkumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)	
PROMOTER GROUP	
1. Rahul Calchem Pvt Ltd 2. Mahalaxmi Calchem Private Limited 3. Anand Chem Industries Pvt Ltd 4. Heena Agriculture Private Limited 5. Ashita Mercantile Private Limited	
GENERAL RISK	
Investments in the Equity and Equity related Securities involve a degree of risk and Investors should not invest any funds in unless they can afford to take the risk of losing their investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme. For taking an investment decision, Investors must rely on their own examination of the Company and the Scheme, including the risk involved. The Equity Shares have not been recommended or approved by the SEBI nor does the SEBI guarantee the accuracy or adequacy of the contents of the Information Memorandum. Specific attention of the Investors is invited to the Section titled “Risk factors” at s No.:- 15.	
COMPANY'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that, this Information Memorandum contains all information with regard to our Company, which is material in the context of listing of the Equity Shares pursuant to the Scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held, and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. This Information Memorandum is filed pursuant to the Scheme and is not an offer to the Public at large.	
LISTING	
The Equity Shares of our Company are proposed to be listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). For the purposes of this listing, the Designated Stock Exchange is the NSE. Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company’s website (www.mahalaxmigroup.net/MFML). The Information Memorandum will also be made available on the website of the BSE and NSE i.e. www.bseindia.com and www.nseindia.com .	
WILFUL DEFAULTER	
The name of the Company and / or any of its Directors do not appear in any list of wilful defaulters.	
REGISTRAR TO THE COMPANY	
	Link Intime India Private Limited Registered Office:- C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083, Maharashtra. Ahmedabad Office:- 5 th Floor, 506 to 508 Amamath Business Centre - I (ABC - I), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navarangpura, Ahmedabad – 380 009, Gujarat. Tel. No.:- 079 - 26465179; Fax:- 079 - 26465179 Contact Person:- Shri Nilesh Dalwadi, Client Relations Email:- nilesh.dalwadi@linkintime.co.in ; Investor Grievance Email:- mt.helpdesk@linkintime.co.in ; Website:- www.linkintime.co.in ; SEBI Registration No.:- INR000004058

TABLE OF CONTENTS

SECTION I – GENERAL	3
DEFINITIONS AND ABBREVIATIONS.....	3
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA.....	9
FORWARD LOOKING STATEMENTS.....	10
SECTION II – INFORMATION MEMORANDUM SUMMARY	11
SECTION III – RISK FACTORS	15
SECTION IV – INTRODUCTION	22
GENERAL INFORMATION	22
CAPITAL STRUCTURE	24
OBJECTS AND RATIONALE OF THE SCHEME	30
STATEMENT OF POSSIBLE TAX BENEFITS.....	31
SECTION V – ABOUT THE COMPANY	35
INDUSTRY OVERVIEW	35
OUR BUSINESS.....	37
KEY INDUSTRY REGULATIONS AND POLICIES.....	38
OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS	41
OUR MANAGEMENT	43
OUR PROMOTER AND PROMOTER GROUP	51
OUR GROUP COMPANIES	55
SECTION VI – FINANCIAL STATEMENTS	57
FINANCIAL STATEMENTS	57
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	193
SECTION VII – LEGAL AND OTHER INFORMATION	196
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	196
GOVERNMENT AND OTHER STATUTORY APPROVALS	203
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	204
SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	207
SECTION IX – OTHER INFORMATION	226
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	226
DECLARATION.....	227

SECTION – I:- GENERAL

DEFINITIONS AND ABBREVIATIONS:-

This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings provided below. References to any Legislation, Act, Regulation, Rules, Guidelines or Policies, Circular, Notification or clarification shall be to such Legislation, Act, Regulation, Rules, Guidelines or Policies, Circular, Notification or clarification as amended, supplemented or re-enacted from time to time.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Our Business”, “Risk factors”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Objects and Rationale of the Scheme”, shall have the meaning ascribed to such terms in those respective Sections.

Company & Scheme related Terms

Term	Description
AoA / Articles of Association / Articles	The Articles of Association of our Company.
Appointed Date	Opening of business hours on the 1st day of April, 2022.
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being Bhanwar Jain & Co. bearing Firm Registration No.:- 117340W and having its Office at 302 Kaling Complex, Near Mount Carmel School, Ashram Road, Ahmedabad – 380 009, Gujarat.
Demerged Company	Mahalaxmi Rubtech Limited, a Public Limited Company incorporated under the Companies Act, 1956 bearing Corporate Identification Number L25190GJ1991PLC016327 and having its Registered Office at “Mahalaxmi House”, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat.
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
First Resulting Company / our Company / the Company / we / us	Mahalaxmi Fabric Mills Limited, incorporated on April 04, 1991 as a Private Limited Company under the provisions of the Companies Act, 1956 with the name and style of “Sonnet Colours Pvt Ltd” pursuant to a Certificate of Incorporation dated April 04, 1991, issued by the Registrar of Companies, Ahmedabad bearing CIN: U17100GJ1991PTC015345 and having its Registered Office at “Mahalaxmi House”, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat.
Company Secretary	Mr. Naresh Vasudevnbhai Kanzariya (ICSI Registration No.:- A60683)
First Demerged Undertaking	means Traditional Textiles Processing Division located at Narol, Ahmedabad and Wind Power Division of the Demerged Company, on a going concern basis, comprising, inter alia, the assets and liabilities relating thereto along with existing investment of the Demerged Company in its Wholly Owned Subsidiary Company namely Mahalaxmi Exports Private Limited (CIN:- U17299GJ2019PTC110673); and which shall also mean and include as on Effective Date (without limitation):- (a) all assets wherever situated, whether movable or immovable, tangible or intangible, including all buildings, offices, investments, interest, Capital work-in-progress, furniture, fixtures, office equipment, appliances, accessories, etc. pertaining to Traditional Textiles Processing Division of the Demerged Company; (b) all investments in Shares of different Companies including in particular the investment in Shares of its Wholly Owned Subsidiary Company namely Mahalaxmi Exports Private Limited (CIN:- U17299GJ2019PTC110673); (c) all permits, rights (including rights under any contracts, government contracts, memorandum of understanding, etc.), entitlements, licenses, permissions, approvals, consents, tenancies in relation to the office and/or residential properties for the employees, offices and depots, patents, copyrights, all other intellectual property rights, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by Traditional Textiles Processing Division of the Demerged Company including its Wind Power Division, either solely or jointly with other parties, cash balances, benefit of any deposits, financial assets, benefits of any bank guarantees issued in relation to Traditional Textiles Processing Division of the Demerged Company, deferred tax benefits, privileges, all other claims, rights and benefits, licenses, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to Traditional Textiles Processing Division of the Demerged

	<p>Company including its Wind Power Division;</p> <p>(d) all earnest moneys, advances and/or security deposits paid by the Demerged Company in connection with or relating to Traditional Textiles Processing Division of the Demerged Company including its Wind Power Division;</p> <p>(e) all necessary records, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Traditional Textiles Processing Division of the Demerged Company including its Wind Power Division;</p> <p>(f) employees of the Demerged Company engaged in work related to Traditional Textiles Processing Division of the Demerged Company including its Wind Power Division; and</p> <p>(g) all liabilities (including contingent liabilities, the Transferred Liabilities (as defined hereafter) and the inter-divisional liability which would become an inter-corporate liability related to Traditional Textiles Processing Division of the Demerged Company including its Wind Power Division.</p>
Director(s)	Any or all the Directors on our Board, as may be appointed from time to time.
Division	Traditional Textiles Processing Division of the Company
Information Memorandum	This Information Memorandum dated July 05, 2024 filed with the Stock Exchanges issued in accordance with the applicable Laws as prescribed by SEBI.
Effective Date	April 01, 2024
Eligible Shareholders	Eligible holder(s) of the Equity Shares of the Demerged Company as on the Record Date i.e. April 19, 2024.
Equity Shares	Unless otherwise specified, fully paid-up Equity Shares of our Company of Face Value of Rs. 10/.
Executive Director(s)	A Executive Director of our Company, unless otherwise specified.
Financial Statements	Audited Standalone Financial Statements of our Company for the Financial Year ended on 31 st March, 2024, 31 st March, 2023, 31 st March, 2022.
Group Companies	The Companies (other than our Promoters) with which our Company had Related Party Transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards, and such other Companies as considered material by the Board of Directors. For further details on our Group Companies, see "Group Companies" on Page 55.
Independent Director	A Non-Executive, Independent Director of our Company as per the Companies Act, 2013 and the SEBI LODR Regulations.
Traditional Textiles Business	means Traditional Textiles Processing Division of the Company.
Key Managerial Personnel / KMP	Key Managerial Personnel of our Company as identified in the Section titled "Our Management" beginning on Page 43 of this Information Memorandum.
Materiality Policy	Materiality Policy adopted by the Board of Directors at its Meeting dated April 01, 2024, in accordance with the SEBI ICDR Regulations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
NCLT	National Company Law Tribunal, Ahmedabad.
Non-Executive Director(s)	A Non-Executive Director of our Company, unless otherwise specified.
Promoter Group	Persons and entities constituting our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see Section titled "Our Promoter and Promoter Group" on Page 51 of this Information Memorandum.
Promoters / Our Promoters	<p>The Promoters of our Company, being:-</p> <ol style="list-style-type: none"> 1. Shri Jeetmal Bhoorchand Parekh 2. Shri Rahul Jeetmal Parekh 3. Shri Anand Jeetmal Parekh 4. Smt. Kamladevi Jeetmal Parekh 5. Smt. Ratna Rahul Parekh 6. Shri Rohan Anand Parekh 7. Shri Yashovardhan Rahul Parekh 8. Shri Atul Jain 9. Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta) 10. Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta) 11. Jeetmal Rahul Kumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)
Promoter Group	<ol style="list-style-type: none"> 1. Rahul Calchem Pvt Ltd 2. Mahalaxmi Calchem Private Limited 3. Anand Chem Industries Pvt Ltd 4. Heena Agriculture Private Limited

	5. Ashita Mercantile Private Limited
Record Date	April 19, 2024
Registered Office	“Mahalaxmi House”, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat.
RoC / Registrar of Companies	The Registrar of Companies, Gujarat at Ahmedabad.
Scheme	Under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Scheme of Arrangements involving Demerger between Mahalaxmi Rubtech Limited (MRT) (CIN:- L25190GJ1991PLC016327) ("Demerged Company"); Mahalaxmi Fabric Mills Private Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MF MPL) (CIN:- UI7100GJ1991PTC015345) ("First Resulting Company"); and Globale Tessile Private Limited (GTPL) (CIN:- UI7299GJ2017PTC098506) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme "), sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, by an Order dated 04 th March, 2024. A copy of the Scheme is available at the website of the Company at www.mahalaxmigroup.net/MFML .
Share Entitlement Ratio	In consideration of the transfer of the First Demerged Undertaking of the Demerged Company by the Demerged Company to the First Resulting Company in terms of this Scheme, Mahalaxmi Fabric Mills Limited shall issue and allot 1,06,20,275 new Equity Shares of Rs. 10/- each to the Shareholders of the Demerged Company whose names appear in the Register of Members of the Demerged Company on the Record Date i.e. April 19, 2024, in the ratio of 1 (One) new Equity Share, fully paid, of Mahalaxmi Fabric Mills Limited for every 1 (One) Equity Shares held by them in the Demerged Company on the Record Date.

Conventional and General Terms / Industry related terms / Abbreviations

Term	Description
₹ / Rs. / Rupee(s) / INR / Re	Indian Rupees, the official currency of the Republic of India
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Capital or Share Capital	Share Capital of our Company
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act, 1956	Erstwhile Companies Act, 1956
Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
CSR	Corporate Social Responsibility
Demat	Dematerialized
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited)
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated Stock Exchange / DSE	NSE Limited
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EPCG	Export Promotion Capital Goods
EPS	Earnings Per Share
F.Y. / Financial Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under.
FEMA Rules	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019

FIs	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
FPIs	Foreign Portfolio Investor registered with the SEBI under applicable laws in India
Fugitive economic offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GOI Government	Government of India
GPCB	Gujarat Pollution Control Board
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended from time to time.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
IFRS	International Financial Reporting Standards
IND AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
ISIN	International Securities Identification Number allotted by the depository
ISO	International Organization for Standardization
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
ID Act	The Industrial Disputes Act, 1947
IFSC	Indian Financial System Code
IGST	Integrated GST
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges post applicability of the SEBI Listing Regulations
MCA	The Ministry of Corporate Affairs, GoI
MD	Managing Director
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended from time to time
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
p.m.	per month
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax

PBT	Profit Before Tax
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
ROE	Return on Equity
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Circular	SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and amendment thereof.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendment thereof.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendment thereof.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof.
SGST	State GST
Sec	Section
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	BSE Limited and National Stock Exchange of India Limited
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
u/s	Under Section
UIN	Unique Identification Number
USA	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
Wilful defaulter	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on wilful defaulter issued by the RBI
YoY	Year over year

Technical and Industry related Terms/ Abbreviations

Terms	Description
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
ASSOCHAM	Associated Chambers of Commerce and Industry of India
Bonus Act	The Payment of Bonus Act, 1965
CAGR	Compounded Annual Growth Rate
Capital Employed	Net worth plus long term debt plus short term debt plus current maturity of longterm debt less cash
CENVAT	Central Value Added Tax
CII	Confederation of Indian Industry
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
CPI	Consumer Price Index
CPCB	Central Pollution Control Board
CSIR	Council of Scientific & Industrial Research
CSR	Corporate Social Responsibility
CWIP	Capital Work In Progress
Debt / Equity	Total debt divided by total equity
DIPP	Department of Industrial Policy & Promotion
EMS	Environmental Management System
EPCG	Export Promotion Capital Goods

ESI Act	The Employees State Insurance Act, 1948
EU	European Union
Factories Act	The Factories Act, 1948, as amended
FICCI	Federation of Indian Chambers of Commerce & Industry
GDP	Gross Domestic Product
GVA	Gross value added
GIDC	Gujarat Industrial Development Corporation
IBEF	India Brand Equity Foundation
IMF	International Monetary Fund
IIP	Index of Industrial Production
ISO	International Organization for Standardization
Kg/cm ²	Kilogram per Square Centimetre
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LFS	Large Format Stores
MNCs	Multinational Companies
MSME	Micro, Small and Medium Enterprises
mtpa	Metric Tonne per Annum
MW	Megawatt
OECD	Organization of Economic Cooperation and Development
OH&S	Occupational Health and Safety
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System
R&D	Research and Development Center
WPI	Wholesale Price Index
WEO	World Economic Outlook
WHO	World Health Organization
USD	United States Dollar

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA:-

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

Unless stated otherwise, all references to Page numbers in this Information Memorandum are to the Page numbers of this Information Memorandum.

Financial data

Unless stated otherwise, the financial data in this Information Memorandum is derived from our Financial Statements. Our Company publishes its Financial Statements in Indian Rupees. Our Financial Statements, including the report issued by the Statutory Auditor, included in this Information Memorandum, have been prepared in accordance with Ind AS.

Our fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the 12 (twelve) month period ended March 31 of that year.

Financial information in respect of the First Demerged Undertaking forms part of the audited Financial Statements prepared by MFML and is reported separately. The reported Financial Statements of MFML are available on the website of the MFML i.e. www.mahalaxmigroup.net/MFML. The reference to the audited financial information of MFML is being provided solely for information purposes and such information does not form part of the Information Memorandum.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points, to conform to their respective sources.

Currency of presentation

All references to “Rupees” or “₹” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. In this Information Memorandum, our Company has presented certain numerical information “lakh”, “million” and “crores” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000 and one billion represents 1,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

Industry and Market data

Unless stated otherwise, industry and market data and various forecasts used throughout this Information Memorandum have been obtained from publicly available information, industry sources and Government publications.

Industry sources as well as Government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified by our Company and our affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the chapter titled “Risk factors” on Page 15 of this Information Memorandum. Accordingly, investment decisions should not be based solely on such information.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Further, the extent to which the industry and market data presented in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Time

All references to time in Information Memorandum are to Indian Standard Time.

FORWARD LOOKING STATEMENTS:-

This Information Memorandum contains certain “forward-looking statements”. All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “can”, “continue”, “could”, “expect”, “estimate”, “intend”, “is likely”, “may”, “objective”, “plan”, “potential” “project”, “pursue” “shall”, “should”, “will”, “would”, “will continue”, “will pursue”, “will likely result”, or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and prospects are forward looking statements. All forward looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:

- Uncertainty in the integration of First Demerged Undertaking into our Company;
- Our ability to successfully implement our strategy and / or growth plans;
- Failure to sustain our growth or expand our customer base;
- The loss of one or more members of our Senior Management team or an inability to attract and / or retain qualified personnel;
- Other factors beyond our control.

For a further discussion of factors that could cause our actual results to differ, refer to chapter titled “Risk factors” on Page 15 of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal Policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, Equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic Laws, Regulations and taxes, changes in competition in its industry and incidents of any natural calamities. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

These statements are based on the Management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Future looking statements speak only as of the date of this Information Memorandum. Neither we nor our Promoters, Directors, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION – II:- INFORMATION MEMORANDUM SUMMARY

This Section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective Investors. For additional information and further details with respect to any of the information summarized below, please refer to the relevant Sections of this Information Memorandum. Unless otherwise stated, the financial information in this Section is derived from the Financial Statements.

Overview of Industry

Global trade, supply chain digitalisation, and the growth of e-commerce are among the key forces determining the market's growth. However, it is important to note that recent shifts in the market dynamics have affected certain countries, particularly China. As the world's leading textile exporter, China has experienced a decline in trade due to heightened concerns about cotton sourcing, with customers becoming more cautious. This shift in sentiment has prompted a reduced reliance on China, following the US embargo on Xinjiang cotton. Consequently, it has created a favourable environment for other nations such as India, Bangladesh, and Vietnam to capitalise on the situation by ramping up their production and expanding exports in the textiles and apparels Sector.

As per the International Textile Manufacturers Federation (ITMF), the Textile Sector has seen weakening demand since June 2022 due to persistent global inflation and lingering possibilities of a recession. Inflation has affected consumers and manufacturers alike with manufacturers and suppliers having to pay much more along all stages of their supply chains, from the cost of freight to wage increases for their workers. This has put textile manufacturers in a difficult situation.

For further details, please see Section titled "Industry Overview" on Page 35 of this Information Memorandum.

Overview of Business

MFML was incorporated, as a Private Company, on April 04, 1991, under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, with the name and style of "Sonnet Colours Pvt Ltd".

Pursuant to the Scheme and the transfer of the First Demerged Undertaking of MRT into the Company, the Company is to carry on, either on its own account or on account of others, the business of manufacturing, trading, job-work, producing, processing, exporting, importing, dealing, weaving, sizing, spinning, ginning, pressing, packing, baling and preparation, bleaching, dyeing, colouring, finishing, mercerizing, calendaring, printing, packing, folding, and all kinds of processing of all types of fabrics and other textile and textile goods related to bed and table covers, bed sheets, pillow covers, curtains, textile and textile covers for household users and made up articles and apparels.

For further details, please see Section titled "Our Business" on Page 37 of this Information Memorandum.

Promoters of the Company

The Promoters of our Company are:-

1. Shri Jeetmal Bhoorchand Parekh
2. Shri Rahul Jeetmal Parekh
3. Shri Anand Jeetmal Parekh
4. Smt. Kamladevi Jeetmal Parekh
5. Smt. Ratna Rahul Parekh
6. Shri Rohan Anand Parekh
7. Shri Yashovardhan Rahul Parekh
8. Shri Atul Jain
9. Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)
10. Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta)
11. Jeetmal Rahul Kumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)

The Promoter Group of our Company are:-

1. Rahul Calchem Pvt Ltd
2. Mahalaxmi Calchem Private Limited
3. Anand Chem Industries Pvt Ltd
4. Heena Agriculture Private Limited
5. Ashita Mercantile Private Limited

Shareholding of Promoter and Promoter Group

The shareholding of our Promoters and the members of our Promoter Group as on the date of Information Memorandum, are detailed below:-

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of paid up capital
---------	-------------------------	----------------------	----------------------

Promoters			
1.	Shri Jeetmal Bhoorchand Parekh	1289513	12.14
2.	Shri Rahul Jeetmal Parekh	1837710	17.30
3.	Shri Anand Jeetmal Parekh	1705676	16.06
4.	Smt. Kamladevi Jeetmal Parekh	545000	5.13
5.	Smt. Ratna Rahul Parekh	256535	2.42
6.	Shri Rohan Anand Parekh	416260	3.92
7.	Shri Yashovardhan Rahul Parekh	61596	0.58
8.	Shri Atul Jain	2000	0.02
9.	Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)	129934	1.22
10.	Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta)	10250	0.10
11.	Jeetmal Rahulkumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)	67026	0.63
Sub-Total (A)		6321500	59.52
Promoter Group			
1.	Rahul Calchem Pvt Ltd	206094	1.94
2.	Mahalaxmi Calchem Private Limited	168196	1.58
3.	Anand Chem Industries Pvt Ltd	94195	0.89
4.	Heena Agriculture Private Limited	68344	0.64
5.	Ashita Mercantile Private Limited	23862	0.22
Sub-Total (B)		560691	5.28
Total (A+B)		6882191	64.80

Summary of Financial Information

(Rupees in Lakhs, unless otherwise stated)

Particulars	Restated Audited F.Y. 31 st March, 2024		Audited F.Y. 2022-23	Audited F.Y. 2021-22
	Standalone	Consolidated *		
Share Capital	1062.03	1062.03	5.00	5.00
Net Worth	8278.16	8967.63	73.99	16.80
Total Revenue	9025.02	17036.76	73.83	7.84
Profit after Tax	(191.83)	142.27	56.00	6.40
Earnings per Share	(1.81)	1.34	1120.08	127.97
Net Asset Value per Equity Share	77.95	84.44	-	-
Total Borrowings (As per Balance Sheet)	1859.00	3581.04	0.30	0.20

* Upon effectiveness of the Scheme i.e. April 01, 2024, Mahalaxmi Exports Private Limited has become the Wholly Owned Subsidiary Company of Mahalaxmi Fabric Mills Limited.

For further details, please see chapter titled “Financial Statements” on Page 57 of this Information Memorandum.

Auditors Qualifications

There are no qualifications by our Statutory Auditors in the Financial Statements.

Summary of outstanding Litigations

The summary of outstanding or pending litigations involving our Company, Directors, Promoters and Group, as applicable, on the date of this Information Memorandum is set out below:-

(Rupees in Lakhs, unless otherwise stated)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against Promoters	Material Civil Litigations	Aggregate amount involved +
Company						
By MFML	Nil	Nil	Nil	Nil	Nil	Nil
Against MFML	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against Directors	1 *	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil

Against Promoters	1 *	Nil	Nil	Nil	Nil	Nil
Group						
By Group	Nil	2 **	Nil	Nil	4 ****	126.71
Against Group	Nil	8 ***	22 *****	Nil	2 *****	128.72

+ Amount are provided to the extent quantifiable and do not include any interest/penalty that may be required to be paid thereon.

* The case is pertaining to Shri Rahul Jeetmal Parekh, Promoter Director of MFML. Hence, disclosed twice under both Director and Promoter.

** Out of these 2 cases, one case is pertaining to Mahalaxmi Rubtech Limited, the Demerged Company and another case is pertaining to Mahalaxmi Exports in which Directors of MFML are Partners.

*** Out of these 8 cases, 3 cases are pertaining to Mahalaxmi Rubtech Limited, the Demerged Company and 5 cases are pertaining to Mahalaxmi Exports in which Directors of MFML are Partners.

**** Out of these 4 cases, 3 cases are pertaining to Mahalaxmi Rubtech Limited, the Demerged Company and 1 cases are pertaining to Mahalaxmi Exports in which Directors of MFML are Partners.

***** Both the cases are pertaining to Mahalaxmi Rubtech Limited, the Demerged Company.

***** All the cases are pertaining to Mahalaxmi Fabric Mills Limited, the First Demerged Company.

For further details, please see Section titled "Outstanding Litigation and Material Developments" on Page 196 of this Information Memorandum.

Risk factors

Please see the chapter on "Risk factors" on Page 15 of this Information Memorandum.

Summary of Contingent Liabilities

The summary of the Contingent Liabilities during the last three Financial Years are disclosed as under:-

(Rupees in Lakhs, unless otherwise stated)

Sr. No.	Particulars	Restated Audited F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
1.	Employees' cases pending before labour courts In other cases of Employees' pending before labour courts, the liability is indeterminate The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.	19.49	31.55	-

Summary of Related Party Transactions

The details of the Related Party Transactions during the last three Financial Years are disclosed as under:-

(Rupees in Lakhs, unless otherwise stated)

Sr. No.	Particulars	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
1.	Rent paid Mahalaxmi Exports Rahul Textile	- 1.08	0.12 -	0.12
2.	Rent Received Globale Tessile Limited Mahalaxmi Exports Private Limited Mahalaxmi Exports	3.60 1.20 0.60	- - -	- - -
3.	Purchase Globale Tessile Private Limited Mahalaxmi Exports Private Limited Mahalaxmi Calchem Private Limited Anand Chem Industries Pvt Ltd Mahalaxmi Exports	4.06 10.61 24.87 256.88 38.39	- - - - -	- - - - -
4.	Job Charges Paid Mahalaxmi Exports Private Limited	24.30	-	-
5.	Sales Mahalaxmi Exports Private Limited Mahalaxmi Exports	1.67 38.66	- -	- -
6.	Job Charges Received Mahalaxmi Exports Private Limited Mahalaxmi Exports Globale Tessile Limited	1857.56 460.49 1450.89	- - -	- - -
7.	Loan Taken Mahalaxmi Rubtech Limited Rahul J. Parekh	175.42 0.20	- -	- -

	Jeetmal B. Parekh	12.75	-	-
8.	Loan Repaid Mahalaxmi Rubtech Limited	175.42	-	-
9.	Advance Given Mahalaxmi Rubtech Limited	0.08	-	-
10.	Advance Recovered Mahalaxmi Rubtech Limited	118.08	-	-

Please refer to the note on Related Party Transactions in the Section titled “Financial Statements” beginning from Page 57 to Page 192 of this Information Memorandum.

Financing arrangements for purchase of Securities

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, Directors of the Company which is a Promoter of our Company or our Directors and their relatives have financed the purchase by any other person of Securities of our Company, other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Information Memorandum.

Weighted Average Price at which the Equity Shares were acquired by the Promoters in the one year preceding the date of this Information Memorandum

Other than the Equity Shares issued to the Eligible Shareholders of the Demerged Company pursuant to and in consideration for the Scheme, no Equity Shares have been acquired by the Promoters in the one year preceding the date of this Information Memorandum.

Average Cost of acquisition of Shares

The average cost of acquisition per Equity Share for the Promoters is not applicable as the Equity Shares were allotted pursuant to the Scheme.

Issue of Equity Shares for consideration other than cash in the last one year

Other than the Equity Shares allotted by our Company pursuant to and in accordance with the Scheme, our Company has not issued Equity Shares for consideration other than cash, at any point of time and on the date of this Information Memorandum.

Split / Consolidation of Equity Shares in the last one year

Upon the Scheme coming into effect from April 01, 2024, the Company has splitted 15,000 number of Equity Shares of Rs. 100/- each into 1,50,000 number of Equity Shares of Rs. 10/- each, pursuant to and in accordance with Clause No.:- 3 of the Scheme.

Exemption under Securities Laws

The Company has been granted an exemption from the application of Rule 19(2)(b) of the SCRR by the SEBI vide its Letter dated 12th August, 2024.

SECTION – III:- RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective Investors should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of the investment may be lost.

In order to obtain a complete understanding of our Company and our business, prospective Investors should read this Section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on Pages 37 and 193 of this Information Memorandum, respectively, as well as the other financial and statistical information contained in this Information Memorandum. In making an investment decision, prospective Investors must rely on their own examination of us and our business and the terms on which the Equity Shares of the Company have been issued pursuant to the Scheme including the merits and risks involved potential Investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Equity Shares of the Company. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this Section.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. Please see Section titled "Forward Looking Statements" on Page 10 of this Information Memorandum.

Wherever used in this Section the terms "we", "us" "our" shall mean our Company, including the First Demerged Undertaking which is transferred pursuant to the Scheme, unless otherwise stated. While the following Section includes material risks in relation to the business operations of our Company, post the Effective Date, for complete details in relation to Traditional Textiles Processing Division Business, including the historical performance, previous milestones and risk factors, the disclosures in the Section below should be read with the information available on the websites of the Stock Exchanges, and financial statements, investor presentations and corporate disclosures issued by Demerged Company.

Internal Risks Factors

1. We do not currently have long term contracts or exclusive supply arrangements with any of our suppliers.

We do not currently have long term contracts or exclusive supply arrangements with any of our suppliers. It is possible that some of our existing suppliers may choose to discontinue operations, or offer more viable terms or enter into exclusive arrangements with our competitors. A major disruption to the timely and adequate supplies of our raw materials or deterioration in the quality of raw materials could adversely affect our business, results of operations and financial condition.

2. We may face uncertainties in the integration of the Demerged undertaking into our Company in timely manner.

Pursuant to the Scheme, Traditional Textiles Processing Division located at Narol, Ahmedabad and Wind Power Division of Mahalaxmi Rubtech Limited along with existing investment of Mahalaxmi Rubtech Limited in its Wholly Owned Subsidiary Company namely Mahalaxmi Exports Private Limited (CIN:- U17299GJ2019PTC110673) have been transferred to and vested into our Company from the Effective Date and the integration of the same is currently in progress. Further, all the approvals, and contracts of the Traditional Textiles Processing division and Wind Power Division along with existing investment of Mahalaxmi Rubtech Limited in its Wholly Owned Subsidiary Company namely Mahalaxmi Exports Private Limited of Mahalaxmi Rubtech Limited are required to be transferred to and mutated in the name of our Company in the records of Government and other authorities. Inability to effect all such transfers and mutation in a timely manner may impact the ability of our Company to carry on and undertake business operations, in compliance with applicable Laws.

3. If we are not able to procure, renew or maintain, as the case may be, the statutory or regulatory permits or third party approvals required to operate our business or effectively transfer and integrate the First Demerged Undertaking, it may have a material adverse effect on our business.

We require certain statutory and regulatory permits and approvals to operate our business. We are also required to renew certain permits and approvals from time to time. Similarly, the effective transfer and integration of the First Demerged Undertaking may be subject to the receipt of various statutory and regulatory approvals and other third party consents. While we believe that we will be able to procure or renew such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time-frame anticipated by us. Failure to procure, renew or maintain the required permits or approvals may result in the interruption of our operations or delay or prevent our vertical integration, and may have a material adverse effect on our business, financial condition and results of operations. Further, change in law or any change in the interpretation of an existing law since the date of filing of the Scheme with the NCLT, if any, may also impact our ability to procure any necessary consents or approval for transfer of the First Demerged Undertaking.

4. We have entered into, and will continue to enter into, Related Party Transactions.

We have entered into certain transactions with Related Parties and may continue to do so in future. These transactions are undertaken at arms-length basis in the ordinary course of business.

For details of Related Party Transactions, please refer to chapter “Financial Statements” on Page 57 of this Information Memorandum.

5. We face competition from both domestic and international competitors.

We operate in a highly competitive environment. Players in this market generally compete with each other on key attributes such as technical competence, quality of products and services, pricing and track record.

Some of our competitors may be able to price their products more attractively or may be able to distribute their products more effectively through establishing better distribution networks, or may have greater access to capital, superior manufacturing techniques, research and development, marketing and other resources. Our inability to remain sufficiently competitive will adversely and materially affect our business and operating results.

6. Our business, results of operations and financial condition may be adversely affected if operations at the facilities of our suppliers are disrupted.

The facilities of our suppliers are subject to various operating risks, including some of which are beyond their control, such as the breakdown and failure of equipment, industrial accidents, employee unrest, severe weather conditions and natural disasters. Further, since a significant majority of the facilities of our raw materials suppliers are located in a particular region in India, any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations at our raw materials suppliers’ facilities. Further, if our suppliers fail to comply with applicable Laws, including environmental Laws, they risk having their facilities shut down, which may adversely affect our operations. The occurrence of any such event may adversely affect our business, results of operations and financial condition. Any inability on our part to arrange for alternate sources for suppliers, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition.

7. Our inability to identify customer demand accurately and maintain an optimal level of inventory in our stores may impact our operations adversely.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in our forecast could result in either surplus stock, which we may not be able to sell in a timely manner, or at all, or under stocking, which could affect our ability to meet customer demand. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our stores.

8. We are required to maintain various licences and permits for our business.

Our business is subject to applicable Government Regulations and Legislations and we require certain statutory and regulatory approvals, licences, registrations and permissions for operating our business. These permits, licences and approvals may also be tied to numerous conditions and terms, obtaining some of which may be time consuming and may incur high cost. We cannot assure you that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits, licences, registrations and approvals. There is no assurance in the future that the permits, licenses, registrations and approvals applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable Laws. Further, applications for approvals, licences, registrations and permissions for operating our business need to be made within certain time frames and are often subject to the discretion of relevant authorities. If we are unable to make applications or renew or obtain necessary permits, licences and approvals on acceptable terms, in a timely manner, at a reasonable cost, or at all or in the event we fail to comply with the terms and conditions therein, it could materially and adversely affect our financial condition and results of operations, including cancellation, revocation or suspension of relevant permits, licenses, registrations and approvals and the imposition of penalties by relevant authorities.

9. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare Dividends on our Equity Shares.

Whether we will pay Dividends in the future and the amount of any such Dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Board and Shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare Dividends on our Equity Shares. Our ability to pay Dividends may also be restricted under certain financing arrangements that we have and may enter into. There can be no assurance that we will, or have the ability to, declare and pay any Dividends on the Equity Shares at any point in the future. Further, we may not be able to fund the growth requirements of our businesses.

10. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely

affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

11. Any future Equity offerings may lead to dilution of your shareholding in our Company.

As an investor in our Equity Shares, you may experience dilution in your shareholding to the extent that we make future Equity offerings. Further, any perception or belief that further issues might occur may adversely affect the trading price of our Equity Shares.

12. We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations and financial condition.

The success of our business will depend greatly on our ability to implement our business strategies effectively. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will continue to execute our strategies on time and within the estimated budget, or that we will meet the expectations of our customers and clients. We expect our strategies to place significant demands on our Management and other resources and require us to continue developing and improving our financial, operation and other internal controls. Our inability to manage our business strategies could have an adverse effect on our business, financial condition and profitability.

13. This Information Memorandum contains details from publicly available information.

We have not independently verified data obtained from industry publications and other external sources referred to in this Information Memorandum and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to India, its economy, the textile industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect.

14. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as fire, riots, third party liability claims, loss-in-transit and natural disasters. Presently, we have taken comprehensive insurance Policies covering our manufacturing units. Our insurance Policies include industrial all risk Policy -covers material damage as well as business interruption, fire & allied perils, burglary and breakdown of machinery, boiler explosion & damage to electronic equipment's etc. There are many events that could cause significant damages to our operations, or expose us to third party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance Policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance Policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

15. Our funding requirements and deployment of funds are based on Management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of funds are based on internal Management estimates based on current market conditions, and have not been appraised by any Bank or Financial Institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which may be beyond our control.

16. Supply interruptions, any shutdowns of the manufacturing facilities of our supplier Companies or other manufacturing or production problems of suppliers caused by unforeseen events faced by them may reduce sales and adversely affect our business, financial condition and results of operations.

Since, our Company is engaged in Traditional Textiles Processing activities, any social or political unrest or natural disaster or breakdown of services and utilities including disruptions of manufacturing or infrastructural facilities faced by our Supplier Companies such as electricity and water supply to such units, which could require us to incur additional costs or disrupt our operations to the extent that we would be required to find alternative sources of supply of such infrastructural facilities. The occurrence of any of these risks could affect our operations by causing production at one or more facilities to shut down or

slow down. No assurance can be given that one or more of the factors mentioned above will not occur, and this could have a material adverse effect on our results of operations and financial condition.

17. An inability to attract, recruit and retain our key personnel could adversely affect our business and results of operations.

The success of our business is largely dependent on our Directors and other key personnel. We are unable to assure you that we shall be able to retain or attract new key personnel in case of such attrition. The loss of the services of our Directors, or other key personnel may have an adverse effect on our business or results of operations.

18. Non-compliance with and changes in environmental Laws and other applicable Regulations, may adversely affect our business, results of operations, financial condition and cash flows.

We are subject to Laws and Government Regulations, including in relation to environmental protection. These Laws and Regulations impose controls on air and water discharge, noise levels, storage handling, natural resource conservation and / or other aspects of our manufacturing operations. Further, our products, including the process of manufacture and distribution of such products, are subject to Regulations to environment pollution prevention and control. Despite ensuring safety measures and adequate training, there could be possibilities of not being able to comply with all the Regulations due to various reasons including technical viability or enough competency of people handling, resulting in violation that could result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, Laws and Regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the Government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

19. Significant disruptions of our information technology systems and/or infrastructure or breaches of our data security could adversely affect our business.

A significant invasion, interruption, destruction or breakdown of our information technology systems and/or infrastructure by persons with authorized or unauthorized access could negatively impact our business and operations. In the ordinary course of our business, we collect and store sensitive data in our data centers and on our networks, including intellectual property, proprietary business information (both ours and that of our customers, suppliers and business partners) and personally identifiable information of our employees. We could also experience business interruption, information theft, legal claims and liability, regulatory penalties and/or reputational damage from cyber-attacks, which may compromise our systems and lead to data leakage either internally or at our third party providers. Our systems may be the target of malware and other cyber-attacks. Although we have not encountered any significant disruptions or breaches that have had a material impact on the Group's financial condition and/or operations and have invested in measures to reduce these risks we cannot guarantee that these measures will be successful in preventing compromise and/or disruption of our information technology systems and/or infrastructure and related data. In addition, we may be subject to claims as a result of any theft or misuse of personal information of customers stored on our systems, all of which could adversely affect our results of operations and financial condition.

20. As part of our growth strategy, we may make significant investments to expand production capacity and service capabilities and acquire and develop new businesses and products, and if we are unable to implement these investments and developments in a timely manner, our business and results of operations could be adversely affected.

Our inability to successfully increase production capacity utilization to meet increasing customer demands could lead to loss of business, which would adversely affect our business, results of operation and financial condition. Further, if we are unable to expand our production capacity or increase utilization as needed, our business financial results will be adversely impacted. In the event of excess production, we might also have to bear the cost of disposing the excess products. Any change in the above factors, or lower generation of sufficient funds from operations, may lead to decisions to delay, modify or forego some aspects of our growth strategies. Our future results of operations may be adversely affected if we are unable to implement our growth strategies.

21. Registered Office is owned by Mahalaxmi Exports (Group Concern).

Our Registered Office is situated at "Mahalaxmi House", YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad, Gujarat, India, 380015. The premises is owned by Mahalaxmi Exports. Mahalaxmi Exports vide its Rent Agreement dated November 01, 2022, has conveyed its no-objection for using the said premises as its Registered Office. However, there can be no assurance we will continue to have the right to use such premises.

22. Our trademark and corporate logo is not registered

Currently, the logo utilised by our Company is not yet registered in the name of our Company. Our Company is planning to application for registration of logo under the Trade Marks Act, 1999. Our ability to market and sell our products depends upon the recognition of our brand name and associated consumer goodwill. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the corporate name and logo of our Company. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our

corporate name or logo. As a result, we may be required to invest significant resources in protecting our intellectual property rights and developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We have experienced certain positive cash flows in relation to our operating activities, investing and financing activities in the last one financial years.

We have had certain positive & negative cash flows in the Restated Audited F.Y. 2024, details of which are below:-

(Rupees in Lakhs, unless otherwise stated)

Particulars	Restated Audited F.Y. 2024
Net cash inflow/ (outflow) from operating activities	457.07
Net cash inflow/ (outflow) from investing activities	(291.36)
Net cash inflow/ (outflow) from financing activities	(58.51)

If we continue to experience negative cash flows from operations in the future, it could adversely affect our business, results of operations and financial condition.

External Risk Factors

1. Weak economic conditions may have an adverse impact on our Company's business, financial condition and results of operations.

The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have a significant adverse effect on the availability of credit and the confidence of the financial markets, including in India. This volatility could result in softening of demand for the products and services of the Company to a lack of consumer confidence and decreased affordability and may adversely affect our Company's business, financial condition, results of operations and prospects. Additionally, economic and market conditions can adversely affect the performance of our Company since both the revenues and costs of our business lines are linked not only to the consumption abilities of the general Public and disposable income available with them, but also, to macro-economic factors like interest rates, currency movements, and inflation.

2. Taxes and other levies imposed by the Government of India or State Governments relating to our Company's business may have a material adverse effect on our business.

Taxes and other levies imposed by the Central or State Governments that could potentially affect the costs of our products and services include, goods and service tax, state value added tax, state entry tax and import duties. Any increase or changes in any of these taxes or levies, including an imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of our Company.

3. Change in the Government of India's economic liberalization, deregulation Policies and Political instability could adversely affect our business and the price of our Equity Shares.

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavorable Government Policies including those relating to the internet and ecommerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive Governments, including coalition Governments, have pursued Policies of economic liberalization, including significantly relaxing restrictions on the private Sector and encouraging the development of the Indian financial Sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic Policies that will be pursued by the Government of India. The rate of economic liberalization could change and specific Laws and Policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our Securities could change as well. Any significant change in India's economic liberalization and deregulation Policies could adversely affect business and economic conditions in India generally and our business.

A change in the Government in the future may result in a significant change in the Government's Policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

4. Changes in Government Policies.

Changes in Government Policy on Allied Healthcare and real estate could adversely affect our business prospects, competitive position, or our costs. Changes in interest rates, changes in tax Laws etc. may have an adverse impact on the profitability of our Company. Due to the competitive nature of the market, the increase in costs as a result of these changes may not be easily passed on to the customers.

5. Communal disturbances, riots, terrorist attacks and other Acts of violence or war involving India or other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect our business, financial condition and results of operations.

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities involving India or other Acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global Equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability. Also, India or other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. Any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian Companies involve a higher degree of risk. This, in turn, could adversely affect client confidence in India, which could have an adverse impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for Securities of Indian Companies, including the Equity Shares.

6. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

7. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any Dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net Dividend to foreign Investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the USD has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

8. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

9. Rapid and volatile changes in market affecting our demand and planning forecasts may have an adverse effect on our business, results of operations and financial condition.

Our business depends on our estimate of the long-term demand for our products from our customers. Rapid and volatile changes in the market can undermine the long term planning of sales production and inventory thereby affecting the results of our operations and financial situation. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast could result in surplus stock, which may not be sold in a timely manner. Our inability to match forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

10. Rights of Shareholders under Indian Laws may differ to those under the Laws of other jurisdictions.

Indian legal principles related to corporate procedures, Directors' fiduciary duties and liabilities, and Shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the Shareholders' rights under the Laws of other countries or jurisdictions.

11. Delay in listing of Equity Shares on Stock Exchanges.

In accordance with the Scheme, the Equity Shares of our Company shall be listed on BSE and NSE. The listing of Equity Shares is subject to relaxation under Rule 19(2) (b) of the SCRR being granted by SEBI.

There could be a failure or delay in listing the Equity Shares on the Stock Exchanges which may result Investors' ability to dispose of their Equity Shares.

12. There is no prior trading history for the Equity Shares.

Since the Equity Shares have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and Investors. At the same time, market conditions may affect the price of our Company's Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

13. There is no guarantee that, once listed, there will be a liquid market for the Equity Shares.

There is no Public market for the Equity Shares prior to the listing and an active Public market for the Equity Shares may not develop or sustain after the allotment of Equity Shares. Listing of the Equity Shares does not guarantee that a trading market for the Equity Shares will develop. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Accordingly, prospective Shareholders should be prepared to hold their Equity Shares for an indefinite period of time.

14. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax Laws, unless specifically exempted, capital gains arising from the sale of Equity Shares of an Indian Company are generally taxable in India. As per Finance Act, long term capital gains exceeding ₹1 Lakh arising from sale of Equity Shares on or after April 1, 2018 is taxable. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Share held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

15. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by the Stock Exchanges, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian Stock Exchanges. The percentage limit on our circuit breakers will be set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding Shareholders ability to sell Equity Shares at any particular time.

16. Foreign Investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign Investors, which may adversely impact the market price of our Equity Shares.

Under foreign exchange Regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing or reporting requirements and does not fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, Shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

SECTION –IV:- INTRODUCTION

GENERAL INFORMATION:-

Registered and Corporate Office of our Company

“Mahalaxmi House”, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat.

Corporate Identity Number

U17100GJ1991PLC015345

Registrar of Companies

ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat.

Board of Directors of Our Company

The following table sets out details regarding our Board as on the date of this Information Memorandum:-

Name	DIN	Designation	Address
Shri Jeetmal Bhoorchand Parekh	00512415	Chairman and Director	Kamal Jeet - Sujan Bungalow, Hasunagar Co Op Society, B/h Shreyas Foundation, Ambawadi, Ahmedabad – 380 015, Gujarat.
Shri Rahul Jeetmal Parekh	00500328	Non-Executive Director	3, Anand Bungalows, Opp. Ketav Petrol Pump, Opp. Old Sachivalaya, Ambawadi, Ahmedabad – 380 015, Gujarat.
Shri Anand Jeetmal Parekh	00500384	Managing Director	14 - State Bank of India Employees Co Op Hou Soc Limited, B/h C N Vidhyalaya, Ambawadi, Ahmedabad – 380 015, Gujarat.
Smt. Sangita Shingi	06999605	Independent Director	D-32, Goyal Complex, Vastrapur Ahmedabad – 380 054, Gujarat.
Shri Nehal Shah	00020062	Independent Director	304, Shakuntal Apartment Opp. C.N. Vidhyalaya, Ambawadi, Ahmedabad – 380 015, Gujarat.
Smt. Indra Singhvi	07054136	Independent Director	B/901, Sundarvan Epitome, Opp,Star Bazar, Near Jodhpur Cross Road, Satellite Ahmedabad – 380 007, Gujarat.

For further details of our Board of Directors, please refer to the Section titled “Our Management” on Page 43 of this Information Memorandum.

Company Secretary and Compliance Officer

Mr. Naresh Vasudevabhai Kanzariya (ICSI Registration No.:- A60683)
Shreeji Nivash, Nr post office, Halvad, Ranjitgadh, Morbi, Gujarat-363351.
Tel. No.:- 079 4000 8000
Email:- cs@mahalaxmigroup.net

Registrar and Share Transfer Agent

Link Intime India Private Limited
Registered Office:- C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083, Maharashtra.
Ahmedabad Office:- 5th Floor, 506 to 508 Amarnath Business Centre - I (ABC - I), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navarangpura, Ahmedabad – 380 009, Gujarat.
Tel. No.:- 079 - 26465179;
Fax:- 079 - 26465179
Contact Person:- Shri Nilesh Dalwadi, Client Relations
Email:- nilesh.dalwadi@linkintime.co.in;
Investor Grievance Email:- rnt.helpdesk@linkintime.co.in;
Website:- www.linkintime.co.in;
SEBI Registration No.:- INR000004058

URL of SEBI website listing out details of Registrar And Share Transfer Agent:-
<https://www.sebi.gov.in/sebiweb/other/Otheraction.do?doRecognisedFpi=yes&intmId=10>

Auditors to the Company

Bhanwar Jain & Co.
Chartered Accountants

Firm Registration No.:- 117340W

Membership No.: 034943

Peer Review Certificate No:- 012749

Address:- 302 Kaling Complex, Near Mount Carmel School, Ashram Road, Ahmedabad – 380 009, Gujarat.

E-mail Id:- ca.bmjco@gmail.com

Phone No.:- 079 – 26583107

Changes in Auditors during last three Financial Years

There have been no changes in the Auditors since its incorporation.

Authority for Listing

The NCLT, Ahmedabad, by way of its order dated March 04, 2024 sanctioned the Scheme with respect to the transfer of the First Demerged Undertaking of MRT to our Company. The Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted for trading on the Stock Exchanges. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by the Company as permitted by the Stock Exchanges for such issues and such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application for listing by Company. For more details relating to the Scheme, please refer to “Objects and Rationale of the Scheme” on Page 30 of this Information Memorandum.

Our Company has obtained in-principle listing approvals from the NSE on 02nd July, 2024 and from the BSE on 03rd July, 2024, respectively. Our Company shall make applications for final listing and trading approvals from BSE and NSE. The Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of shares.

Eligibility Criteria

There being no initial Public offering or rights issue, the eligibility criteria in terms of the SEBI ICDR Regulations, is not applicable. SEBI has, by way of the SEBI Master Circular, permitted unlisted Issuer Companies to make an application for relaxation from the strict enforcement of Rule 19(2)(b) of SCRR, subject to certain conditions. Accordingly, the Company has made an application seeking relaxation from the applicability of Rule 19(2)(b) of SCRR and SEBI have granted such relaxation vide its Letter dated 12th August, 2024.

The Information Memorandum, once finalised, shall be made publicly available through the respective websites of the Stock Exchanges (i.e. www.bseindia.com and www.nseindia.com) and through our website on www.mahalaxmigroup.net/MFML. Before commencement of trading, our Company will publish an advertisement in the newspapers containing its details in accordance with the SEBI Master Circular with the details required in accordance with Sub-Clause 5 of Paragraph A of Part-II of the SEBI Master Circular.

General Disclaimer by Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement to be published in terms of the SEBI Master Circular or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk. All information shall be made available by our Company to the Public and Investors at large and no selective or additional information would be available for a Section of the Investors in any manner.

CAPITAL STRUCTURE:-

The Share Capital of our Company, prior to the Effective Date is set out below:-

Particulars	Amount (in Rs.)
Authorised Share Capital	
12,000 Equity Shares of Rs. 100/- each	12,00,000
3,000 9% Redeemable Preference Shares of Rs. 100/- each	3,00,000
Total	15,00,000
Issued, Subscribed and Paid-up Share Capital	
5,000 Equity Shares of Rs. 100/- each *	5,00,000
Total	5,00,000
Security Premium Account	Nil

* Paid-up Share Capital has been cancelled upon implementation of the Scheme of Arrangements involving Demerger.

The Share Capital of our Company, post the Effective Date is set out below:-

Particulars	Amount (in Rs.)
Authorised Share Capital	
1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000
Total	11,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,06,20,275 Equity Shares of Rs. 10/- each	10,62,02,750
Total	10,62,02,750
Security Premium Account	76,69,71,197

Notes to the Capital Structure

1. Changes in Authorized Share Capital

There is no any change in the Authorized Capital since the incorporation of our Company except pursuant to and in accordance with Clause No.:- 3 of the Scheme.

2. Share Capital History of Our Company

The history of the Equity Share Capital of our Company since its incorporation is set out below:-

Date of allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue price (Rs.)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative Paid-up Share Capital (In Rs.)
April 04, 1991	30	100	100	Cash	Subscription to MoA	30	3000
May 02, 1991	4970	100	100	Cash	Further Allotment	5000	500000
Upon effectiveness of the Scheme	50000	10	-	-	Split of Equity Shares from Rs. 100 to 10, pursuant to the Scheme	50000	500000
Upon effectiveness of the Scheme	(50000)	10	-	-	Cancellation of entire issued, subscribed and paid-up Share Capital, pursuant to the Scheme	(50000)	500000
April 29, 2024	10620275	10	10	In consideration of transfer and vesting of the First Demerged Undertaking	Allotment pursuant to the Scheme	10620275	106202750

3. Equity Shares issued for consideration other than cash

Other than the Equity Shares allotted by our Company pursuant to and in accordance with the Scheme, our Company has not issued Equity Shares for consideration other than cash, at any point of time and on the date of this Information Memorandum.

4. Equity Shares issued out of revaluation of reserves

Other than the Equity Shares allotted by our Company pursuant to and in accordance with the Scheme, our Company has not issued Equity Shares out of revaluation of reserves, at any point of time and on the date of this Information Memorandum.

5. Shareholding Pattern Pre Scheme and Post Scheme

Sr. No.	Description	Pre Scheme		Post Scheme	
		Number of Shares	%	Number of Shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals / Hindu Undivided Family	3190	63.8	6321500	59.52
(b)	Central Government / State Government(s)				
(c)	Financial Institutions / Banks				
(d)	Any Other (Specify)	1810	36.2	560691	5.28
	Sub Total (A)(1)	5000	100.00	6882191	64.80
2	Foreign				
(a)	Individuals (Non Residents Individuals / Foreign Individuals)				
(b)	Government				
(c)	Institutions				
(d)	Foreign Portfolio Investor				
(e)	Any Other (Specify)				
	Sub Total (A)(2)				
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	5000	100.00	6882191	64.80
(B)	Public Shareholding				
1	Institutions (Domestic)				
(a)	Mutual Funds			7900	0.07
(b)	Venture Capital Funds				
(c)	Alternate Investment Funds				
(d)	Banks				
(e)	Insurance Companies				
(f)	Provident Funds / Pension Funds				
(g)	Asset Reconstruction Companies				
(h)	Sovereign Wealth Funds				
(i)	NBFCs registered with RBI			125	0.00
(j)	Other Financial Institutions				
(k)	Any Other (Specify)				
	Sub Total (B)(1)			8025	0.08
2	Institutions (Foreign)				
(a)	Foreign Direct Investment				
(b)	Foreign Venture Capital Investors				
(c)	Sovereign Wealth Funds				
(d)	Foreign Portfolio Investors Category I			36146	0.34
(e)	Foreign Portfolio Investors Category II				
(f)	Overseas Depositories (Holding DRs) (Balancing figure)				
(g)	Any Other (specify)				
	Sub Total (B)(2)			36146	0.34
3	Central Government / State Government(s)				
(a)	Central Government / President of India				
(b)	State Government / Governor				
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter				
	Sub Total (B)(3)				
4	Non-institutions				
(a)	Associate Companies / Subsidiaries				
(b)	Directors and their relatives (excluding Independent Directors and Nominee Directors)				
(c)	Key Managerial Personnel				
(d)	Relatives of Promoters (other than 'immediate relatives' of Promoters disclosed)				

	under 'Promoter and Promoter Group' category)				
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'				
(f)	Investor Education and Protection Fund (IEPF)			176576	1.66
(g)	Resident Individuals holding Nominal Share Capital up to Rs. 2 Lakhs			1176964	11.08
(h)	Resident Individuals holding Nominal Share Capital in excess of Rs. 2 Lakhs			1085991	10.23
(i)	Non Resident Indians (NRIs)			9267	0.09
(j)	Foreign Nationals				
(k)	Foreign Companies				
(l)	Bodies Corporate			861832	8.12
(m)	Any Other (specify)			383283	3.61
	Sub Total (B)(4)			3693913	34.78
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3) + (B)(4)			3738084	35.20
(C)	Non Promoter – Non Public Shareholding				
(1)	Custodian / DR Holder - Name of DR Holders (If Available)				
(2)	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021				
	Total Non Promoter – Non Public Shareholding (C) = (C)(1) + (C)(2)				
	GRAND TOTAL (A)+(B)+(C)	5000	100.00	10620275	100.00

6. Major Shareholders of the Company two years prior to date of this Information Memorandum

The details of the Shareholders of the Company (i) holding 1% or more of the Paid-up Equity Share Capital of the Company; and (ii) aggregating to 80% of the Equity Share Capital of the Company two years prior to date of this Information Memorandum:-

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of the Paid-up Share Capital
1.	Anand Jeetmal Parekh	450	9
2.	Kamlaben Jeetmal Parekh	450	9
3.	Jeetmal Bhoorchand Parekh	450	9
4.	Heena Agriculture Private Limited	430	8.6
5.	Rahul Jeetmal Parekh	450	9
6.	Ratna Rahulkumar Parekh	450	9
7.	Amita Anandkumar Parekh	460	9.2
8.	Mamta Atulkumar Surana	440	8.8
9.	Mahalaxmi Calchem Private Limited	440	8.8
10.	Anand Chem Industries Pvt Ltd	440	8.8
11.	Rainbow Exports Pvt. Ltd.	500	10
	Total	4960	99.20

The above shares are now cancelled pursuant to the Scheme.

7. Major Shareholders of the Company one year prior to date of this Information Memorandum

The details of the Shareholders of the Company (i) holding 1% or more of the Paid-up Equity Share Capital of the Company; and (ii) aggregating to 80% of the Equity Share Capital of the Company one years prior to date of this Information Memorandum:-

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of the Paid-up Share Capital
1.	Anand Jeetmal Parekh	450	9
2.	Kamlaben Jeetmal Parekh	450	9
3.	Jeetmal Bhoorchand Parekh	450	9
4.	Heena Agriculture Private Limited	430	8.6
5.	Rahul Jeetmal Parekh	450	9
6.	Ratna Rahulkumar Parekh	450	9
7.	Amita Anandkumar Parekh	460	9.2

8.	Mamta Atulkumar Surana	440	8.8
9.	Mahalaxmi Calchem Private Limited	440	8.8
10.	Anand Chem Industries Pvt Ltd	440	8.8
11.	Rainbow Exports Pvt. Ltd.	500	10
Total		4960	99.20

The above shares are now cancelled pursuant to the Scheme.

8. Major Shareholders of the Company ten days prior to the date of this Information Memorandum

The details of the Shareholders of the Company (i) holding 1% or more of the Paid-up Equity Share Capital of the Company; and (ii) aggregating to 80% of the Equity Share Capital of the Company ten days prior to date of this Information Memorandum:-

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of the Paid-up Share Capital
1.	Shri Rahul Jeetmal Parekh	1837710	17.30
2.	Anand Jeetmal Parekh	1705676	16.06
3.	Shri Jeetmal Bhoorchand Parekh	1289513	12.14
4.	Smt. Kamladevi Jeetmal Parekh	545000	5.13
5.	Shri Rohan Anand Parekh	416260	3.92
6.	Smt. Ratna Rahul Parekh	256535	2.42
7.	Rahul Calchem Pvt Ltd	206094	1.94
8.	Investor Education and Protection Fund (IEPF)	176576	1.66
9.	Mahalaxmi Calchem Private Limited	168196	1.59
10.	Badrikedar Commercials Private Limited	150000	1.41
11.	Sapan Anil Shah	141904	1.34
12.	Rbm Realty Private Limited	140000	1.32
13.	Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)	129934	1.22
Total		7163398	67.45

9. Major Shareholders of the Company as on the date of this Information Memorandum or last week

The details of the Shareholders of the Company (i) holding 1% or more of the Paid-up Equity Share Capital of the Company; and (ii) aggregating to 80% of the Equity Share Capital of the Company as on date of this Information Memorandum or last week:-

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of the Paid-up Share Capital
1.	Shri Rahul Jeetmal Parekh	1837710	17.30
2.	Anand Jeetmal Parekh	1705676	16.06
3.	Shri Jeetmal Bhoorchand Parekh	1289513	12.14
4.	Smt. Kamladevi Jeetmal Parekh	545000	5.13
5.	Shri Rohan Anand Parekh	416260	3.92
6.	Smt. Ratna Rahul Parekh	256535	2.42
7.	Rahul Calchem Pvt Ltd	206094	1.94
8.	Mahalaxmi Calchem Private Limited	168196	1.59
9.	Investor Education and Protection Fund (IEPF)	176576	1.66
10.	Badrikedar Commercials Private Limited	150000	1.41
11.	Sapan Anil Shah	141904	1.34
12.	Rbm Realty Private Limited	140000	1.32
13.	Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)	129934	1.22
Total		7163398	67.45

10. Intention to alter Share Capital

Our Company presently does not intend or propose to alter our capital structure for a period of 6 (six) months of this Information Memorandum.

11. Shareholding of each of the Promoters

Name	Nature of Allotment	Date of Allotment	No. of Shares	Face Value (Rs.)	Issue price (Rs.)	Date when Shares were made fully Paid-up	% of Pre Scheme Capital	% of Post Scheme Capital	No. of Pledged Shares	% of Pledged Shares
Shri Jeetmal Bhoorchand Parekh	Pursuant to Scheme	29.04.2024	1289513	10	10	29.04.2024	9.00	12.14	0	0
Shri Rahul Jeetmal Parekh	Pursuant to Scheme	29.04.2024	1837710	10	10	29.04.2024	9.00	17.30	0	0
Shri Anand Jeetmal Parekh	Pursuant to Scheme	29.04.2024	1705676	10	10	29.04.2024	9.00	16.06	0	0
Smt. Kamladevi Jeetmal Parekh	Pursuant to Scheme	29.04.2024	545000	10	10	29.04.2024	9.00	5.13	0	0
Smt. Ratna Rahul Parekh	Pursuant to Scheme	29.04.2024	256535	10	10	29.04.2024	9.00	2.42	0	0
Shri Rohan Anand Parekh	Pursuant to Scheme	29.04.2024	416260	10	10	29.04.2024	0.00	3.92	0	0
Shri Yashovardhan Rahul Parekh	Pursuant to Scheme	29.04.2024	61596	10	10	29.04.2024	0.00	0.58	0	0
Shri Atul Jain	Pursuant to Scheme	29.04.2024	2000	10	10	29.04.2024	0.00	0.02	0	0
Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)	Pursuant to Scheme	29.04.2024	129934	10	10	29.04.2024	0.80	1.22	0	0
Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta)	Pursuant to Scheme	29.04.2024	10250	10	10	29.04.2024	0.00	0.10	0	0
Jeetmal Rahul Kumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)	Pursuant to Scheme	29.04.2024	67026	10	10	29.04.2024	0.00	0.63	0	0

12. Number of Shareholders of the Company

As of the date of this Information Memorandum, our Company has 4291 number of Shareholders.

13. Shareholding of Promoter Group and Directors of the Promoters where Promoter is a Body Corporate

1. None of the members of Promoter Group and/or Promoters and/or Directors of Promoters where Promoter is a Body Corporate have purchased or sold Equity Shares of the Company during the six months immediately preceding the date of this Information Memorandum.
2. There are/have been no financing arrangements whereby our Promoter, any member of our Promoter Group, Directors of Promoters where Promoter is a Body Corporate, our Directors and their relatives have financed the purchase by any other person of Securities of our Company during the six months immediately preceding the date of this Information Memorandum.
3. In accordance with Sub-Clause 4 of Paragraph A of Part-II of the SEBI Master Circular, no additional lock-in is applicable, since the shareholding of our Company post effectiveness of the Scheme is exactly similar to the shareholding pattern of MRT.
4. Neither the Company nor the Directors have entered into any buy-back arrangements for the purchase of the Equity Shares of the Company.

5. The Equity Shares of the Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Information Memorandum.

OBJECTS AND RATIONALE OF THE SCHEME:-

Scheme of Arrangements involving Demerger

The Scheme was approved by the Board of Directors of MFML, in its Board Meeting dated February 16, 2023. Pursuant to the order of the Hon'ble National Company Law Tribunal, Ahmedabad Bench, dated October 19, 2023, Meeting of the Equity Shareholders and Unsecured creditors of MFML was convened and the Scheme was approved with requisite majority in the NCLT convened Meetings of the Equity Shareholders and Unsecured creditors, held on November 30, 2023.

The Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, by way of Order dated March 04, 2024 has approved the Scheme, pursuant to provisions of Sections 230 to 232 of the Companies Act. The Scheme provides for the demerger of the First Demerged Undertaking of MRT into MFML and the consequent issuance of 1,06,20,275 new Equity Shares of Rs. 10/- each, as fully Paid-up, to the Eligible Shareholders of MRT.

Subject to applicable Regulations, the Equity Shares of our Company shall be listed and admitted to trading on the Stock Exchanges. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

Rationale of the Scheme of Arrangements involving Demerger

Mahalaxmi Rubtech Limited is engaged in different businesses as under:-

- (i) Rubber/Technical Textiles Division
- (ii) Weaving Division
- (iii) Traditional Textiles Processing Division
- (iv) Wind Power Division
- (v) Trading Textiles Division

MRT is embarking upon the agenda of rapid growth and development over the coming years with clear focus on its core businesses in three major verticals i.e. Rubber/Technical Textiles Division, Traditional Textiles Processing Division and Trading Textiles Division. It is therefore decided to create a simpler Group structure wherein emphasis will be on the growth of all three Divisions through different verticals. It is felt that such structure will help effectively focusing on core competence of each of these three different Divisions. A talented pool of human resources driving each of these three Divisions will strive to achieve the desired goals in a span of a few years.

The Scheme of Arrangement therefore proposed to demerge the Traditional Textiles Processing Division located at Narol, Ahmedabad and Wind Power Division of Mahalaxmi Rubtech Limited along with existing investment of Mahalaxmi Rubtech Limited in its Wholly Owned Subsidiary Company namely Mahalaxmi Exports Private Limited (CIN:- U17299GJ2019PTC110673) and vesting the same in to Mahalaxmi Fabric Mills Private Limited. The Scheme also proposed to simultaneously demerge the Trading Textiles Division of Mahalaxmi Rubtech Limited and vesting the same in to Globale Tessile Private Limited. After Demerger, Rubber/Technical Textiles Division and Weaving Division located at Sanand, Dist. Ahmedabad, has been remaining business of Mahalaxmi Rubtech Limited, the Demerged Company.

Consideration

In consideration of the transfer of the First Demerged Undertaking of the Demerged Company by the Demerged Company to the First Resulting Company in terms of this Scheme, MFML has issued and allotted 1,06,20,275 new Equity Shares of Rs. 10/- each to the Shareholders of the Demerged Company whose names appear in the Register of Members of the Demerged Company on the Record Date in the ratio of 1 (One) new Equity Share, fully Paid-up, of MFML for every 1 (One) Equity Shares held by them in the Demerged Company on the Record Date.

Cancellation of Share Capital

Upon coming into effect of this Scheme, the entire issued, subscribed and paid up Share Capital of the First Resulting Company as on the effective date has been cancelled, and Shareholders holding 50,000 Equity Shares of Rs. 10/- each (upon conversion of original 5,000 Equity Shares of Rs. 100/- each in terms of Clause 3.1 of this Scheme) of the First Resulting Company on the effective date has not been issued or allotted any new Shares by the First Resulting Company or by the Demerged Company against such Shares upon such cancellation.

STATEMENT OF POSSIBLE TAX BENEFITS:-



STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Mahalaxmi Fabric Mills Limited
(CIN:- U17100GJ1991PTC015345)
"Mahalaxmi House", YSL Avenue,
Opp. Ketav Petrol Pump,
Polytechnic Road,
Ambawadi,
Ahmedabad - 380 015,
Gujarat.

Dear Sir(s):

Sub: Statement of possible special tax benefits available to Mahalaxmi Fabric Mills Limited ("the Company") and its shareholders under direct and indirect tax laws

We refer to the proposed issue of equity shares of **MAHALAXMI FABRIC MILLS LIMITED** ("the Company"). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Draft Information Memorandum ("DIM") for the proposed allotment of Equity Shares of Mahalaxmi Fabric Mills Limited to Eligible Shareholders of Mahalaxmi Rubtech Limited Pursuant to Scheme of Arrangements involving Demerger Sanctioned by Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-I and under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DIM for the proposed allotment of Equity Shares of Mahalaxmi Fabric Mills Limited to Eligible Shareholders of Mahalaxmi Rubtech Limited provided that the below statement of limitation is included in the information memorandum.





LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the allotment of Equity Shares of Mahalaxmi Fabric Mills Limited to Eligible Shareholders of Mahalaxmi Rubtech Limited Pursuant to Scheme of Arrangements involving Demerger Sanctioned by Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1 and under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

Your sincerely,

For Bhanwar Jain & Co.
Chartered Accountants
Firm Registration No.: 117340W

(B. M. Jain)
Proprietor.
Membership No: 034943
Place: Ahmedabad
Date: 18th April, 2024.



UDIN: 24034943BKFAYD2889

ANNEXURE 1

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2023 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

A. Special tax benefits available to the Company

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.



SECTION – V:- ABOUT THE COMPANY

The following summary should be read together with the Section “Risk factors” on Page 15 of this Information Memorandum, the more detailed information included elsewhere in this Information Memorandum and our financial results included at Page 57 in this Information Memorandum. The information presented in this Section has been obtained from various publicly available sources, including industry websites and publicly available industry reports. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured.

Accordingly, neither our Company nor any person or advisor associated with our Company, has independently verified this information or takes any responsibility for the data, projections, forecasts, conclusions, or any other information contained in this Section. Industry sources and publications are also prepared on information as on specific dates and may no longer be current or reflect market trends. Accordingly, any investment decisions should not be based on this information.

INDUSTRY OVERVIEW:-

1. Overview of the Indian Textile Sector

As per the International Textile Manufacturers Federation (ITMF), the Textile Sector has seen weakening demand since June 2022 due to persistent global inflation and lingering possibilities of a recession. Inflation has affected consumers and manufacturers alike with manufacturers and suppliers having to pay much more along all stages of their supply chains, from the cost of freight to wage increases for their workers. This has put textile manufacturers in a difficult situation.

The Textiles Sector is one of the largest employers in the nation, employing an estimated 45 million people directly, including a significant percentage of women and rural residents. The value chain of the textile industry is complex and extends from fibre through ready-to-wear clothing. With a sizeable raw material base and manufacturing strength across its value chain, it is also one of the largest in the world.

Looking at the potential of the industry, the Indian Government has launched various programmes to support domestic textile producers. Under the broad objectives of several Government Policy programmes, including ‘Skill India’ and ‘Make in India’, the Government is encouraging investment in this area, which will generate more employment, enterprises, and chances for skill development. The Government has launched various Schemes such as Scheme for Capacity Building in Textile Sector (SAMARTH), Amended Technology Up-gradation Fund Scheme (ATUFS), Production Linked Incentive (PLI) Scheme, PM Mega Integrated Textile Region and Apparel (PM MITRA), Integrated Processing Development Scheme (IPDS) to increase capacity, investments and job opportunities in the industry.

Traditional Sectors like handloom and small-scale power loom units are the biggest source of employment for millions of rural and semi-urban artisans and weavers. It provides direct and indirect employment and a source of livelihood to millions of Indians, including a large number of rural women and youth. Make in India, Skill India, Women Empowerment, and Rural Youth Employment are all significant Government programs that the Sector is aligned with perfectly. The Government’s focus has been on increasing textile manufacturing by building best-in-class manufacturing infrastructure, upgrading technology, fostering innovation, and enhancing skills and traditional strengths in the Sector for making India’s development inclusive and participative.

2. Overview of the Indian Textile Sector

India has emerged as the shining beacon in a grim global scenario by growing at 6.8% in 2022. The IMF has estimated India’s growth at 5.9% in FY23 and 6.3% in FY24, well above other economies of significant scale causing many to state that this could well be India’s decade. The Reserve Bank of India (RBI) has tried to cushion the economy from rising prices and maintain liquidity. Still navigating inflation and preserving financial stability while boosting growth drivers will continue to be a tightrope walk. The Central Government has played a major role in boosting the growth of the economy as it continued with its capital expenditure push in the Union Budget 2023-24. In FY 2023-24, capex is budgeted at Rs. 10 lakh crore, which will constitute 3.3% of GDP. As per the RBI, such level of capex spending can take India’s real GDP growth close to 7% in FY 24. Despite the challenging global environment, the Indian economy with its strong fundamentals and massive demographic strengths seems enroute to outpace other large economies.

Government initiatives, including the PM Gati Shakti - National Master Plan, the National Monetisation Plan (NMP) and the Production-Linked Incentive (PLI), are expected to foster economic growth, going forward. The Reserve Bank of India (RBI) has also exercised prudent and proactive measures to ensure financial stability and address liquidity constraints.

Private consumption in FY 23 is projected to have clocked a growth rate of 7.7%. The surge in private consumption has also fuelled production activities, leading to higher capacity utilisation across various Sectors.

3. Challenges affecting the Textiles Sector

Being a labour-intensive Sector, the shortage of skilled workforce may impact the operations and there will be a struggle to

complete orders and the situation in Ukraine, the threat of inflationary pressures, increasing power and fuel costs, high freight costs, Intense competition in the global market, especially from the textile and garment industries in Bangladesh and China, Subdued demand for textile and apparel exports as consumer confidence is low in the key markets, Compliance issues with the environmental norms and Regulations and supply chain challenges continue to be issues of concern.

4. Indian Textile Sector reforms and outlook

Financial Year 2023-24 has remained a roller coaster ride for businesses across industries barring a few exceptions. Your Company had also evident the same. Global demand was affected by Russia-Ukraine conflict and global recession. Despite near-term uncertainties, we remain optimistic about the medium term and intend to continue investing in our growth engines. The Government is pushing the textile industry by launching PLI Scheme in the segment, which will increase growth of this Sector as a whole, as the Government is targeting to have USD 100 Billion in export by 2030.

Demand in Textiles segment will vary by market. While domestic markets are expected to improve, US volumes may see modest growth or remain flat. Demand from Europe and UK is expected to remain muted. Things will change for better in case India is able to sign any free trade agreement with any of the key geographies.

We are also very positive about the growth of textiles in coming years considering the normalcy returning to the businesses in the textile industry from the start of the FY 24-25. In the mid-long term, the Indian Textile Industry are expected to grow very strongly with growth being balanced by both domestic consumption as well as export demand. In the near-term, domestic demand would depend on the revival of macroeconomic factors. On the exports front, there are both positive and negative factors.

The volatility in foreign currency and price in the International market impacted the cost of production. Due to situation arose in Russia-Ukraine and global recession, the threat of inflationary pressures, high freight cost, and supply chain challenges continue to be issue of concern. Barring unforeseen circumstances, the Company is confident of achieving better results in the current year.

5. Business opportunity

Favourable Government initiatives such as the National Technical Textiles Mission (NTTM), 100% FDI in the Sector, SAMARTH- Scheme for Capacity Building in the Textile Sector, etc. for the development of the textile industry, Extension of the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) till March 31, 2024, for the export of apparel, garments and made-ups with the same rates would benefit textile Companies. The growth of the textile market will create lucrative opportunities and 'China plus one' diversification Policy will benefit Indian manufacturers. As global retailers are looking for an alternate supply base, India has greater appeal as an attractive option for manufacturing and exports of textiles and apparels.

Current global and domestic headwinds need to be closely monitored for their impact on business operations. Liquidity Management and the Financial soundness of business partners will also be of high importance. The Company continues to keep a constant vigil for better risk Management.

The market trust enjoyed by your Company, our wide range of products, supply capability, and our differentiated solution strategy would hopefully enable us to sail through the probable headwinds and continue the growth journey.

The future for the Indian Textile Industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail Sector has experienced rapid growth in the past decade with the entry of several international players into the Indian market. The rise of e-commerce and the emerging retail industry and malls provide huge opportunities for apparel and home textiles. The free trade environment is a good opportunity for the Indian Textile industry to increase its Share in the global market.

OUR BUSINESS:-

In this Section, unless the context otherwise requires, a reference to “our Company” or to “we”, “us” and “our” refers to MFML. The financial figures used in this Section, unless otherwise stated have been derived from the Company’s Financial Statements.

This Section should be read in conjunction with and is qualified in its entirety by, the more detailed information about us and our Financial Statements, in the Sections “Risk factors”, “Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on Pages 15, 57 and 193, respectively of this Information Memorandum.

Business of the Company

MFML was incorporated as a Private Company under the Companies Act, 1956, with the name and style of “Sonnet Colours Pvt Ltd” pursuant to a Certificate of Incorporation dated April 04, 1991, issued by the Registrar of Companies, Ahmedabad and subsequently the name of the company had been changed to Mahalaxmi Fabric Mills Private Limited w.e.f 19th October, 2022.

Initially Company was engaged, inter alia, in the business of Colours and Chemicals until FY 2003-04. Thereafter, the business was discontinued. Subsequently the object clause has been changed from Colour chemical business to the Textiles business w.e.f. 23rd September, 2022.

Pursuant to the Scheme and the transfer of the First Demerged Undertaking of MRT to the Company, the Company is:-

1. To carry on, either on its own account or on account of others, the business of manufacturing, trading, job-work, producing, processing, exporting, importing, dealing, weaving, sizing, spinning, ginning, pressing, packing, baling and preparation, bleaching, dyeing, colouring, finishing, mercerizing, calendaring, printing, packing, folding, and all kinds of processing of all types of fabrics and other textile and textile goods related to bed and table covers, bed sheets, pillow covers, curtains, textile and textile covers for household users and made up articles and apparels.

Our Business Strategies

1. Expanding and improving our existing trading facilities

Pursuant to this Scheme, we intend to meet expected increase in the demand of the Traditional Textiles Processing Business.

2. Leveraging our market skills and relationship

We aim to enhance the growth by leveraging our customer relationship and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

3. Continuing innovation, technology upgrade and cost improvements


Continuous innovation in our manufacturing process, technology upgrade and cost improvement is a norm at our Company. Our qualified and technical teams try and ensure minimal wastage and extract out maximum from the resources which we have at our disposal, be it the raw materials, be it the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs.

4. Attracting and retaining the quality manpower

In our industry, people are the most valuable asset of the Company and the reputation of the Company will be built up by the Management team. We believe the dedication of the employees and skill, integrity and technical analytical mind results in success and growth of business. The well informed, technically and professionally qualified employee will help the clients to take correct decision and thereby we can retain the clients and increase our clientele through mouth publicity of our company. We intend to continue to seek out talent to further enhance and grow our business.

Intellectual Property

Our Company does not own any intellectual property rights etc. as on the date of this Information Memorandum.

However, our Company is using logo  which is not yet registered in the name of our Company. Our Company is planning to make application for registration of logo under the Trade Marks Act, 1999.

KEY INDUSTRY REGULATIONS AND POLICIES:-

The following description is a summary of certain Sector specific Laws and Regulations in India that are applicable to our business. The information detailed below has been obtained from various Legislations, including Rules, Regulations and By-Laws that are available in the public domain. The Regulations set out below may not be exhaustive and are merely intended to provide general information and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Factories Act, 1948

The term ‘Factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. State Governments have issued Rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the ‘occupier’ of a Factory to ensure the health, safety and welfare of all workers in the Factory premises. Further, the “occupier” of a Factory is also required to ensure (i) the safety and proper maintenance of the Factory such that it does not pose health risks to persons in the Factory premises; (ii) the safe use, handling, storage and transport of Factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the Factory premises. If there is a contravention of any of the provisions of the Factories Act or the Rules framed thereunder, the occupier and manager of the Factory may be punished with imprisonment or with a fine or with both.

State Tax on Professions, Trade, Callings and Employment

Profession tax is levied on every person engaged in any profession, trade, calling or employment and falling under the category described in the schedule to such Acts, and is payable to the State Government at the rate prescribed from time to time. Profession tax is payable by a Company. It is also payable by an employee; however, such a payment is deducted by the employer from the salary of the employee and is paid to the Government.

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme , 1952

The EPF Act is applicable to an establishment employing more than 20 (twenty) employees and as notified by the Government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees’ State Insurance Act, 1948

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. The ESI Act requires all the employees of the establishments to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Other employment Regulations

Certain other Laws and Regulations that may be applicable to our Company in India include the following:-

- Apprentices Act, 1961;
- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Equal Remuneration Act, 1976, Minimum Wages Act, 1948, Payment of Bonus Act, 1965, Payment of Wages Act, 1936, and the Code on Wages, 2019, each to the extent in force or notified, as the case may be;
- Public Liability Insurance Act, 1991
- Payment of Gratuity Act, 1972;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Industrial Disputes Act, 1947;
- The Maternity Benefit Act, 1961;
- Trade Unions Act, 1926;
- Workmen Compensation Act, 1923;
- Child Labour (Prohibition and Abolition) Act, 1986;
- Industrial (Development and Regulation) Act, 1951;
- Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 and Employment Exchange (Compulsory Notification of Vacancies) Rules, 1960;
- Rights of Persons with Disabilities Act, 2016 and Rights of Persons with Disabilities Rules, 2017;

- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Industrial Disputes Act, 1947 and Industrial Disputes (Bombay) Rules, 1957;
- Industrial Employment (Standing Orders) Act, 1946; and
- Child Labour (Prohibition and Regulation) Act, 1986.
- Building and Other Construction Workers Regulation of Employment and Conditions of Service) Act, 1996

Environmental Laws

The business of the Company is subject to various environment Laws and Regulations. The applicability of these Laws and Regulations varies from operation to operation and is also dependent on the jurisdiction in which the Company operates. Compliance with relevant environmental Laws is the responsibility of the occupier or operator of the facilities. The operations of the Company require various environmental and other permits covering, among other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental Laws applicable to the business operations include:-

1. The Environment (Protection) Act, 1986

The EPA is an umbrella Legislation in respect of the various environmental protection Laws in India. The EPA vests the Government with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes Rules for, inter alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines or imprisonment, or both. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

2. The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant State Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Board. Penalty for the contravention of the provisions of the Hazardous Wastes Rules includes imprisonment and imposition of fines as may be specified in the EPA or both.

3. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

The HCR Rules were first enacted in 1989 by the Ministry of Environment and Forests and later amended in 1994 and 2000. The HCR Rules regulate the manufacture, storage and import of hazardous chemicals in India.

The HCR Rules are formulated under the EPA and are applicable to use of certain prescribed hazardous chemicals in specified industrial activities. The occupier of a facility where such industrial activity is undertaken is required to provide inter alia (i) evidence of identification of major accident hazards; (ii) steps taken to prevent occurrence of such accidents, and (iii) information, training and equipment including antidotes necessary to persons working at the relevant sites.

4. The Public Liability Insurance Act, 1991

The PIL Act was constituted to provide for Public liability insurance for the purpose of providing immediate relief to persons affected by accidents occurring while handling of any hazardous substance and for matters connected therewith or incidental thereto. The PIL Act provides for the owner to take insurance cover for protection against claims made by third parties for damages with respect to handling of hazardous substances.

5. The Water (Prevention and Control of Pollution) Act, 1974

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying

on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

6. The Air (Prevention and Control of Pollution) Act, 1981

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the relevant State Pollution Control Board.

Other Laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and Rules framed thereunder, other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Various central and state tax Laws are also applicable to our Company.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS:-

Brief history of Our Company

Our Company was incorporated as a Private Limited Company under the Companies Act, 1956 with the name and style of “Sonnet Colours Pvt Ltd” pursuant to a Certificate of Incorporation dated April 04, 1991, issued by the Registrar of Companies, Ahmedabad.

Date of commencement of business

Our Company was incorporated as a Private Company on April 04, 1991, the Certificate for commencement of business was not required. Initially Company was engaged, inter alia, in the business of Colours and Chemicals until FY 2003-04. There after, the business was discontinued. Subsequently the object clause has been changed from Colour chemical business to the Textiles business w.e.f. 23rd September, 2022.

Date of conversion of Company into a Public Company

Upon effectiveness of the Scheme i.e. April 01, 2024, the Company has been converted from Private Company to Public Company, pursuant to Clause No.:- 14 of the Scheme.

Changes in Registered Office of Our Company

The Registered Office of our Company is situated at “Mahalaxmi House”, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat. There has been no change in our Registered Office since 1st July 2017.

Changes in the Name of the Company

The Company has changed its Name from “Sonnet Colours Pvt Ltd” to “Mahalaxmi Fabric Mills Private Limited”, with effect from 19th October, 2022.

Key events and milestones in the history of Our Company

The following table sets forth the key events and milestones in the history of our Company, since incorporation:-

Year	Events
1991	Initially Company was engaged, inter alia, in the business of Colours and Chemicals until FY 2003-04. There after, the business was discontinued. Subsequently the object clause has been changed from Colour chemical business to the Textiles business effect from 23 rd September, 2022.
2024	Transfer and vesting of Traditional Textiles Processing Division located at Narol, Ahmedabad along with Wind Power division (First Demerged Undertaking) from MRT to MFML, pursuant to and in accordance with the Scheme.

Main Objects of Our Company

The main object of our Company, as contained in our Memorandum of Association, are as set forth below:-

1. To carry on, either on its own account or on account of others, the business of manufacturing, trading, job-work, producing, processing, exporting, importing, dealing, weaving, sizing, spinning, ginning, pressing, packing, baling and preparation, bleaching, dyeing, colouring, finishing, mercerizing, calendaring, printing, packing, folding, and all kinds of processing of all types of fabrics and other textile and textile goods related to bed and table covers, bed sheets, pillow covers, curtains, textile and textile covers for household users and made up articles and apparels.

Amendments to our Memorandum of Association

Date	Particulars
Upon effectiveness of the Scheme i.e. April 01, 2024	<ol style="list-style-type: none">1. Adoption of new set of Memorandum of Association2. Clause I of the Memorandum of Association:- “The name of the Company is MAHALAXMI FABRIC MILLS LIMITED.”3. Clause V of the Memorandum of Association:- “The Authorised Share Capital of the Company is Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided in to 1,10,00,000 (One Crores and Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.”

Holding Company / Subsidiary Company / Joint Ventures of Our Company

After effectiveness of the Scheme Mahalaxmi Exports Private Limited (MEPL) (CIN:- U17299GJ2019PTC110673), has ceased to become Wholly Owned Subsidiary of Demerged Company and has become Wholly Owned Subsidiary of First Resulting Company Mahalaxmi Fabric Mills Limited from 01st April, 2024. The Company does not have any Holding Company and has not entered into any Joint Venture as on the date of the Information Memorandum. Please see Section titled “Capital Structure” for shareholding pattern of the Company on Page 24 of this Information Memorandum.

Divestment of Business / Undertaking by Company

Our Company has not divested any of its business / undertaking in last 10 years from the date of the Information Memorandum.

Shareholders' Agreements

So far as the Company is aware, the Shareholders of the Company have not entered into any Shareholders agreements as on the date of the Information Memorandum.

Other Material Agreements

As on date of this Information Memorandum, there are no material agreements entered into by our Company. Further, there are no agreements entered into by a Key Managerial Personnel or KMP or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the Securities of our Company.

Other Confirmations

1. Other than as set out in this Section, our Company does not have any strategic/financial partners as on the date of filing of this Information Memorandum.
2. As on date of filing the Information Memorandum, other than pursuant to the Scheme, there have been no acquisition of business, undertakings, mergers, amalgamations or revaluation of assets involving the Company.

OUR MANAGEMENT:-

Board of Directors

As per our Articles of Association, our Company is required to have not less than three and not more than fifteen Directors. As on the date of this Information Memorandum, our Board comprises of 6 Directors, out of which 3 are Independent Directors (including two Women Independent Directors). The composition of the Board of Directors is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of Information Memorandum:-

Sr. No.	Name, Designation, Address, Occupation, Nationality, Date of birth, Period and Term, and DIN	Age (years)	Directorships
1.	Name: Shri Jeetmal Bhoorchand Parekh Designation: Chairman and Director Address: Kamal Jeet - Sujan Bungalow, Hasunagar Co Op Society, B/h Shreyas Foundation, Ambawadi, Ahmedabad – 380 015, Gujarat Occupation: Business Nationality: Indian Date of birth: 07/07/1943 Period and Term: Liable to retire by rotation and 5 Years DIN: 00512415	80	1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Anand Chem Industries Pvt Ltd 6. Heena Agriculture Private Limited 7. Mahalaxmi Calchem Private Limited 8. Rainbow Exports Pvt Ltd
2.	Name: Shri Rahul Jeetmal Parekh Designation: Non-Executive Director Address: 3, Anand Bungalows, Opp. Ketav Petrol Pump, Opp. Old Sachivalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Occupation: Business Nationality: Indian Date of birth: 27/04/1972 Period and Term: Liable to retire by rotation DIN: 00500328	51	1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Anand Chem Industries Pvt Ltd 6. Ashita Mercantile Private Limited 7. Heena Agriculture Private Limited 8. Mahalaxmi Calchem Private Limited 9. Rahul Calchem Pvt Ltd 10. Rainbow Exports Pvt Ltd
3.	Name: Shri Anand Jeetmal Parekh Designation: Managing Director Address: 14 - State Bank of India Employees Co Op Hou Soc Limited, B/h C N Vidhyalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Occupation: Business Nationality: Indian Date of birth: 07/06/1976 Period and Term: Liable to retire by rotation DIN: 00500384	47	1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Anand Chem Industries Pvt Ltd 6. Rahul Calchem Pvt Ltd
4.	Name: Smt. Sangita Shingi Designation: Independent Director Address: D-32, Goyal Complex, Vastrapur Ahmedabad – 380 054, Gujarat. Occupation: Service Nationality: Indian Date of birth: 05/08/1970 Period and Term: 5 Years DIN: 06999605	53	1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Mudra Finvest (Gujarat) Limited 6. Shree Extrusions Limited 7. Riddhi Siddhi Gluco Biols Limited 8. Faith Industries Limited
5.	Name: Shri Nehal Shah Designation: Independent Director Address: Flat 304 Shakuntal Apptt, Opp. C N Vidyalay, Ahmedabad – 380 015, Gujarat. Occupation: Service Nationality: Indian Date of birth: 27/02/1972 Period and Term: 5 Years DIN: 00020062	52	1. Mahalaxmi Rubtech Ltd 2. Globale Tessile Limited 3. Mahalaxmi Fabric Mills Limited 4. Aicon Affordable Real Estate Private Limited 5. Foliage Real Estate Developers Private Limited 6. Final Touch Beauty And Healthcare Pvt Ltd 7. Atmiya Affordable Housing Private Limited 8. Atmiya Developers Private Limited 9. Lok Prakashan Limited 10. Abhijay Infrastructure Private Limited

6.	Name: Smt. Indra Singhvi Designation: Independent Director Address: B/901, Sundarvan Epitome, Opp,Star Bazar, Near Jodhpur Cross Road, Satellite Ahmedabad – 380 007, Gujarat. Occupation: Service Nationality: Indian Date of birth: 15/12/1957 Period and Term: 5 Years DIN: 07054136	66	1. Camex Limited 2. Globale Tessile Limited 3. Mahalaxmi Fabric Mills Limited
----	--	----	---

None of our Directors hold current and past Directorship(s) in Listed Companies whose shares have been/were suspended from being traded on any of the Stock Exchanges, during his/her tenure.

None of our Directors hold current and past Directorship(s) in listed Companies which have been/were delisted from the stock exchange(s), during his/her tenure.

Brief Profile of Our Directors

1. Shri Jeetmal Bhoorchand Parekh

Shri Jeetmal Bhoorchand Parekh, aged 80 years, is the Founder Promoter, Chairman and Director of the Company and First Generation Entrepreneur. He holds a Bachelor’s Degree in Commerce. He has vast experience in production, quality control, marketing and export matters. He is responsible for strategic financial matters, including administration, corporate finance, corporate strategy, business development and risk management of the Group.

2. Shri Rahul Jeetmal Parekh

Shri Rahul Jeetmal Parekh, aged 51 years, is the Promoter Director of the Company and Second Generation Entrepreneur. He is MBA from USA. He is responsible for the Group’s diversification into other categories of business. He has experience in the corporate finance, production, marketing and secretarial matters. He is responsible for the Group’s strategic financial matters including the corporate finance, corporate strategy, business development, risk management and overall affairs of the Group. He primarily oversees the operations of the Rubber/Technical Textiles and Weaving Division of the Group. He has been instrumental in the growth of the Group.

3. Shri Anand Jeetmal Parekh

Shri Anand Jeetmal Parekh, aged 47 years, is the Promoter and Managing Director of the Company and Second Generation Entrepreneur. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He looks after Textile Processing and Exports. Adept at managing all the production, financial and market requirements. He primarily oversees the operations of the Processing Unit of the Group.

4. Smt. Sangita Shingi

Smt. Sangita Shingi has been appointed as a Non-Executive Independent Director w.e.f. April 18, 2024. She has a wide experience in Business Administration, Finance, Project Finance, Stock Broking and Mortgage. She is designated as Chairperson of Nomination & Remuneration Committee and Member of Audit committee and CSR Committee.

5. Shri Nehal Shah

Shri Nehal Shah is appointed as a Non-Executive Independent Director w.e.f. April 18, 2024. He holds a degree of Master of Business Administration (MBA). He has an experience of a successful marketing entrepreneur with a leading network marketing company. He has served as the AIESEC Association’s National VP and has been on the AIESEC Ahmedabad Alumni Advisory Board. He is having expertise in real estate development. He is designated as Chairperson of Stakeholders Relationship Committee and Member of Audit committee and Risk Management Committee.

6. Smt. Indra Singhvi

Smt. Indra Singhvi is appointed as a Non-Executive Independent Director w.e.f. April 18, 2024. She has done B.A., from Jodhpur University. She has a vast experience in finance related matters. She also worked as a president in Lions Club of Karnavati - NGO. She is designated as Chairperson of Audit Committee and Member of Nomination & Remuneration Committee.

Other Confirmations

1. As on the date of this Information Memorandum, none of the Directors or Key Managerial Personnel are related to each other except that Shri Jeetmal Bhoorchand Parekh, Director, is Father of Shri Rahul Jeetmal Parekh, Non-Executive Director and Shri Anand Jeetmal Parekh, Managing Director.
2. None of our Directors have been appointed to Directorship, pursuant to any arrangement or understanding with our major

Shareholders, customers, suppliers, or others. However, certain Directors or employees were transferred pursuant to the Scheme and hold the same positions as they held in Demerged Company.

- None of our Directors of our Company have entered into any service contracts with our Company which provides for benefits upon termination of employment.

Borrowing powers of the Board

Pursuant to a special resolution passed at an extra-ordinary general Meeting of our Company held on March 30, 2024 and pursuant to Section 180(1)(a) and 180(1)(c) and any other applicable provisions, of the Companies Act and Rules made thereunder, our Board has been authorised to borrow, in any manner, from time to time, any sum or sums of money at its discretion, on such terms and conditions as the Board of Directors may deem fit, notwithstanding that money to be borrowed by the Company together with money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) from one or more Banks, Financial Institutions, Persons, Firms, Bodies Corporate, whether by way of loans, advances, deposits, guarantees, letter of credit, bill discounting, issue of debentures, bonds or any other financial instruments or otherwise and whether secured or unsecured, which may exceed the aggregate of its paid-up share capital, free reserves and securities premium provided that the maximum amount of money so borrowed by the Board and outstanding at any time shall not exceed the sum of Rs. 150/- Crores (Rupees One Hundred Fifty Crores only).

Details of remuneration of Our Directors

- Terms of appointment of our Non-Executive Directors including Independent Directors:- Nil.
- Remuneration paid to Executive Directors:-
Shri Anand Jeetmal Parekh has been appointed as a Managing Director of the Company w.e.f. April 18, 2024, on the remuneration and terms & conditions as mentioned hereunder:-

Sr. No.	Particulars	Shri Anand Jeetmal Parekh
1.	Salary	Rs. 1,00,000/- (Rupees One Lakh Only) per month.
2.	PF contribution	Contribution to Provident Fund shall be as per the Rules of the Company.
3.	Gratuity	Gratuity payable shall not exceed half a month's basic salary for each completed year of service.
4.	Leave travel allowance	For self and family, once a year in accordance with the Rules of the Company.
5.	Car & telephone	The Company will provide car with driver. The cell phone and telephone facility at residence shall not be considered as perquisites. Use of cell phone / telephone shall be reimbursed.
6.	Personal accident insurance	For an amount, premium of which shall not exceed Rs. 20,000 p.a./-.
7.	Entertainment and other business	Entertainment, traveling and all other expenses incurred for the business of the Company shall be expenses reimbursed as per the Rules of the Company.
8.	Club fees	Membership fees and expense of two Club in India.
9.	Gas / water / Electricity	actual expenditure (Incurred).
10.	Medical expenses	Reimbursement of medical expenses and medical policy for self and family.
11.	Other allowances, benefits and perquisites	Any other allowances, benefits and perquisites admissible to the Senior Officer of the Company as per the Rules of the Company.

- Remuneration paid to Non-Executive Directors:- Nil.

Bonus or Profit-Sharing Plan for the Directors

Our Company does not have a bonus or profit-sharing plan with any of our Directors.

Remuneration paid or payable from Subsidiaries and Associate Companies

There is no any remuneration paid or payable from Subsidiaries and Associate Companies.

Shareholding of Our Directors in the Company

As per the Articles of Association of our Company, our Directors are not required to hold any qualification shares. None of our Directors hold any Equity Shares in the Company as on date of this Information Memorandum except as mentioned hereunder:-

Sr. No.	Name of the Director	No. of Equity Shares	% of the Equity Share Capital*
1.	Shri Rahul Jeetmal Parekh	18,37,710	17.30
2.	Shri Anand Jeetmal Parekh	17,05,676	16.06
3.	Shri Jeetmal Bhoorchand Parekh	12,89,513	12.14

*Post implementation of the Scheme

Interests of Directors

Our Directors may be deemed to be interested to the extent of remuneration payable to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details, see “Details of Remuneration of our Directors” above.

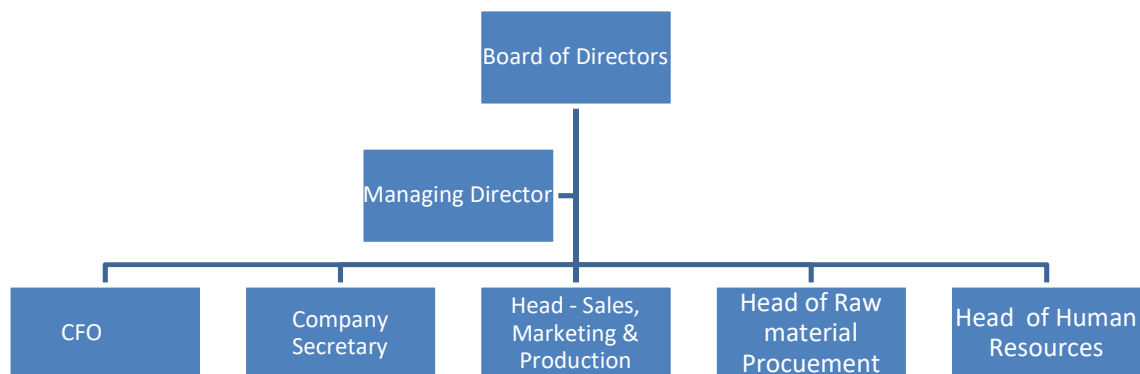
Our Directors may also be interested to the extent of Equity Shares held by them or held by the entities in which they are associated as Promoters, Directors, Partners, Proprietors or Trustees or held by their relatives or that may be subscribed by or allotted to the Companies, Firms, Ventures, Trusts in which they are interested as Promoters, Directors, Partners, Proprietors, Members or Trustees, if any, pursuant to the Scheme. All of our Directors may also be deemed to be interested to the extent of any Dividend payable to them and other distributions in respect of the said Equity Shares, if any. For further details, please see Section titled “Capital Structure” on Page 24 of this Information Memorandum.

Changes in Our Board of Directors during the last three years

Following are the changes in Directors of our Company during the last three years:-

Name	Date of event	Reason
Shri Jeetmal Bhoorchand Parekh	August 28, 2022	Appointed as an Additional Director
Shri Jeetmal Bhoorchand Parekh	September 19, 2022	Regularisation of Director
Shri Anand Jeetmal Parekh	April 18, 2024	Appointed as Managing Director
Smt. Sangita Shingi	April 18, 2024	Appointed as Independent Director
Shri Nehal Shah	April 18, 2024	Appointed as Independent Director
Smt. Indra Singhvi	April 18, 2024	Appointed as Independent Director

Organisation Structure



Corporate Governance

The provisions relating to Corporate Governance prescribed under the SEBI Listing Regulations shall be applicable to our Company immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable Regulations, including the SEBI Listing Regulations, the Companies Act and the Rules framed thereunder, in respect of Corporate Governance including constitution of our Board and committees thereof, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific functions. The scope and function of our Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders’ Relationship Committee, Share Transfer Committee and Risk Management Committee are in accordance with the provisions of the Companies Act and the SEBI Listing Regulations, as amended from time to time. Our executive Management provides our Board detailed reports on its performance periodically.

Currently, our Board has 6 (six) Directors, with 3 (three) Independent Directors (including 2 (two) Women Independent Directors), 1 (one) Executive Director and 2 (two) Non-Executive Directors, in compliance with the SEBI Listing Regulations and the Companies Act.

The following committees have been formed in compliance with the Corporate Governance norms:-

1. Audit Committee

Our Audit Committee was constituted vide a resolution of our Board dated April 18, 2024. The current members of the Committee as under:-

- Smt. Indra Singhvi, Independent Director, Chairman;
- Shri Anand Jeetmal Parekh, Managing Director, Member;
- Smt. Sangita Shingi, Independent Director, Member; and

(d) Shri Nehal Shah, Independent Director, Member.

Scope and terms of reference:-

The role of the Audit Committee shall be in accordance with Section 177 of the Companies Act, and Regulation 18 of the SEBI Listing Regulations. The role of the Audit Committee shall include the following:-

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the Management, the annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (A) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act;
 - (B) changes, if any, in accounting policies and practices and reasons for the same;
 - (C) major accounting entries involving estimates based on the exercise of judgment by management;
 - (D) significant adjustments made in the financial statements arising out of audit findings;
 - (E) compliance with listing and other legal requirements relating to financial statements;
 - (F) disclosure of any Related Party Transactions;
 - (G) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with Related Parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The audit committee shall mandatorily review the following information:-

- (1) management discussion and analysis of financial condition and results of operations;
- (1) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (2) internal audit reports relating to internal control weaknesses; and
- (3) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (4) statement of deviations;
- (5) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (6) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted vide a resolution of our Board dated April 18, 2024. The current members of the Committee as under:-

- (a) Shri Nehal Shah, Independent Director, Chairman;
- (b) Shri Rahul Jeetmal Parekh, Non-Executive Director, Member; and

- (c) Shri Anand Jeetmal Parekh, Managing Director, Member.

Scope and terms of reference:-

The role of the Stakeholders' Relationship Committee shall be in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The role of the Stakeholders' Relationship Committee shall include the following:-

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted vide a resolution of the Board dated April 18, 2024. The current members of the Committee as under:-

- (a) Smt. Sangita Shingi, Independent Director, Chairman;
- (b) Shri Jeetmal Bhoorchand Parekh, Director, Member; and
- (c) Smt. Indra Singhvi, Independent Director, Member.

Scope and terms of reference:-

The role of the Nomination and Remuneration Committee shall be in accordance with Section 178 of the Companies Act and Regulation 19 of SEBI Listing Regulations. The role of the Nomination and Remuneration Committee shall include the following:-

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of an external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.
- (3) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) devising a policy on diversity of board of directors;
- (5) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (6) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management.

4. Risk Management Committee

The Risk Management Committee was constituted vide a resolution of the Board dated April 18, 2024. The current members of the Committee as under:-

- (a) Shri Anand Jeetmal Parekh, Managing Director, Chairman;
- (b) Shri Rahul Jeetmal Parekh, Non-Executive Director, Member; and
- (c) Shri Nehal Shah, Independent Director, Member.

Scope and terms of reference:-

The role of the Risk Management Committee shall be in accordance with Regulation 21 of the SEBI Listing Regulations. The role of the Risk Management Committee shall include the following:-

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, Sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing

- industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

5. Share Transfer Committee

The Share Transfer Committee was constituted vide a resolution of the Board dated April 18, 2024. The current members of the Committee as under:-

- (a) Shri Rahul Jeetmal Parekh, Non-Executive Director, Chairman;
- (b) Shri Jeetmal Bhoorchand Parekh, Director, Member; and
- (c) Shri Anand Jeetmal Parekh, Managing Director, Member.

Scope and terms of reference:-

The role of the Share Transfer Committee shall include the following:-

- (1) To expedite the process of Share transfer, transmission, dematerialization/ rematerialization, split/consolidation, issue of duplicate Share certificates, etc.
- (2) To approve Share transfers and transmissions.
- (3) The Committee reports the details of transfer of securities to the Board.

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted vide a resolution of the Board dated August 28, 2023 The current members of the Committee as under:

- (a) Shri Rahul Jeetmal Parekh, Non-Executive Director, Chairman;
- (b) Shri Anand Jeetmal Parekh, Managing Director, Member; and
- (c) Smt. Sangita Shingi, Independent Director, Member.

Scope and terms of reference:-

The scope and function of the Corporate Social Responsibility Committee shall be in accordance with Section 135 of the Companies Act. The role of the Corporate Social Responsibility Committee shall include the following:-

- (1) Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken;
- (2) Recommending the amount of expenditure for the CSR activities; and
- (3) Monitoring CSR activities from time to time.

Key Managerial Personnel and Senior Management

The details of our Key Managerial Personnel are as follows:-

1. Shri Anand Jeetmal Parekh, Managing Director

Date of joining	Since incorporation and April 18, 2024 as a Managing Director
Qualification	He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India.
Term of office with date of expiration of term	Liabile to retire by rotation
Details of service contracts including termination/retirement benefits, if any	None
Details of previous employment	None
Past business experience, and functions and areas of experience in the Company.	Shri Anand Jeetmal Parekh, aged 47 years, is the Promoter and Managing Director of the Company and Second Generation Entrepreneur. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He looks after Textile Processing and Exports. Adept at managing all the production, financial and market requirements. He primarily oversees the operations of the Processing Unit of the Group.
Nature of any family relationship between any of the key managerial personnel and Senior Management	Shri Anand Jeetmal Parekh, Managing Director, is Son of Shri Jeetmal Bhoorchand Parekh, Chairman and Director and Brother Shri Rahul Jeetmal Parekh, Non-Executive Director.

2. Shri. Naresh Vasudevnbhai kanzariya (ICSI Registration No.:- A60683)

Date of Appointment	29.04.2024
Qualification	Company Secretary registered with the Institute of Company Secretaries of India,
Term of office with date of expiration of term	None

Details of service contracts including termination/retirement benefits, if any	None
Details of previous employment	None
Past business experience, and functions and areas of experience in the Company.	He is having a sound knowledge of Secretarial, Legal and other compliances. He has also worked on core areas of conducting Board, Shareholders and Committee Meetings, RoC Forms submission, annual and event based compliance, fund raising, due diligence and audits, etc.
Nature of any family relationship between any of the key managerial personnel and Senior Management	None

3. Smt. Rajshree Raol, Chief Financial Officer

Date of joining	Since 2006 and April 18, 2024 as a Chief Financial Officer
Qualification	Cost & Management Accountant registered with the Institute of Cost & Works Accountants of India.
Term of office with date of expiration of term	None
Details of service contracts including termination/retirement benefits, if any	None
Details of previous employment	None
Past business experience, and functions and areas of experience in the Company.	She has been associated with Demerged Company MRT since 2006, during which she has been handling varied prior roles viz. Head of Cost & Corporate Accounts, Corporate Finance & Banking and Internal Control
Nature of any family relationship between any of the key managerial personnel and Senior Management	None

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. All our Key Managerial Personnel are permanent employees of our Company.

The Company had not appointed any Key Managerial Personnel during the F.Y. 2023-2024 hence the remuneration paid to Key Managerial Personnel is not applicable.

Bonus or profit-sharing plan for our Key Managerial Personnel

None of our Key Management Personnel are party to any bonus or profit sharing plan of our Company.

Shareholding of Key Managerial Personnel

The details of the Equity Shares held by our Key Managerial Personnel, as on the date of this Information Memorandum, are as follows:-

Name of the Key Managerial Personnel	No. of Equity Shares	% of the Equity Share Capital
Shri Anand Jeetmal Parekh Managing Director	17,05,676	16.06
Smt. Rajshree Raol Chief Financial Officer	186	0.00

Changes in our Key Managerial Personnel and Attrition Rate

The changes in our Key Managerial Personnel in the preceding three years as on the date of this Information Memorandum are as follows.

Name of the Key Managerial Personnel	Designation	Date of Appointment / Cessation	Reason
Shri Anand Jeetmal Parekh	Managing Director	April 18, 2024	Appointment as a Managing Director
Smt. Rajshree Raol	Chief Financial Officer	April 18, 2024	Appointment as a Chief Financial Officer
Shri. Naresh Vasudevhai kanzariya	Company Secretary	April 29, 2024	Appointment as a Company Secretary

OUR PROMOTER AND PROMOTER GROUP:-

The Promoters of our Company are:-

1. Shri Jeetmal Bhoorchand Parekh
2. Shri Rahul Jeetmal Parekh
3. Shri Anand Jeetmal Parekh
4. Smt. Kamladevi Jeetmal Parekh
5. Smt. Ratna Rahul Parekh
6. Shri Rohan Anand Parekh
7. Shri Yashovardhan Rahul Parekh
8. Shri Atul Jain
9. Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)
10. Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta)
11. Jeetmal Rahulkumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)


The Promoters Group of our Company are:-

1. Rahul Calchem Pvt Ltd
2. Mahalaxmi Calchem Private Limited
3. Anand Chem Industries Pvt Ltd
4. Heena Agriculture Private Limited
5. Ashita Mercantile Private Limited


Prior to the effectiveness of the Scheme, our Company was a Wholly Owned Subsidiary Company of Mahalaxmi Rubtech Limited which was the original Promoter of our Company. For details, see Section “Changes in Promoters” at Page 51 below.

Details of Our Promoters


1. Shri Jeetmal Bhoorchand Parekh

	<p>Shri Jeetmal Bhoorchand Parekh, aged 80 years, is one of the Promoter, Chairman and Managing Director of the Company. Date of Birth: July 07, 1943 Personal Address: Kamal Jeet - Sujan Bungalow, Hasunagar Co Op Society, B/h Shreyas Foundation, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications: He holds a Bachelor’s Degree in Commerce. Experience in the business or employment: Shri Jeetmal Bhoorchand Parekh, aged 80 years, is the Promoter, Founder Chairman and Director of the Company and First Generation Entrepreneur. He holds a Bachelor’s Degree in Commerce. He has vast experience in production, quality control, marketing and export matters. He is responsible for strategic financial matters, including administration, corporate finance, corporate strategy, business development and risk management of the Group. Positions/posts held in the past: Directorships held in:- 1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Anand Chem Industries Pvt Ltd 6. Heena Agriculture Private Limited 7. Mahalaxmi Calchem Private Limited 8. Rainbow Exports Pvt Ltd Other Ventures: Nil Special achievements: Nil</p>
---	--


2. Shri Rahul Jeetmal Parekh

	<p>Shri Rahul Jeetmal Parekh, aged 51 years, is the Promoter and Director of the Company. Date of Birth: April 27, 1972 Personal Address: 3, Anand Bungalows, Opp. Ketav Petrol Pump, Opp. Old Sachivalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications: He is MBA from USA. Experience in the business or employment: Shri Rahul Jeetmal Parekh, aged 51 years, is the Promoter Director of the Company and Second Generation Entrepreneur. He is MBA from USA. He is responsible for the Group’s diversification into other categories of business. He has experience in the corporate finance, production, marketing and secretarial matters. He is responsible for the Group’s strategic financial matters including the corporate finance, corporate strategy, business development, risk management and overall affairs of the Group. He primarily oversees the operations of the Rubber/Technical Textiles and Weaving Division of the Group. He has been instrumental in the growth of the Group.</p> <p>Directorships held:</p> <ol style="list-style-type: none"> 1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Anand Chem Industries Pvt Ltd 6. Ashita Mercantile Private Limited 7. Heena Agriculture Private Limited 8. Mahalxmi Calchem Private Limited 9. Rahul Calchem Pvt Ltd 10. Rainbow Exports Pvt Ltd <p>Other Ventures: Nil Special achievements: Nil</p>
---	---


3. Shri Anand Jeetmal Parekh

	<p>Shri Anand Jeetmal Parekh, aged 47 years, is the Promoter and Managing Director of the Company. Date of Birth: June 07, 1976 Personal Address: 14 - State Bank of India Employees Co Op Hou Soc Limited, B/h C N Vidhyalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. Experience in the business or employment: Shri Anand Jeetmal Parekh, aged 47 years, is the Promoter Director of the Company and Second Generation Entrepreneur. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He looks after Textile Processing and Exports. Adept at managing all the production, financial and market requirements. He primarily oversees the operations of the Processing Unit of the Group.</p> <p>Directorships held:</p> <ol style="list-style-type: none"> 1. Mahalaxmi Rubtech Limited 2. Mahalaxmi Exports Private Limited 3. Globale Tessile Limited 4. Mahalaxmi Fabric Mills Limited 5. Anand Chem Industries Pvt Ltd 6. Rahul Calchem Pvt Ltd <p>Other Ventures: Nil Special achievements: Nil</p>
---	---


4. Smt. Kamladevi Jeetmal Parekh

	<p>Smt. Kamladevi Jeetmal Parekh, aged 75 years, is the Promoter of the Company. Date of Birth: December 21, 1949 Personal address: Kamal Jeet - Sujan Bungalow, Hasunagar Co Op Society, B/h Shreyas Foundation, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications: She is Homemaker. Experience in the business or employment: Smt. Kamladevi Jeetmal Parekh, aged 75 years, is spouse of Shri Jeetmal Bhoorchand Parekh. She is Promoter of the Company.</p> <p>Directorships held:</p> <ol style="list-style-type: none"> 1. Anand Chem Industries Pvt Ltd 2. Ashita Mercantile Private Limited 3. Mahalxmi Calchem Private Limited <p>Other Ventures: Nil Special achievements: Nil</p>
---	---


5. Smt. Ratna Rahul Parekh

	<p>Smt. Ratna Rahul Parekh, aged 49 years, is the Promoter of the Company. Date of Birth: July 25, 1974 Personal address: 3, Anand Bungalows, Opp. Ketav Petrol Pump, Opp. Old Sachivalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications: She is Graduate, by education. Experience in the business or employment: Smt. Ratna Rahul Parekh, aged 49 years, is spouse of Shri Rahul Jeetmal Parekh. She is also Promoter of the Company. Directorships held: Nil Other Ventures: Nil Special achievements: Nil</p>
---	--


6. Shri Yashovardhan Rahul Parekh

	<p>Shri Yashovardhan Rahul Parekh, aged 24 years, is the Promoter of the Company. Date of Birth: July 24, 1999 Personal address: 3, Anand Bungalows, Opp. Ketav Petrol Pump, Opp. Old Sachivalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications: B. Tech in Mechatronics, M.B.A. (PGPMFAB) from Indian School of Business, Hyderabad Experience in the business or employment: Shri Yashovardhan Rahul Parekh, aged 24 years, is Son of Shri Rahul Jeetmal Parekh. He is also Promoter of the Company. He has joined the Business of the Group, from 2022. Directorships held: Nil Other Ventures: Nil Special achievements: Nil</p>
---	---

7. Shri Rohan Anand Parekh

	<p>Shri Rohan Anand Parekh, aged 22 years, is the Promoter of the Company. Date of Birth: August 29, 2001 Personal address: 14 - State Bank of India Employees Co Op Hou Soc Limited, B/h C N Vidhyalaya, Ambawadi, Ahmedabad – 380 015, Gujarat. Educational qualifications: Bachelor in Material Science and Engineering from Carnegie Mellon University, USA and pursuing Master in Material Science and Engineering from Stanford University, USA Experience in the business or employment: Shri Rohan Anand Parekh, aged 22 years, is Son of Shri Anand Jeetmal Parekh. He is also Promoter of the Company. Directorships held: Nil Other Ventures: Nil Special achievements: Nil</p>
--	---

8. Shri Atul Jain

	<p>Shri Atul Jain, aged 59 years, is the Promoter of the Company. Date of Birth: February 21, 1965 Personal address: W-102, G K Part-1, Greater Kailash S O, Greater Kailash, South Delhi – 110 048, Delhi. Educational qualifications: Specializations Course in Diamonds Experience in the business or employment: Shri Atul Jain, aged 59 years, education is in the senior School Certificate Examination of the Board held in March, 1984 from Happy School Daryaganj New Delhi. He is experienced in the business of diamonds and hotel industries. Directorships held: Nil Other Ventures: Nil Special achievements: Nil</p>
---	--

9. Jeetmal Bhoorchand HUF (Shri Jeetmal Bhoorchand Parekh Karta)

Jeetmal Bhoorchand HUF is the Promoter of the Company. Shri Jeetmal Bhoorchand Parekh is a Karta of this HUF. For details of Shri Jeetmal Bhoorchand Parekh Karta, kindly refer as mentioned herein above.

10. Jeetmal Prithviraj Parekh HUF (Shri Jeetmal Bhoorchand Parekh Karta)

Jeetmal Prithviraj Parekh HUF is the Promoter of the Company. Shri Jeetmal Bhoorchand Parekh is a Karta of this HUF. For details of Shri Jeetmal Bhoorchand Parekh Karta, kindly refer as mentioned herein above.

11. Jeetmal Rahulkumar HUF (Shri Jeetmal Bhoorchand Parekh Karta)

Jeetmal Rahulkumar HUF is the Promoter of the Company. Shri Jeetmal Bhoorchand Parekh is a Karta of this HUF. For details of Shri Jeetmal Bhoorchand Parekh Karta, kindly refer as mentioned herein above.

Our Company confirms that the Permanent Account Number, Bank Account Number(s), Aadhar Card, Driving License Number and Passport Number of the Promoters, have been submitted to the Stock Exchanges at the time of filing the Draft Information Memorandum.

Changes in Promoters

Prior to the effectiveness of the Scheme, Our Promoters were as mentioned hereunder. For further details, please see “Capital Structure – Build-up of Promoter’s shareholding in our Company” on Page 24.

1. Anand Jeetmal Parekh
2. Kamlaben Jeetmal Parekh
3. Jeetmal Bhoorchand Parekh
4. Jeetmal Bhoorchand Parekh Jointly with Kamlaben Jeetmal Parekh
5. Heena Agriculture Private Limited
6. Rahul Jeetmal Parekh
7. Ratna Rahulkumar Parekh
8. Amita Anandkumar Parekh
9. Mamta Atulkumar Surana
10. Mahalaxmi Calchem Pvt. Ltd.
11. Anand Chem Industries Pvt Ltd
12. Rainbow Exports Pvt. Ltd.

Interest of Our Promoters

The Promoters are interested in our Company to the extent they are Promoters of our Company and to the extent of their respective direct or indirect shareholding in our Company and Dividend payable, if any and any other distributions in respect of their direct or indirect shareholding in our Company. One of Our Promoter, Shri Anand Jeetmal Parekh receives from our Company the remuneration in their capacity as a Managing Director of the Company.

For further details, see Section titled “Capital Structure” on Page 24 and “Details of Remuneration for our Directors” on Page 45 of this Information Memorandum.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any Companies or firms during the three years preceding the date of filing of this Information Memorandum.

Payment or Benefit to Promoters of Our Company

There is no amount paid or benefits granted by our Company to our Promoters or any member of the Promoter Group in the preceding two years or is intended to be paid or granted to any of our Promoters or members of the Promoter Group as on the date of this Information Memorandum, other than in the ordinary course of business.

Material Guarantees

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

OUR GROUP COMPANIES:-

In terms of the SEBI ICDR Regulations, the term 'Group Companies', includes: (i) such Companies (other than Promoter(s) and Subsidiary(ies)) with which there were Related Party Transactions during the period for which financial information is disclosed in the Financial Statements (as also set out in this Information Memorandum below), as covered under applicable Accounting Standards; and (ii) any other Companies considered material by the Board of Directors of the Company.

Accordingly, below is the list of our Group Companies:-

Sr. No.	Name of Group Companies	Registered Office
1.	Anand Chem Industries Pvt Ltd	"Mahalaxmi House", YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad, Gujarat, India, 380015
2.	Mahalaxmi Calchem Private Limited	
3.	Mahalaxmi Exports Private Limited (WOS)	
4.	Globale Tessile Limited	
5.	Rainbow Exports Pvt Ltd	
6.	Mahalaxmi Rubtech Limited	
7.	Mahalaxmi Fabric Mills Limited	
8.	Rahul Calchem Pvt Ltd	
9.	Heena Agriculture Private Limited	
10.	Ashita Mercantile Private Limited	

Top Five Group Companies Financial Information

For the Financial Year 2023-24:-

(Amount in Lakhs, unless otherwise stated)

Particulars	Anand Chem Industries Pvt Ltd	Mahalaxmi Calchem Private Limited	Mahalaxmi Exports Private Limited	Globale Tessile Limited	Mahalaxmi Rubtech Limited
Equity Capital	26.00	11.41	300.00	1062.03	1062.03
Reserves and Surplus (Excluding Revaluation Reserve)	227.34	289.91	989.47	1173.61	4223.36
Sales	651.62	967.74	7894.47	5427.26	7689.64
Other Income	10.90	3.59	8011.75	46.40	167.09
Profit after Tax	31.42	50.59	447.86	73.99	1103.45
Earnings per Share	1208.44	443.35	111.37	0.47	10.39
Diluted Earnings per Share	1208.44	443.35	111.37	0.47	10.39
Net Asset Value	9.74	26.41	3.30	1.11	4.98

For the Financial Year 2022-23:-

(Amount in Lakhs, unless otherwise stated)

Particulars	Anand Chem Industries Pvt Ltd	Mahalaxmi Calchem Private Limited	Mahalaxmi Exports Private Limited	Globale Tessile Limited	Mahalaxmi Rubtech Limited
Equity Capital	26.00	11.41	300.00	5.00	1,062.03
Reserves and Surplus (Excluding Revaluation Reserve)	195.92	239.32	369.65	59.91	7,239.99
Sales	602.37	813.82	6,463.58	288.87	19,996.41
Other Income	17.47	7.52	6.79	0.00	558.24
Profit after Tax	35.06	25.87	246.55	15.38	582.40
Earnings per Share	1,348.34	230.55	82.18	30.76	5.48
Diluted Earnings per Share	1,348.34	230.55	82.18	30.76	5.48
Net Asset Value	94.05	28.41	286.37	0.00	6,104.36

For the Financial Year 2021-22:-

(Amount in Lakhs, unless otherwise stated)

Particulars	Anand Chem Industries Pvt Ltd	Mahalaxmi Calchem Private Limited	Mahalaxmi Exports Private Limited	Globale Tessile Limited	Mahalaxmi Rubtech Limited
Equity Capital	26.00	11.41	300.00	5.00	1,062.03
Reserves and Surplus (Excluding Revaluation Reserve)	158.22	210.85	126.99	37.74	6,640.29
Sales	735.56	546.75	1,663.76	1,103.82	16,964.35
Other Income	35.60	43.64	33.62	0.00	449.81
Profit after Tax	48.68	41.07	126.99	59.58	542.22
Earnings per Share	1,872.35	359.92	41.48	119.15	4.46

Diluted Earnings per Share	1,872.35	359.92	41.48	119.15	4.46
Net Asset Value	97.78	24.52	255.51	---	6,516.68

Dividend Policy

The declaration and payment of Dividends will be recommended by our Board and approved by our Shareholders, as applicable and at their discretion, subject to the provisions of the Articles of Association and applicable Law, including the Companies Act. The Dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal Dividend Policy.

Our Company has not paid any Dividend on its Equity Shares, since incorporation.

SECTION-VI:- FINANCIAL STATEMENTS

Sr. No.	Particular
1	Restated Audited Standalone and Consolidated Financial Statements for the period ended 31 st March, 2024 along with Auditors Report thereon.
2	Audited Financial Statements for the period ended 31 st March, 2023 along with Auditors Report thereon.
3	Audited Financial Statements for the period ended 31 st March, 2022 along with Auditors Report thereon.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHALAXMI FABRIC MILLS LIMITED

Report on the audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **MAHALAXMI FABRIC MILLS LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2024 and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as " Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.





Emphasis of Matter

We draw attention to Note.50 of the Standalone Financial Statements with respect to Scheme of Arrangement amongst Mahalaxmi Rubtech Limited, Mahalaxmi Fabric Mills Limited and Globale Tessile Limited and their respective shareholders and creditors (the 'Scheme') for demerger of Traditional Textile Processing and Wind Power Undertaking to Mahalaxmi Fabric Mills Ltd. (First Resulting Company) and Textile Trading Undertaking to Gloable Tessile Limited (Second Resulting Company). The Scheme has been given effect to from the Appointed Date of April 1, 2022, as approved by the Hon'ble National Company Law Tribunal("NCLT"), Ahmedabad and which is deemed to be the demerger date for the purpose of accounting and consequently financial information in the statement of profit and loss for the year ended March 31, 2023, have been restated. Further pursuant to the scheme the company has become public limited company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>1. The Company has been transferred and vested the Traditional Textile Processing and Wind Power Undertaking of Mahalaxmi Rubtech Limited pursuant to a Scheme of Arrangement ("the Scheme"). The Scheme was approved by National Company Law Tribunal (NCLT) with an appointed date of 1st April,2022. We have identified this transaction relating to new operations on demerger, as a key audit matter because of</p>	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"> • We obtained and read the key documents relating to the transfer of the Demerged Undertakings (Scheme of Arrangement and approval granted by NCLT) • We have evaluated whether the method of accounting followed by the Company is in accordance with the scheme approved by NCLT and the relevant accounting guidelines. • We assessed the adequacy and appropriateness of the





significant complexities in its accounting and disclosure requirements.

2. Company's revenue is derived primarily from sale of goods. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Inappropriate assessment could lead to risk of revenue being recognized before transfer of control.

In view of the above and since revenue is a key performance indicator of the Company, we have identified timing of revenue recognition from sale of goods as a key audit matter.

disclosure in the Standalone Financial Statements, relating to the transfer of operations on demerger, as required by the accounting standards.

- Based on the above procedures performed, the method of accounting and disclosures relating to the transfer of the Demerged Undertakings are considered to be adequate and reasonable.

Assessing the appropriateness of the accounting policy for revenue recognition with relevant accounting standards;

Evaluating the design and implementation of the Company's key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples

Performing detailed testing by selecting samples of revenue transactions recorded during the year and around the year end date using statistical sampling. We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, goods dispatch notes, customer acceptances and shipping documents;

Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.





Valuation of Inventories

The Company is a traditional textile manufacturer and the inventory primarily comprises of grey fabric, dyed and printed fabric etc. Inventories are valued at lower of cost and net realisable value. The Company maintains its inventory levels based on forecast demand and expected future selling prices. There is a risk of inventories being measured at values which are not representative of the lower of costs and net realisable value ('NRV')

The Company exercises high degree of judgment in assessing the NRV of the inventories on account of estimation of future market and economic conditions. The carrying value of inventories is material in the context of total assets of the Company. We identified the valuation of inventories as a key audit matter.

In this regard, our audit procedures included:

Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards:

Evaluating the design and implementation of the Company's key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples;

Observing the physical verification of inventory on a sample basis. In this regard, we have considered the physical condition of inventory by way of obsolescence or wear and tear, wherever relevant and applicable, in determining the valuation of such inventory.

For NRV testing, selecting inventory items, on a sample basis at reporting date and compared their carrying value to their subsequent selling prices as indicated in sales invoices subsequent to the reporting date.

Information other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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





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

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

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

- i) 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.
- ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) 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.





- v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the 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 of India in terms of sub-section (11) of the section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 control, refer to our separate report in the **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 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
 - ii. The company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts.





- iii. There has been no delay in transferring amounts, 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, to the Standalone Financial Statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or:
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- b. The management has represented, that, to the best of its knowledge and belief, to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- c. Based on such audit procedures as 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 h(iv) (a) & (b) contain any material mis-statement.
- v. The Company has not declared any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for certain direct changes to data when using certain access





rights and at the database level for the accounting software, as described in note to the Standalone Financial Statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For BHANWAR JAIN & CO.,
Chartered Accountants.
Firm Registration No.117340W

(B. M. JAIN)

Proprietor.

M. No. 034943

Ahmedabad: 30th May, 2024.

UDIN: 24034943BKFAYQ9785



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Financial Statements of the Company for the year ended March 31, 2024:

i. In respect of property, plant & equipment:

- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, all property, plant & equipment have been physically verified by the management during the year and there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (d) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) According to the information and explanation given to us and on the basis of our examination of records of the company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

ii. In respect of inventories:

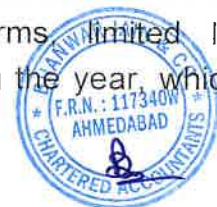
- (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31st March, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies noticed on physical verification of inventory have been properly dealt with in the books of account.



- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. As disclosed in note 21 to the Standalone Financial Statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

iii. In respect of investments, guarantee or security or loans and advances given

- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties except outstanding balance of Rs.98.74 lakhs as at balance sheet date in respect of the loan given to its subsidiary company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties except loans provided to its subsidiary company. The terms and conditions of the grant of loans and advances in the nature of loans to such company are not prima facie prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayments or receipts have been regular, wherever applicable.
- (d) According to the information and explanation given to us and on the basis of our examination of records of the company, there are no amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (e) According to the information and explanation given to us and on the basis of our examination of records of the company, there is no loan or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties falling due during the year, which has



been renewed or extended or fresh loan granted to settle the overdue of existing loans given to the same party.

- (f) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - (g) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanation given to us and on the basis of our examination of records of the company, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the maintenance of cost records by the company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues applicable to it. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.



- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, there was no dispute in respect of dues outstanding of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues.
- (d) According to the information and explanation given to us and on the basis of our examination of records of the company, there are no dues of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute.
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. In respect of default in repayment of borrowings:
- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, term loans were applied for the purpose for which the loans were obtained.



- (d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. In respect of funds raised and utilization:

- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not made any preferential allotment or private placement of shares during the year under audit in accordance with section 42 and 62 of the Companies Act, 2013.

xi. In respect of frauds and whistle blower complaints:

- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, no fraud/ material fraud by the Company or no fraud/ material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us and on the basis of our examination of records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.
- xiv. Based on the information and explanation provided to us and our audit procedures, the company has an internal audit system in commensurate with the size and nature of its business. We have considered the internal audit reports of the company issued till date for the period under audit.
- xv. According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. Registration with RBI, Act
- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash loss in the current year and in previous financial year.



- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 49(8) to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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 causes us to believe that any material uncertainty exists as on the date of the audit report that 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. According to the information and explanation given to us and on the basis of our examination of records of the company, there is no obligation under Corporate Social Responsibility of the company during the year hence requirement to report on clause 3(xx) of the Order is not applicable to the Company.

For BHANWAR JAIN & CO.,
Chartered Accountants.
Firm Registration No.117340W



(B. M. JAIN)
Proprietor.
M. No. 034943
Ahmedabad: 30th May,2024.



“Annexure B” to the Independent Auditors’ Report on the Standalone Financial Statements of MAHALAXMI FABRIC MILLS Limited

(Referred to in paragraph 2(A)(f) under “Report on other legal and regulatory requirements” of our report of even date)

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

We have audited the internal financial controls over financial reporting of **MAHALAXMI FABRIC MILLS LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls.

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included



obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the 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 Ind AS 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, to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 ICAI.

**For BHANWAR JAIN & CO.,
Chartered Accountants.
Firm Registration No.117340W**



**(B. M. JAIN)
Proprietor.
M. No. 034943
Ahmedabad: 30th May,2024.**



MAHALAXMI FABRIC MILLS LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

(Amount In Lakhs unless otherwise stated)

	Notes	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
ASSETS				
Non-current assets				
Property, plant and equipment	1	8629.20	8187.36	---
Capital work-in-progress	2	51.77	---	---
Intangible assets	3	110.25	155.28	---
Financial assets				
Investments	4	312.12	308.86	11.26
Loans		---	---	---
Other financial assets	5	58.66	60.54	---
Other non-current assets	6	1.50	2.00	---
Total non-current assets		9163.51	8714.05	11.26
Current assets				
Inventories	7	573.02	687.50	---
Financial assets				
Investments		---	---	---
Trade receivables	8	2311.71	2329.21	---
Cash and cash equivalents	9	261.84	154.65	0.18
Bank balances other than cash and cash equivalents	10	1066.57	1502.99	---
Loans	11	105.86	106.39	6.83
Other financial assets	12	52.92	53.37	---
Other current assets	13	84.54	106.72	---
Assets classified as held for sale	14	15.05	15.05	---
Total current assets		4471.50	4955.89	7.01
TOTAL ASSETS		13635.01	13669.93	18.27
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	1062.03	1062.03	5.00
Other Equity	16	7216.13	7403.04	11.80
Total Equity		8278.16	8465.07	16.80
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	624.49	308.55	0.20
Other financial liabilities		---	---	---
Provisions	18	60.55	83.61	---
Deferred Tax Liabilities (Net)	19	62.64	97.32	---
Other non-current liabilities	20	54.22	96.41	---
Total non-current liabilities		801.90	585.89	0.20
Current liabilities				
Financial liabilities				
Borrowings	21	1234.51	1485.88	---
Trade payables	22	3133.74	2976.28	0.05
Other financial liabilities	23	133.29	116.06	0.05
Other current liabilities	24	10.57	0.22	---
Provisions	25	42.84	40.53	---
Current tax liabilities (net)		---	---	1.18
Total current liabilities		4554.95	4618.97	1.27
TOTAL LIABILITIES		5356.85	5204.86	1.47
TOTAL EQUITIES AND LIABILITIES		13635.01	13669.93	18.27



Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Ltd.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer
AHMEDABAD: 30th May, 2024.

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.

MAHALAXMI FABRIC MILLS LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount In Lakhs unless otherwise stated)

	Notes	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
INCOME				
Revenue from operations	26	8750.51	8297.30	0
Other income	27	274.51	445.34	7.84
Total income		9025.02	8742.64	7.84
EXPENSES				
Cost of material consumed and Trading Purchase	28	3385.70	2443.75	0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(18.04)	94.14	---
Manufacturing & Operating Costs	30	4466.12	4990.34	0
Employees' benefits expenses	31	677.85	627.16	0
Finance costs	32	126.76	153.74	0
Depreciation and amortization expense	33	436.56	481.63	---
Other expenses	34	184.66	231.54	0.26
Total expenses		9259.61	9022.29	0.26
Profit/(Loss) before tax		(234.59)	(279.66)	7.58
Income tax expense		---	---	1.18
Current tax		---	---	---
Deferred tax		(42.76)	---	---
Total income tax expense		-42.76	0.00	1.18
Profit/(Loss) for the year		-191.83	-279.66	6.40
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains/ (losses) on post employment defined benefit plan		17.14	11.89	---
Income tax effect		-4.77	-3.70	---
		12.37	8.19	---
Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI		3.26	0.00	---
Income tax effect		(0.91)	0.00	---
		2.36	0.00	---
Total other comprehensive income for the year		14.73	8.58	---
Earnings / (Loss) per share				
Basic earnings /(loss) per share (INR)		-1.81	-2.63	127.97
Diluted earnings /(loss) per share (INR)		-1.81	-2.63	127.97



Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Ltd.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer
AHMEDABAD: 30th May, 2024.

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.

MAHALAXMI FABRIC MILLS LIMITED		
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024		
(Amount In Lakhs unless otherwise stated)		
	YEAR ENDED 31-Mar-24	YEAR ENDED 31-Mar-23
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	(234.59)	(279.66)
Adjustments for:		
Depreciation and amortization expenses	436.56	481.63
Interest Paid	123.08	151.57
Interest Received	(94.87)	(106.15)
Dividend Income		
Provision for gratuity	29.88	(124.14)
Net exchange differences	(10.31)	(16.12)
Deferred Revenue Expenses written off		
Amortisation of Deferred Income	(30.49)	(30.38)
Amortisation of Leasehold Land	0.50	0.50
(Gain)/ loss on Disposal of fixed assets	(62.51)	(260.32)
Liabilities written back	(43.44)	(25.11)
Bad Debts written off	0.41	0.40
Provision for Impairment of Assets	---	0.18
Provision for Impairment of Receivables	7.43	7.43
Operating Profit before working capital changes	121.65	(200.17)
Changes in working capital		
Adjustments for:		
Decrease in inventories	114.49	(687.50)
Decrease in trade receivables	19.97	(2320.91)
Decrease in other financial assets	0.99	(152.11)
Decrease in other current assets	22.18	(106.72)
Decrease in non-current financial assets	1.88	(60.54)
Decrease in non-current assets	0.50	(2.00)
Increase in trade payables	200.92	3001.12
Increase in other current liabilities	10.35	(0.12)
Increase in non-current liabilities	(42.18)	96.41
Increase in other financial liabilities	17.04	115.88
Cash generated from operations	467.78	(316.67)
Net Income tax paid	(10.71)	(193.57)
Net cash flows used in operating activities (A)	457.07	(510.24)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	(893.67)	(8357.69)
Purchase of Investments	0.00	0.00
Proceeds from sale/ disposal of fixed assets	71.02	--
Net withdrawal of /Investment in fixed deposits	436.42	(1502.99)
Interest Received	94.87	106.15
Dividend Received	---	---
Net cash flow from investing activities (B)	(291.36)	(9754.53)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	315.94	308.25
Buyback of Share Capital		
Proceeds from short-term borrowings	(251.37)	1485.88
Interest paid	(123.08)	(151.57)
Net cash flow from financing activities (C)	(58.51)	1642.56
D. Net increase in cash and cash equivalents (A+B+C)	107.20	-8622.22
Cash and cash equivalents at the beginning of the year	154.65	75.35
On current accounts		
E. Transferred Pursuant to Scheme of Arrangement	---	8701.52
Cash and cash equivalents at the end of the period	261.85	154.65



Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Ltd.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer
AHMEDABAD: 30th May, 2024.

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.



MAHALAXMI FABRIC MILLS LIMITED						
Statement of changes in equity for the year ended 31st March, 2024						
= (AMOUNT in INR Rupees in Lakhs, unless otherwise stated)						
	Equity Share Capital	Reserve and surplus		Items of OCI		Total
		Securities Premium	Retained earnings	Equity Instruments	Other Comprehensive	
Balance as at April 1, 2021	5.00	---	5.47	---	---	10.47
Profit for the year	---	---	6.40	---	---	6.40
Add: Income tax of earlier years	---	---	(0.07)	---	---	(0.07)
Balance as at March 31, 2022	5.00	---	11.80	---	---	16.80
Cancellation of Capital pursuant to scheme of Arrangement	(5.00)					(5.00)
Balance Transferred pursuant to Scheme of Arrangement	1062.03	7669.71	(45.21)	33.38		8719.91
Balance as at April 1, 2022 (Post Demerger)	1062.03	7669.71	(33.41)	---	---	8731.72
Other comprehensive income			(279.66)	33.38		(279.66)
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)					11.89	11.89
Fair Valuation of Investments measured at FVTOCI (Net of tax)					---	0.00
Add: Income tax of earlier years			1.12	---	---	1.12
Balance As at 31 Mar, 2023	1062.03	7669.71	(311.95)	---	45.27	8465.07
Balance As at April 1, 2023	1062.03	7669.71	(311.95)	---	45.27	8465.07
Other comprehensive income			(191.83)			(191.83)
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)					12.37	12.37
Fair Valuation of Investments measured at FVTOCI (Net of tax)				3.26		3.26
Add: Income tax of earlier years			(10.71)			(10.71)
Balance As at 31st Mar, 2024	1062.03	7669.71	(514.48)	3.26	57.64	8278.16

Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Ltd.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer
AHMEDABAD: 30th May, 2024.

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.



MAHALAXMI FABRIC MILLS LIMITED
Notes forming part of Financial Statements for year ended on 31st Mar. 2024
1 Property, plant and equipment
(Amount in Lakhs unless otherwise stated)

Tangible Assets	Freehold Land	Building	Plant & Machinery	Electric Installation	Furniture Fixtures	Office Equipments	Vehicles	Total							
									As at 01.04.23	As at 31.03.24	As at 01.04.23	As at 31.03.24	As at 01.04.23	As at 31.03.24	As at 01.04.23
A. Gross Carrying Amounts															
Year ended March 31, 2023	6068.00	853.85	5543.27	39.64	31.98	57.57	69.94	12664.24							
Gross carrying amount															
Balance as at April 1, 2022		37.45	43.27	26.84	83.27	4.49	0.06	195.39							
Accrued pursuant to Scheme of Arrangement (Refer note no 50)			3.56			8.32	0.06	11.94							
Additions															
Disposals															
Classified as held for sale															
Balance As at 31 Mar. 2023	6068.00	891.30	5582.98	66.47	115.26	53.73	69.94	12847.68							
Year ended March 31, 2024															
Additions			832.46			8.06	1.37	841.89							
Disposals			61.00				0.91	61.91							
Classified as held for sale															
Other Adjustments															
Balance As at 31 Mar. 2024	6068.00	891.30	6354.44	66.47	115.26	61.79	70.40	13627.67							
B. Accumulated Depreciation/Amortisation															
Year ended March 31, 2023															
Balance as at April 1, 2022		246.70	3838.58	25.24	25.74	38.74	56.31	4231.30							
Accrued pursuant to Scheme of Arrangement (Refer note no 50)															
Depreciation For the Year		27.55	394.64	1.47	4.95	5.53	6.23	440.37							
Deductions / Adjustments			3.38			7.90	0.06	11.35							
Classified as held for sale															
Balance as at March 31, 2023		274.25	4229.83	26.71	30.68	36.36	62.48	4660.32							
Year ended March 31, 2024															
Depreciation For the Year		28.22	348.14	3.94	8.71	5.85	2.09	396.95							
Deductions / Adjustments			57.95				0.86	58.81							
Classified as held for sale															
Balance as at March 31, 2024	0	302.47	4520.03	30.65	39.39	42.21	63.71	4998.46							
C. Net Carrying Amount															
As at 31.03.2023	6068.00	617.05	1353.15	39.76	84.58	17.37	7.46	8187.36							
As at 31.03.2024	6068.00	588.83	1834.42	35.82	75.87	19.59	6.69	8629.20							
2 Capital Work in Progress															
Particular	Amount in Capital Work in Progress as at 31.03.2024				Total										
Projects in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years											
Projects temporarily suspended	51.77				51.77										
Particular	Amount in Capital Work in Progress as at 31.03.2023				Total										
Projects in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years											
Projects temporarily suspended															
3 Intangible assets	GROSS BLOCK		DEPRECIATION		NET BLOCK										
	As at 01.04.23	Additions	Deductions	As at 31.03.24	As at 01.04.23	For the year	Other Adj.	As at 31.03.2023							
Commercial Right-ETP Pipeline	412.63	-	16.51	396.13	257.35	39.61	11.09	285.88							
Total	412.63	-	16.51	396.13	257.35	39.61	11.09	155.28							
Intangible assets	GROSS BLOCK		DEPRECIATION		NET BLOCK										
	As at 01.04.22	Additions	Deductions	As at 31.03.23	As at 01.04.22	For the year	Other Adj.	As at 31.03.22							
Commercial Right-ETP Pipeline		495.16	82.53	412.63	161.10	96.25	-	155.28							
Total	0	495.16	82.53	412.63	161.10	96.25	0.00	155.28							

MAHALAXMI FABRIC MILLS LIMITED
Notes Forming part of Financial Statements for year ended on 31st Mar ,2024

(Amount In Lakhs unless otherwise stated)

4 Financial Assets- Investments (As valued, verified & certified by the management)			
Financial Assets carried at cost	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Investment in equity instrument designated as at fair value through OCI			
1 Investment in Subsidiary Companies : (Unquoted) 3000000 (3000000-31.03.2023)(Nil -31.03.2022) Equity Shares of Mahalaxmi Exports Pvt. Ltd. of Rs.10 each fully paid(Refer note no 50)	300.00	300.00	---
2 Investment in Associates (Unquoted - Non Trade) Investment in Equity Instruments 225 (225-31.03.2023)(225 -31.03.2022) Shares of Anand Chem Industries Pvt Ltd Of Rs 1000/- Each	11.92	8.66	8.66
3 Investment in others (Unquoted-Trade) Investment in Equity Instruments 200 (200 -31.03.2023)(200 -31.03.2022)Shares of Social Co-op Bank Ltd of Rs.100	0.20	0.20	0.20
3 Investment in others (Quoted-Non Trade) Investment in Equity Instruments 'Nil (Nil -31.03.2023)(32866 -31.03.2022) Shares of Mahalaxmi Rubtech Ltd of Re.10 Each	---	---	2.37
4 Investment in others (Quoted-Non Trade) Investment in Equity Instruments 'Nil (Nil -31.03.2023)(500 -31.03.2022) Shares of Reliance Communication Ltd of Re.3.66 Each	---	---	0.02
TOTAL	312.12	308.86	11.26

The details of aggregate of quoted and unquoted investment:						
Particulars	Book Value (In Rs.)			Market Value (In Rs.)		
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Aggregate Quoted Investment	----	----	----	----	----	----
Aggregate Unquoted Investment	312.12	308.86	11.26	----	----	----

(Amount In Lakhs unless otherwise stated)

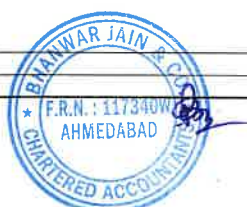
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
5 Non-Current Financial assets - Others (Unsecured and considered good) Margin Money with Banks	2.23	----	----
Security Deposits	56.43	60.54	----
Total	58.66	60.54	----

(Amount In Lakhs unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
6 Other non-current assets Non Financial Assets (Unsecured and considered good) Capital advance	---	---	---
Issue Expenses	---	---	---
Deferred Empolyees' Cost	---	---	---
Leasehold Land(Refer note no 50)	1.50	2.00	---
Total	1.50	2.00	---

(Amount In Lakhs unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
7 Inventories (As verified, valued & certified by management)			
Raw Materials	228.32	334.95	---
Finished Goods	55.10	---	---
Semi-finished Goods	90.55	84.65	---
Fents, Rags & Scrap	34.17	77.14	---
Stores, Spares & Consumables	164.87	190.76	---
Total	573.02	687.50	---



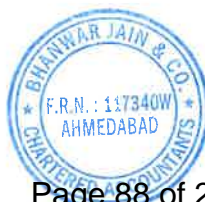
				(Amount in Lakhs unless otherwise stated)		
				As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
8	Trade receivable					
	(a) Trade Receivables considered Good -Secured			---	---	---
	(b) Trade Receivables considered Good -Unsecured			2010.68	1970.02	---
	(c) Trade Receivables which have significant increase in credit risk			---	---	---
	(d) Trade Receivables credit impaired			---	---	---
	Less:- Provision for Doubtful Trade receivables			2010.68	1970.02	---
	Total Trade Receivables (Billed)			7.43	7.43	---
	Trade Receivable-Unbilled -Jobwork Accrued			308.45	366.62	---
	Total Trade Receivables			2311.71	2329.21	---
	Trade Receivables includes dues from : Related Parties(Refer note No.Related Parties)			1373.39	---	---
				1373.39	---	---

Trade Receivables Ageing Schedule:

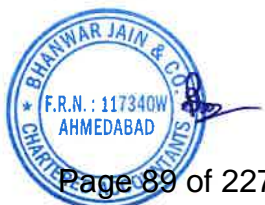
Particulars	Outstanding for following periods as at 31.03.2024					Total
	Less than 6 months	6 months to 1Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	1830.84	172.41	0.00	0.00	---	2003.25
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	---	2.78	2.29	2.36	---	7.43
(iii) Undisputed Trade receivables - Credit Impaired	---	---	---	---	---	---
(iv) Disputed Trade Receivables considered doubtful	---	---	---	---	---	---
(v) Disputed Trade Receivables - which have significant increase in credit risk	---	---	---	---	---	---
(vi) Disputed Trade receivables - Credit Impaired	---	---	---	---	---	---

Particulars	Outstanding for following periods as at 31.03.2023					Total
	Less than 6 months	6 months to 1Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	1949.08	8.55	4.81	0.00	0.14	1962.56
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	2.78	2.29	2.36	---	---	7.43
(iii) Undisputed Trade receivables - Credit Impaired	---	---	---	---	---	---
(iv) Disputed Trade Receivables considered doubtful	---	---	---	---	---	---
(v) Disputed Trade Receivables - which have significant increase in credit risk	---	---	---	---	---	---
(vi) Disputed Trade receivables - Credit Impaired	---	---	---	---	---	---

				(Amount in Lakhs unless otherwise stated)		
				As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
9	Cash and cash equivalents					
	Balances with banks					
	On current accounts			83.29	76.27	0.16
	In Fixed deposit with maturity for less than 3 months			176.09	76.04	---
	Cash on hand			2.46	2.33	0.02
	Total cash and cash equivalents			261.84	154.65	0.18



(Amount in Lakhs unless otherwise stated)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
10 Bank balances other than Cash and cash equivalent			
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	1066.57	1502.99	---
Balances with Banks held as margin money	---	---	---
In Fixed deposit with maturity more than 12 months	---	---	---
Earmarked Balance with banks (pertaining to dividend accounts with banks)	---	---	---
	1066.57	1502.99	---
(Amount in Lakhs unless otherwise stated)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
11 Current Financial assets - Loans			
Unsecured, considered good	105.86	106.39	---
To Subsidiary Companies	---	---	---
To Others	---	---	6.83
	105.86	106.39	6.83
(Amount in Lakhs unless otherwise stated)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
12 Current Financial assets - Others			
Interest Receivable under TUFs	0.81	0.81	---
Export Benefit Receivable	6.51	6.06	---
Accrued Income	45.59	46.50	---
	52.92	53.37	---
(Amount in Lakhs unless otherwise stated)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
13 Other current assets			
Prepaid Expenses	29.33	29.59	---
Advance to employees	7.30	4.23	---
Balance with Statutory Authorities	4.96	35.77	---
Leasehold Land(Refer note no 50)	0.50	0.50	---
Others	42.45	36.64	---
Total	84.54	106.72	---
(Amount in Lakhs unless otherwise stated)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
14 Assets classified as held for sale			
Plant & Machinery	15.05	15.05	---
Total	15.05	15.05	---
MAHALAXMI FABRIC MILLS LIMITED			
Notes Forming part of Financial Statements for year ended on 31st Mar, 2024			
(Amount in Lakhs unless otherwise stated)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
15 Equity Share Capital			
Authorized			
11000000(11000000-31.03.2023)(12000 Equity shares of Rs 100 Each-31.03.2022) Equity Shares of Re.10 each(Refer note no 50)	1100.00	1100.00	12.00
Nil (Nil-31.03.2023)(3000-31.03.2022) 9% Redeemable Preference Shares of Rs.100 each Re.10 each(Refer note no 50)	---	---	3.00
	1100.00	1100.00	15.00
Issued, subscribed and paid up			
10620275 (10620275-31-03-2023)(5000 of Rs 100 each-31-03-2022)Equity Shares of Rs.10 each fully paid allotment pending(Refer note no 50)	1062.03	1062.03	5.00
Total	1062.03	1062.03	5.00



(a) Reconciliation of equity shares outstanding at the		As At 31.03.2024 No. of Shares	As At 31.03.2023 No. of Shares	As At 31.03.2022 No. of Shares	As At 31.03.2024 Amount	As At 31.03.2023 Amount	As At 31.03.2022 Amount	
beginning and at the end of the year								
Outstanding at the beginning of the year		10620275	50000	50000	1062.03	5.00	5.00	
Add: Issued during the year		--	10620275	---	--	1062.03	---	
Less: Cancellation during the year (Refer Note No. 50)		--	50000	---	--	5.00	---	
Outstanding at the end of the year		10620275	10620275	50000	1062.03	1062.03	5.00	
(b) Rights, preferences and restrictions attached to shares								
The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each of holder of Equity Share is entitled to one Vote per Share. The Company declares and pays Dividend in Indian Rupees. The Dividend proposed by the Board of Director is subject to approval of Shareholder in AGM. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their Shareholding. However, no such preferential amounts exist currently.								
(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company								
Name of the shareholder		As at		As at				
		31.03.2024	31.03.2024	31.03.2023	31.03.2023	31.03.2022	31.03.2022	
		Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class	
Jeetmal B. Parekh		1289513	12.14%	1289513	12.14%	490	9.80%	
Rahul J. Parekh		1837710	17.30%	1837710	17.30%	450	9.00%	
Kamlaben J. Parekh		545000	5.13%	545000	5.13%	450	9.00%	
Anand J. Parekh		1705676	16.06%	1705676	16.06%	450	9.00%	
(d) The movement of Equity shares during 5 years preceding to year ended March 31, 2024								
Equity shares movement during 5 years preceding March 31, 2024								
1 No. of Equity Shares allotted as fully paid-up without payment being received in cash				31-03-2024	31-03-2023			
2 No. of Equity Shares issued as bonus shares				Nil	Nil			
3 No. of Equity shares extinguished on buy-back				Nil	Nil			
(e) Details of Shareholding of Promoters at the end of the year as follows :								
Shares held by promoters at the end of the year		Equity Shares held by promoters at the end of March 31, 2024		Equity Shares held by promoters at the end of March 31, 2023		% Change during the year '2023-24	Equity Shares held by promoters at the end of March 31, 2022	% Change during the year '2022-23
S.	Promotername	No. of Shares	%of total shares	No. of Equity	% of total Equity			
1	Rahul Jeetmal Parekh	1837710	17.30	1837710	17.30	0.00	450	9.00
2	Anand Jeetmal Parekh	1705676	16.06	1705676	16.06	0.00	450	9.00
3	Jeetmal Bhoorchand Parekh	1289513	12.14	1289513	12.14	0.00	490	9.80
4	Kamladevi Jeetmal Parekh	545000	5.13	545000	5.13	0.00	450	9.00
5	Ratna Rahul Parekh	256535	2.42	256535	2.42	0.00	450	9.00
6	Jeetmal Bhoorchand (HUF)	129934	1.22	129934	1.22	0.00	---	---
7	Jeetmal Rahulkumar (HUF)	67026	0.63	67026	0.63	0.00	---	---
8	Yashovardhan Rahul Parekh	61596	0.58	61596	0.58	0.00	---	---
9	Rohan Anand Parekh	416260	3.92	416260	3.92	0.00	---	---
10	Amita A Parekh	---	---	---	---	---	---	---
11	Mamta A Surana	---	---	---	---	---	460	9.20
12	Jeetmal Prithviraj Parekh (HUF)	10250	0.10	10250	0.10	0.00	440	8.80
13	Atul Jain	2000	0.02	2000	0.02	0.00	---	---
14	Rahul Calchem Pvt Ltd	206094	1.94	206094	1.94	0.00	---	---
15	Mahalaxmi Calchem Private Limited	168196	1.58	168196	1.58	0.00	440	8.80
16	Anand Chem Industries Pvt Ltd	94195	0.89	94195	0.89	0.00	440	8.80
17	Heena Agriculture Private Limited	68344	0.64	68344	0.64	0.00	430	8.60
18	Rainbow Export Private Limited	---	---	---	---	---	500	10.00
19	Ashita Mercantile Private Limited	23862	0.22	23862	0.22	0.00	---	---
	Total	6882191	64.80	6882191	64.80	0.00	5000	100.00
								-485.97
(Amount In Lakhs unless otherwise stated)								
16 Other Equity								
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2022				
(a) Securities premium reserve								
Opening balance								
Add: Received pursuant to scheme during the year(Refer note No 50)		7669.71	---	---				
Closing balance		7669.71	7669.71	---				
(d) Retained Earnings								
Opening balance								
Add: Net profit for the year		(311.95)	11.80	5.47				
Less: Transferred pursuant to Scheme(Refer note No 50)		(191.83)	(279.66)	6.40				
Less: Income Tax of eariler years		---	(45.21)	---				
Less: MAT Credit of Earlier Years		(10.71)	1.09	(0.09)				
Closing balance		0.00	0.03	0.03				
(e) Equity Instruments through OCI		-514.48	-311.95	11.80				
Opening Balance								
For The Year (net of Tax)		0.00	0.00	---				
		3.26	0.00	---				
		3.26	0.00	---				
(f) Other items of Other Comprehensive Income								
Opening balance								
Re-measurement gain/(loss) on defined benefit plans (net of tax)		45.27	33.38	---				
		12.37	11.89	---				
Closing balance		57.64	45.27	---				
Total Other Equity		7216.13	7403.04	11.80				



Notes

The description of the nature and purpose of each reserve within equity is as follows:-

1 Securities Premium Reserve:-

Securities Premium Reserve in pursuance of Scheme of Arrangement .

2 Equity Instrument through OCI:-

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

3 Other Items of other Comprehensive Income:-

The Actuarial Gain (net of tax) on defined benefit plan due to Change in Demographic Assumptions, Financial Assumption and Experience has been recognised in other Comprehensive Income.

(Amount in Lakhs unless otherwise stated)

17 Non-Current Borrowings			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Secured			
Term Loans			
From Banks	606.54	303.25	---
From Others	---	---	---
Total (A)	606.54	303.25	---
Unsecured			
Loan from Related Parties	12.95	5.30	0.20
Other Loans(Refer note no 50)	5.00	---	---
Total (B)	17.95	5.30	0.20
TOTAL (A+B)	624.49	308.55	0.20

Notes

- Rupee term loan from Bank of Baroda having outstanding amount of Rs. 1.90 lacs (P.Y Rs. 67.90 Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from May, 2020. Last installment due in April, 2025.
- Rupee term loan from Bank of Baroda having outstanding amount of Rs. 144.62 lacs (P.Y Rs. 190.63 Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from Aug, 2022. Last installment due in July, 2027.
- Rupee term loan from Bank of Baroda having outstanding amount of Rs. 117.80 lacs (P.Y Rs. 319.83) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 36 monthly installments commencing from October, 2021. Last installment due on September, 2024.
- Rupee term loan from Bank of Baroda having outstanding amount of Rs.256.96 lacs (P.Y Rs. 300.00 Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 36 monthly installments commencing from November-2023. Last installment due on October, 2026.
- Rupee term loan from Bank of Baroda having outstanding amount of Rs. 486.39 lacs (P.Y Rs. Nil Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from Sep, 2024. Last installment due in Aug, 2029.

(Amount in Lakhs unless otherwise stated)

18 Provisions (Non Current)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Provision for Gratuity	60.55	83.61	---
Total	60.55	83.61	---



(Amount In Lakhs unless otherwise stated)			
19 Deferred Tax Liabilities (Net)			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liability			
Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.	138.63	109.80	---
Fair Valuation Gain on Investments	1.64	2.55	---
	140.27	112.34	---
Deferred Tax Asset:			
Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.	28.76	23.34	---
Unabsorbed Loss	65.26	---	---
Remeasurements of defined benefit plans	-16.39	-8.31	---
	77.64	15.02	---
Deferred Tax Liabilities (Net)	62.64	97.32	---

(Amount In Lakhs unless otherwise stated)			
20 Other Non- current Liabilities			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Income for Capital Subsidy	25.26	27.84	---
Deferred Income for EPCG Liability	7.69	16.35	---
Others	21.28	52.22	---
	54.22	96.41	---

(Amount In Lakhs unless otherwise stated)			
21 Short-Term Borrowings			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Secured			
Loan repayable on Demand			
(a) From Banks			
Cash Credit			
Foreign Bills Purchase	351.17	431.15	---
Overdraft	42.15	224.66	---
Export Packing Credit	499.28	604.73	---
(b) From Others	157.82	0.94	---
	---	---	---
Current Maturities of long term debts	184.10	224.40	---
Total	1234.51	1485.88	---

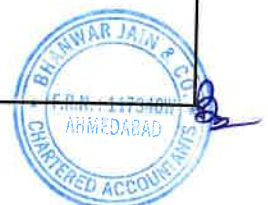
Note

- Cash Credit, Foreign Bills Purchase and Export packing Credit facilities are secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and overdraft is secured by way of pledge of fixed deposit receipts of the company. (Refer Note No 50)
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(Amount In Lakhs unless otherwise stated)			
22 Trade Payables			
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Trade Payables			
Payable to related parties	653.60	789.09	---
Payable to Others	2480.14	2187.19	0.05
Total Trade Payables	3133.74	2976.28	0.05

Trade Payable Ageing Schedule

Particulars	Outstanding for following periods from due date of payment as at 31-03-24				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues-MSME	300.60	---	---	---	300.60
(ii) Undisputed dues - Others	2815.47	17.67	0.00	0.00	2833.14
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---



Particulars	Outstanding for following periods from due date of payment as at 31-03-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues-MSME	396.11	---	---	---	396.11
(ii) Undisputed dues- Others	2520.50	16.77	18.07	24.83	2580.17
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---

Particulars	Outstanding for following periods from due date of payment as at 31-03-22				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues-MSME	---	---	---	---	0.00
(ii) Undisputed dues- Others	0.05	---	---	---	0.05
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---

23 Other financial liabilities (Amount In Lakhs unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Salary & Wages Payable	40.40	33.40	---
Provision for Impairment of Assets	0.18	0.18	---
Other Outstanding Expenses	92.70	82.48	0.05
	133.29	116.06	0.05

24 Other current liabilities (Amount In Lakhs unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Advances from Customers	10.57	0.22	---
Security Deposit	---	---	---
Statutory Duties & Taxes	---	---	---
	10.57	0.22	---

25 Short Term Provisions (Amount In Lakhs unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Provision For Gratuity	42.84	40.53	---
	42.84	40.53	---

26 Revenue from operations (Amount In Lakhs unless otherwise stated)

	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
Sales	2157.93	1098.55
Job Work Charges	6540.81	7126.16
Other Operating revenue		
Export Entitlement Benefits	51.77	72.59
Total revenue from operations	8750.51	8297.30

27 Other income (Amount In Lakhs unless otherwise stated)

	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
Exchange Rate Fluctuation	10.31	16.12
Sale of Scrap	-	0.60
Interest Received	94.87	106.15
Liability Written Back	43.44	25.11
Vatav Kasar	26.76	1.02
Profit on Sale/disposal of Fixed Assets	62.57	260.32
Amortisation of Deferred Income under EPCG Scheme	8.66	8.66
Amortisation of Deferred Income (Capital Subsidy)	21.83	21.72
Service Tax Refund	0.41	---
Rent Income	5.66	5.64
	274.51	445.34

28 Cost of raw material consumed (Amount In Lakhs unless otherwise stated)

	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
Raw Material Consumed:		
Opening Stock	334.95	432.89
Add: Purchases	3279.07	2345.82
Less: Closing Stock	228.32	334.95
Cost of raw material consumed	3385.70	2443.75



(Amount In Lakhs unless otherwise stated)			
29	Changes in inventories	YEAR ENDED	YEAR ENDED
		31.03.2024	31.03.2023
	Inventories at the beginning of the year		(*)
	Finished Goods	-	156.48
	Semi Finished Goods	84.65	86.61
	Fents, Rags & Scrap	77.14	12.84
		161.79	255.93
	Less: Inventories at the end of the year		
	Finished Goods	55.10	-
	Semi Finished Goods	90.55	84.65
	Fents, Rags & Scrap	34.17	77.14
		179.83	161.79
	Net decrease/ (increase)	-18.04	94.14
Note (*) Inventory as on 01.04.2022 transfer from first demerged undertaking pursuant to scheme of arrangement			
(Amount In Lakhs unless otherwise stated)			
30	Manufacturing & Operating Cost	YEAR ENDED	YEAR ENDED
		31.03.2024	31.03.2023
	Stores, Spares & Maintenance Expenses	424.04	422.12
	Job Charges Paid	34.02	68.60
	Design Expenses	96.83	93.36
	Power & Fuel Expenses	2724.61	3430.52
	Processing Charges	920.21	839.97
	Laboratory Expenses	16.86	6.85
	Freight, Clearing & Forwarding Expenses	9.65	9.45
	Pollution Control Expenses	239.90	119.47
		4466.12	4990.34
(Amount In Lakhs unless otherwise stated)			
31	Employee benefits expenses	YEAR ENDED	YEAR ENDED
		31.03.2024	31.03.2023
	Salaries, Wages, Bonus and Other Allowances	622.98	564.86
	Gratuity	18.04	22.72
	Contribution to Provident Fund and ESI	24.60	25.14
	Employees' Welfare Expenses	12.23	14.43
		677.85	627.16
(Amount In Lakhs unless otherwise stated)			
32	Finance costs	YEAR ENDED	YEAR ENDED
		31.03.2024	31.03.2023
	Interest	123.08	151.57
	Bank Commission & Charges	3.68	2.16
		126.76	153.74
(Amount In Lakhs unless otherwise stated)			
33	Depreciation	YEAR ENDED	YEAR ENDED
		31.03.2024	31.03.2023
	1 Depreciation on Property Plant & Equipment	396.95	432.11
	2 Depreciation on Intangible Assets	39.61	49.52
		436.56	481.63
(Amount In Lakhs unless otherwise stated)			
34	Other expenses	YEAR ENDED	YEAR ENDED
		31.03.2024	31.03.2023
	E.C.G.C. Premium	2.27	2.70
	Telecommunication Expenses	3.42	3.05
	General Expenses	1.63	1.33
	Insurance Premium	17.90	20.25
	Advertisement Expenses	---	0.58
	Audit Fees	2.00	0.15
	Car Expenses	4.26	6.23
	Packing Materials Expenses	71.90	79.83
	Legal & Consulting Expenses	21.09	9.65
	Postage & Courier Expenses	0.73	0.77
	Rent, Rates and Taxes	2.71	12.74
	Loss on Sale of Fixed Assets	0.06	---
	Miscellaneous Expenses	25.97	15.94
	Amortisation of Leasehold Land	0.50	0.50
	Export Freight	20.48	33.65
	Commission Expenses	1.21	19.91
	Factory Expenses	0.27	0.34
	Bad Debts written off	0.41	0.40
	Printing & Stationery Expenses	7.86	8.84
	Provision for impairment of Assets	---	0.18
	Provision for impairment of Debtors	---	7.25
	Business Promotion Expenses	---	7.25
		184.66	231.54



35 Note : The following is the break-up of Auditors remuneration (Amount In Lakhs unless otherwise stated)			
	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.22
Statutory Audit Fee	2.00	0.15	0.15
For Others (Reports, Certificates, etc.)	0.28	0.12	----
Total	2.28	0.27	0.15

36 (a) Financial Instruments by Category (Amount In Lakhs unless otherwise stated)						
(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:						
Particulars	As at 31.03.24		As at 31 Mar, 2023		As at 31 Mar, 2022	
	At FVTOCI	Amortised Cost	At FVTOCI	Amortised Cost	At FVTOCI	Amortised Cost
Assets:						
Investments (Non Current)	312.12		308.86		11.26	
Other Financial Non- current assets		58.66		60.54		---
Trade Receivables		2311.71		2329.21		0.18
Cash & Cash Equivalents		261.84		154.65		6.83
Other Bank Balance		1066.57		1502.99		0.00
Loan		105.86		106.39		0.00
Other Financial current assets		52.92		53.37		0.00
Total	312.12	3857.56	308.86	4207.15	11.26	7.01
Liabilities:						
Borrowings		624.49		308.55		0.20
Borrowings (Current)		1234.51		1485.88		0.00
Trade Payables		3133.74		2976.28		0.05
Other Financial Liabilities (Current)		133.29		116.06		1.23
Total		5126.03		4886.78		1.47

(b) Fair Value Measurement

(i) Fair Value hierarchy

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)
Level 3- Input for the assets or liabilities that are not based on observable market data (unobservable inputs)

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Long terms Investments				
As at 31.03.24				
Fair values through OCI	312.12		312.12	
As at 31.03.23				
Fair values through OCI	308.86		308.86	
As at 31.03.2022				
Fair values through OCI	11.26		11.26	

37 The details of Contingent Liabilities and Commitments (to the extent not provided for): (Amount In Lakhs unless otherwise stated)			
Particulars	AS AT #REF!	AS AT #REF!	AS AT #REF!
A Contingent Liabilities:			
1 Employees' cases pending before labour courts In other cases of Employees' pending before labour courts, the liability is indeterminate The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.	19.49	31.55	0.00
B Capital Commitments remained to be executed:	---	---	---

38 Amortisation of Intangible assets				
Commercial Right to use effluent treatment pipeline and CETP has been amortised @ 10% on straight line basis as the useful life thereof has been estimated to be not more than 10 years.				
39 Calculation of Earning per Share				
Earning per Share		As at 31.03.24	As at 31.03.23	As at 31.03.22
Net Profit after Tax		(191.83)	(279.66)	6.40
Nominal Value of equity share	Rs. In lakhs	10	10	10
Weighted average number of equity shares(Refer Note No. 50)	Rs. Nos.	10620275	10620275	5000
- for Basic EPS		10620275	10620275	5000
Basic EPS	Rs.	(1.81)	(2.63)	127.97
Diluted EPS	Rs.	(1.81)	(2.63)	127.97

40 The outstanding amount of Rs. 300.60 Lakhs due to those Micro and Small Enterprises who have reported to the company as Micro and Small Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME). However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.



41 Related Party Transactions:
As per Indian Accounting Standard 24, Related Party Disclosure is as under:

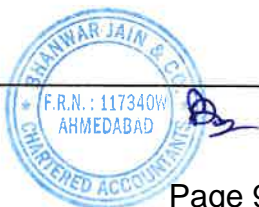
(a) List of Related Parties with whom transactions have taken place during the year and relationship:

<u>Name of the Related Party</u>	<u>Relationship</u>
Globale Tessile Limited	Associate
Mahalaxmi Exports Private Limited	Subsidiary
Mahalaxmi Rubtech Ltd.	Associate
Mahalaxmi Cal Chem Pvt. Ltd	Associate
Anand Chem Industries Pvt. Ltd.	Associate
Mahalaxmi Exports	Associate
Rahul Textile	Associate
Jeetmal B Parekh	Key Managerial Personnel
Rahul J Parekh	Key Managerial Personnel
Anand J. Parekh	Key Managerial Personnel

Transactions during the year ended March,2024 with Related Parties:

(Amount in Lakhs unless otherwise stated)

Nature of Transaction	Associate	Key Managerial Personnel	Subsidiary
Rent paid			
Rahul Textile	1.08		
	1.08	---	---
Rent Received			
Globale Tessile Limited	3.60		
Mahalaxmi Exports Pvt. Ltd.			1.20
Mahalaxmi Exports	0.60		
	4.20	---	1.20
Purchase			
Globale Tessile Limited	4.06		
Mahalaxmi Exports Pvt. Ltd.			10.61
Mahalaxmi Rubtech Ltd.	24.87		
Mahalaxmi Cal Chem P Ltd.	0.18		
Anand Chem Ind. P. Ltd.	256.88		
Mahalaxmi Exports	38.39		
	324.38	---	10.61
Job charges Paid			
Mahalaxmi Exports Pvt. Ltd.			24.30
	---	---	24.30
Sales			
Mahalaxmi Exports Pvt. Ltd.			1.67
Mahalaxmi Exports	38.66		
	38.66	---	1.67
Job charges Received			
Mahalaxmi Exports Pvt. Ltd.			1857.56
Mahalaxmi Exports	460.49		
Globale Tessile Pvt. Ltd.	1450.89		
	1911.37	---	1857.56
Loan Taken			
Mahalaxmi Rubtech Ltd.	175.42		
Rahul J Parekh	---	0.20	---
Jeetmal B Parekh	---	12.75	---
	175.42	12.95	---
Loan Repaid			
Mahalaxmi Rubtech Ltd.	175.42		
	175.42	---	---
Advance Given			
Mahalaxmi Rubtech Ltd.	0.08		
	0.08	---	---
Advance Recovered			
Mahalaxmi Rubtech Ltd.	118.08		
	118.08	---	---
Outstandings			
Payables			
Anand Chem Industries Pvt. Ltd.	28.44		
	28.44	---	---
Receivables			
Mahalaxmi Exports	262.46		
Mahalaxmi Rubtech Ltd	177.82		
Globale Tessile Pvt. Ltd.	768.72		
Mahalaxmi Exports Pvt. Ltd.	---		164.39
	1208.99	---	164.39



Nature of Transaction	Associate	Key Managerial Personnel	Subsidiary
Loan Taken			
Rahul J Parekh	---	0.20	---
Jeetmal B Parekh	---	12.75	---
	---	12.95	---
Advance Given			
Mahalaxmi Rubtech Ltd.	0.08		
	0.08	---	---
Investments (Unquoted)			
Closing Balance			
Anand Chem Ind. P. Ltd.	11.92	---	---
Mahalaxmi Exports Pvt. Ltd.	---	---	300.00
	11.92	---	300.00

(b) Transactions during the year ended March, 2023 with Related Parties:

Nature of Transaction	(Amount in Lakhs unless otherwise stated)		
	Associate	Key Managerial Personnel	Subsidiary
Rent paid			
Rahul Textile	1.08		
	1.08	---	---
Rent Received			
Globale Tessile Private Limited	3.00		
Mahalaxmi Exports Pvt. Ltd.			2.40
Mahalaxmi Exports	0.60		
	3.60	---	2.40
Purchase			
Globale Tessile Private Limited	4.06		
Mahalaxmi Exports Pvt. Ltd.			10.61
Mahalaxmi Cal Chem P Ltd.	0.18		
Anand Chem Ind. P. Ltd.	256.88		
Mahalaxmi Exports	38.39		
	299.51	---	10.61
Job charges Paid			
Mahalaxmi Exports Pvt. Ltd.			24.30
	0.00	---	24.30
Sales			
Mahalaxmi Exports Pvt. Ltd.			1.67
Mahalaxmi Exports	38.66		
	38.66	---	1.67
Job charges Received			
Mahalaxmi Exports Pvt. Ltd.			1857.56
Mahalaxmi Exports	460.49		
Globale Tessile Pvt. Ltd.	1450.89		
	1911.37	---	1857.56
Outstandings			
Payables			
Globale Tessile Pvt. Ltd.	17.54		
Anand Chem Industries Pvt. Ltd.	91.52		---
	109.06	---	---
Receivables			
Mahalaxmi Exports	32.54		
Globale Tessile Pvt. Ltd.	31.37		
Mahalaxmi Exports Pvt. Ltd.	---		296.58
	63.91	---	296.58
Investments (Unquoted)			
Closing Balance			
Anand Chem Industries Pvt. Ltd.	8.66		
Mahalaxmi Exports Pvt. Ltd.			300.00
	8.66	---	300.00



42 Derivatives Instruments:				
(a)		Derivatives outstanding as at the Balance Sheet Date:		
Currency	Exposure to Buy / Sell	No. of Contracts	As at the year ended	
			Rs. Lacs	Foreign Currency
USD	NIL	NIL	NIL	NIL
(b) Foreign currency exposure at the year end not hedged by derivative instruments:				
Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022	
Payable against import of goods & services				
Rupees in Lakhs				
US Dollar	---	---		---
GBP	---	---		---
CHF	---	---		---
Euro	---	---		---
Advance payment to suppliers and for expenses				
Rupees in Lacs				
Euro	---	---		---
US Dollar	---	---		---
Receivable against export of goods and services				
Rupees in Lacs				
US Dollar	---	---		---
Euro	---	---		---
The Company entered in to derivative contracts strictly for hedging purposes only and not for trading or speculation purposes.				
43				
Disclosure pursuant to Accounting Standard-17 "Segment Reporting": During the year under consideration ,the company operated in only one segment i.e manufacturing and trading of traditional textile.				
44				
Reconciliation of opening and closing balances of Defined Benefit Obligation		(Amount RS In Lakhs)		
		Gratuity (Non-Funded)		
		2023-24	2022-23	2021-22
Defined Benefit obligation at beginning of year		---	---	---
Current Service Cost		9.69	---	---
Interest Cost		8.35	---	---
Past Service Cost		---	---	---
Actuarial (gain)/loss		(17.14)	---	---
Liability Transferred In/Acquisitions(Refer Note No. 50)		111.30	---	---
Benefits paid		(8.80)	---	---
Defined Benefit obligation at year end		103.39	---	---
Reconciliation of opening and closing balances of fair value of Plan Assets				
		2023-24	2022-23	2021-22
Fair value of Plan assets at beginning of year		---	---	---
Expected return on plan assets		---	---	---
Actuarial gain/loss		---	---	---
Employer contribution		---	---	---
Benefits paid		---	---	---
Fair value of Plan assets at year end		---	---	---
Actual return on plan assets		---	---	---
Reconciliation of fair value of assets and obligations				
		As at 31.03.2024	As at 31.03.2023	As at 31/03/2022
Fair value of Plan assets		---	---	---
Present value of obligation		103.39	---	---
Amount recognised in Balance Sheet		103.39	---	---
Expenses recognised in Profit & Loss Account				
		2023-24	2022-23	2021-22
Current Service Cost		9.69	---	---
Interest Cost		8.35	---	---
Past Service Cost		0.00	---	---
Expected return on Plan assets		0.00	---	---
NET COST		18.04	---	---
Expenses recognised in OCI				
		2023-24	2022-23	2021-22
Actuarial (gain)/loss		(17.14)	---	---
Total		(17.14)	---	---
Investment Details				
		2023-24	2022-23	2021-22
GOI Securities		-	-	-
Public Securities		-	-	-
State Government Securities		-	-	-
Insurance Policies		-	-	-
Others (including bank balances)		-	-	-



Actuarial assumptions

	2023-24	2022-23	2021-22
Mortality Table(LIC)			
Attrition Rate	2.00%	2.00%	2.00%
Discount rate (per annum)	7.23%	7.25%	7.25%
Expected rate of return on Plan Assets(per annum)	N.A.	N.A.	N.A.
Rate of escalation in salary (Per Annum)	5.00%	5.00%	5.00%

45 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(I) Foreign currency risk

The company also operates in international market and business is transacted in foreign currencies.

The export sales of company comprise around 8.42% of the total sales of the company. Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Foreign Currency

Particulars	Foreign Currency		
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
a) Exposure on account of Financial Assets			
Trade receivables (net of bill discounted) (A)			
In USD	---	---	---
In Euro	---	---	---
Amount hedged through forwards & options # (B)			
In USD	---	---	---
In Euro	---	---	---
Net Exposure to Foreign Currency Assets (C=A-B)			
In USD	---	---	---
In Euro	---	---	---
b) Exposure on account of Financial Liabilities			
Trade Payables (D)			
In USD	---	---	---
In Euro	---	---	---
In GBP	---	---	---
In CHF	---	---	---
Amount Hedged through forwards & options # (E)			
In USD	---	---	---
In Euro	---	---	---
In CHF	---	---	---
Net Exposure to Foreign Currency Liabilities F=(D-E)			
In USD	---	---	---
In Euro	---	---	---
In GBP	---	---	---
In CHF	---	---	---
Net Exposure to Foreign Currency Assets/(Liability) (C-F)			
In USD	---	---	---
In Euro	---	---	---
In GBP	---	---	---
In CHF	---	---	---



Foreign Currency Risk Sensitivity

The Impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	Net Impact on Profit before Tax		
	As at	As at	As at
	2023-24	2022-23	2021-22
USD sensitivity			
INR/USD -Increase by 5%	---	---	---
INR/USD -Decrease by 5%	---	---	---
EURO sensitivity			
INR/EURO -Increase by 5%	---	---	---
INR/EURO -Decrease by 5%	---	---	---
CHF sensitivity			
INR/EURO -Increase by 5%	---	---	---
INR/EURO -Decrease by 5%	---	---	---

(II) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Rs. In Lakhs)		
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Long term debts from Banks and Financial Institutions	606.54	303.25	---
Current Maturities of long term debts	184.10	224.40	---
Unsecured Loan			
- From Bank	-	-	-
- From Related Parties	12.95	5.30	0.20
Short term Borrowings from Banks	551.13	656.75	---
Overdraft from Bank	499.28	604.73	---
Total borrowings	1854.01	1794.44	0.20
% of Borrowings out of above bearing variable rate of Interest	73.07%	66.30%	100.00%

Interest rate sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	As at	As at	As at
	31.03.2024	31.03.2023	31.03.2022
50 bps Increase would decrease the profit before tax by	-6.77	-5.95	0.00
50 bps decrease would increase the profit before tax by	6.77	5.95	0.00

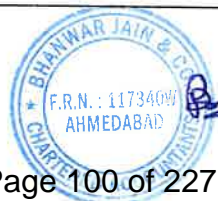
(III) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plans. The company does not actively trade equity investments. Protection principle is given high priority by limiting company's investments to fixed deposits/ Fixed Maturity plans only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.



The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	(Amount Rs in lakhs)		
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Borrowings			
expiring within one year	1229.52	1485.89	0.00
expiring beyond one year	624.49	308.55	0.20
	1854.01	1794.44	0.20
Trade Payables			
expiring within one year	300.60	396.11	0.05
expiring beyond one year	2833.14	2580.17	0.00
	3133.74	2976.28	0.05
Other Financial liabilities			
expiring within one year	133.29	116.06	0.05
expiring beyond one year	-	-	-
	133.29	116.06	0.05

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk for the overseas customers based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by ECGC.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 8

Write off policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

48 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company's gearing ratio was as follows:

Particulars	(Amount in Lakhs)		
	Financial ended 31.03.2024	Financial Year ended 31.03.2023	Financial ended 31.03.2022
Total Borrowings	1854.01	1794.44	0.20
Less: Cash and cash equivalents	261.84	154.65	0.18
Net debt	1592.17	1639.79	0.01
Total equity	8278.16	8465.07	16.80
Gearing ratio	19.23%	19.37%	0.06%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March 2024.



49 Additional Regulatory Information

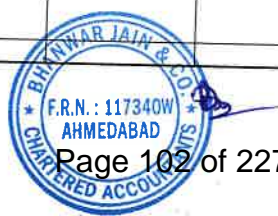
Additional Regulatory Information

- 1 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company do not have any transactions with companies struck off.
- 3 The Company do not have any charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- 4 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

- 6 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income tax Act,1961)
- 7 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income tax Act,1961)

8 Ratios (Continuing operations)

Sr No	Particular	Numerator	Denominator	March 31,2024	March 31,2023	March 31,2022	% of Variance for 2023-24	Reason for Variance of more than 25%
1	Current Ratio	Current Asset	Current Liabilities	0.98	1.07	4.72	-8.51	---
2	Debt-Equity Ratio	Total Liabilities	Shareholders Equity	0.65	0.61	0.24	5.24	---
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.05	1.55	---	-32.30	Variance is due to increase in net profit after taxes and decrease in Debt service repayment.
4	Return on Equity Ratio	Net Profits after taxes - Preference Dividend (if any)	Shareholder's Equity	-2.32	-3.30	75.70	29.86	Variance is due to increase in net profit after taxes
5	Inventory turnover ratio	Cost of goods sold/Net Sales	Average Inventory	73.92	192.70	---	-61.64	Variance is due to decrease in inventory
6	Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	3.77	5.67	---	-33.49	Variance is due to increase Trade Receivable



Sr No	Particular	Numerator	Denominator	March 31,2024	March 31,2023	March 31,2022	% of Variance for 2023-24	Reason for Variance of more than 25%
7	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.81	4.31	---	-34.82	Variance is due to increase in Trade Payable
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	104.85	24.63	---	325.75	Variance is due to decrease in working capital
9	Net profit ratio	Net Profit	Net sales = Total sales - sales return	-2.19	-3.37	---	34.96	Variance is due to increase in net profit after taxes
10	Return on Capital employed	Earning before interest and taxes	Capital Employed = Total Equity+Long term Debt	-2.64	-3.19	98.26	17.33	---
11	Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	-1.27	-1.54	----	17.45	---
12	Return on Net Worth (%)	Total comprehensive income for the year, net of tax	Net worth= Total Equity	-2.14	-3.20	75.70	33.19	Variance is due to increase in net profit after taxes

50 SCHEME OF ARRANGEMENT

The Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, vide Order No.- C.P. (CAA)/ 57(AHM)2023 in C.A.(CAA)/47(AHM)2023, dated 04th March, 2024, sanctioned the Scheme of Arrangements involving Demerger between Mahalaxmi Rubtech Limited (MRT) (CIN:- L25190GJ1991PLC016327) ("Demerged Company"); Mahalaxmi Fabric Mills Private Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MF MPL) (CIN:- U17100GJ1991PTC015345) ("First Resulting Company"); and Globale Tessile Private Limited (GTPL) (CIN:- U17299GJ2017PTC098506) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme").

Pursuant to the Scheme

- The Company has been converted into Public company.
- The Traditional Textiles Processing division and Wind Power Division being the First Demerged Undertaking has been transferred and vested, on a going concern basis, in Mahalaxmi Fabric Mills Limited, with effect from 1st April, 2022 i.e. Appointed Date.
- Accordingly, this Restated Financial Statements include financial information for the First Demerged Undertaking of the Demerged company.
- Mahalaxmi Exports Private Limited has ceased to become the Wholly Owned Subsidiary Company of Mahalaxmi Rubtech Limited and has become the Wholly Owned Subsidiary Company of Mahalaxmi Fabric Mills Limited.

All the Secured Loan including Term Loan, Cash Credit and Overdraft Facilities from Banks in the Demerged Undertakings and residual undertaking are secured by way of hypothecation of stock, 'book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured 'by personal guarantee of promoter directors and overdraft is secured by way of pledge of fixed deposit receipts of the demerged company.



The borrowing limits and securities with Banks pertaining to the demerged undertakings are to be transferred into the respective resulting companies as a going concern in pursuance of Scheme. The Bank is in process of reviewing & segregating and transferring of all credit facilities and securities to respective resulting companies in pursuance of Scheme.

The Authorised Share Capital has been increased to Rs. 11,00,00,000/- with simultaneous conversion of 3,000 9% Redeemable Preference Shares of Rs. 100/- each to 3,000 Equity Shares of Rs. 100/- each as well as simultaneous splitting of 15,000 Equity Share

In consideration of transfer of the First Demerged Undertaking of the Demerged Company, Mahalaxmi Fabric Mills Limited shall issue and allot 1,06,20,275 Equity Shares of Rs. 10/- each, to the Shareholders of the Demerged Company, in the ratio of 1 new Equity Share of Mahalaxmi Fabric Mills Limited, for every 1 Equity Share in the Demerged Company.

In accordance with the Scheme, the Demerger of the Undertaking has been accounted as prescribed by Ind AS 103 - Business Combinations. As per the requirements of Appendix C to Ind AS 103 - Business Combinations, in respect of the Scheme, effect of the Demerger needs to be given in the accounts as if it had occurred from the beginning of the preceding period in the standalone and consolidated Financial Statements of the Company. Notwithstanding this, in accordance with the MCA circular dated 21st August, 2019, the Company has considered the Appointed Date i.e. on 01st April, 2022, as the date of the Demerger for the purpose of accounting. Further, in terms of the Scheme, with effect from the Appointed Date till the Effective Date, Traditional Textiles Processing Division including Wind Power Division was carried on by the Demerged Company for and on account of, and in trust for Mahalaxmi Fabric Mills Limited.

These Financial Statements comprise of also financial information for the First Demerged Undertaking of the Demerged Company and the internal transactions between the First Demerged Undertaking and the Residual Undertaking are now not required to be eliminated. Accordingly, the previous year i.e. 2022-23 figures have been restated by giving the effect of Scheme of Arrangement.

The Company has recognise all Assets and Liabilities at net carrying book value and Factory Land at Fair Market Value transferred from demerged company as on Appointed Date 1 st April, 2022 and has been adjusted in Equity Share Capital of Rs 10.62 Crore and Security Premium Reserve of Rs 76.70 Crores in pursuance of the Scheme of Arrangement.

Accordingly, the accounting treatment has been given as under:-

(Amount Rs In Lakhs)

Particulars	First
	Demerged Undertaking
ASSETS	
Non Current Asset	3798.53
Current Asset	4930.25
Addition in Value of Land	5309.53
TOTAL ASSETS (A)	14038.31
LIABILITIES	
Non-Current Liabilities	917.55
Current Liabilities	4389.02
TOTAL LIABILITIES (B)	5306.57
Net carrying value of assets (A-B)	8731.74

51 The Company's software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for certain direct changes to data when using certain access rights and at the database level for the accounting software.

52 Notes Forming part of Financial Statements for year ended on 31st Mar ,2024

A

General Information

Mahalaxmi Fabric Mills Limited (Company) is an Unlisted Public Company domiciled in India and was incorporated on 4th April, 1991 under the provisions of the Companies Act, 1956 applicable in India. The Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, vide Order No.- C.P.(CAA)/57(AHM)2023 in C.A.(CAA)/47(AHM)2023, dated 4th March, 2024, sanctioned the Scheme of Arrangements involving Demerger between Mahalaxmi Rubtech Limited (MRT) ("Demerged Company"); Mahalaxmi Fabric Mills Private Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MFMP or MFML) ("First Resulting Company"); and Globale Tessile Private Limited (GTPL or GTL) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme"), with effect from the Appointed Date i.e. 1st April, 2022. The Scheme became effective on 01st April, 2024 and consequent thereto, the entire business of the First Demerged Undertaking stand transferred and vested in the Company, on a going concern basis, with effect from the Appointed Date. Further, in terms of the Scheme, with effect from the Appointed Date till the Effective Date, Traditional Textiles Processing including Windpower business was carried on by MRT for and on account of, and in trust for the Company. The Company has already applied for listing of the Equity Shares to BSE Limited (BSE), on 30th April, 2024 and the National Stock Exchange of India Limited (NSE), on 1st May, 2024. Its registered office is located at 47, New Cloth market, Ahmedabad. The Company is primarily engaged in the business of manufacturing of traditional textile products.

For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 01, 2021 as the transition date. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 52 of Point No. B below have been applied in preparing the Company's financial statements for the year ended 31 March, 2022, 31 March, 2023 and 31 March, 2024.



B Significant accounting policies
Significant accounting policies adopted by the company are as under:

(a) Basis of Preparation of Financial Statements

(i) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value.

(iii) Current and non current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

(c) Property, plant and equipment

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016, as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

(d) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

(e) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company has amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible asset is 10 years.

(f) Investments in subsidiaries, associates

Investments in subsidiaries, associates are recognised at fair value.

(g) Borrowing cost

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



(h) Foreign Currency Transactions

(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(i) Financial Instruments.

Fair value measurement

The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes there after are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

Financial Assets

The company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income or through Profit or loss) and those to be measured at amortised cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable to transaction costs.

(j) Revenue Recognition

The company derives revenues primarily from sale of manufactured goods, traded goods, job work and related services.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the companies activities as described below:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract.

Sale of products:

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales is based on the price specified in the sales contracts, net of all discounts all discounts, returns and goods & service tax at the time of sale.

(k) Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

(b) Deferred tax

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or

(l) Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(m) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are shown as other non current assets . Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease .

(n) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Raw materials, finished goods, semi finished goods, trading goods and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Fent, rags and rejections are stated at net realisable value. In determining the cost, FIFO method is used.

(o) Impairment of assets

The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.



(p) Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

(r) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(II) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(s) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.



(II) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

(t) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(u) **Research & Development**

Expenditure on research and development is recognised as an expense when it is incurred. Expenditure which results in increase in property, plant and equipment are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

(v) **Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income. Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

(w) **Inter divisional transactions**

Inter divisional transactions are eliminated as contra items. Any unrealised profits on unsold stocks on account of inter divisional transactions is eliminated while valuing the inventory.

(x) **Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Taxes**

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements including an estimation of the likely outcome of any open tax assessments/ litigations. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available, based on estimates thereof.

(ii) **Defined benefit plans (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.



Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Ltd.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer
AHMEDABAD: 30th May, 2024.

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHALAXMI FABRIC MILLS LIMITED

Report on the audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **MAHALAXMI FABRIC MILLS LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2024 and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as " Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports on separate financial statements of such subsidiary, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.





Emphasis of Matter

We draw attention to Note 50 of the Consolidated Financial Statements with respect to Scheme of Arrangement amongst Mahalaxmi Rubtech Limited, Mahalaxmi Fabric Mills Limited and Globale Tessile Limited and their respective shareholders and creditors (the 'Scheme') for demerger of Traditional Textile Processing and Wind Power Undertaking to Mahalaxmi Fabric Mills Ltd. (First Resulting Company) and Textile Trading Undertaking to Gloable Tessile Limited (Second Resulting Company). The Scheme has been given effect to from the Appointed Date of April 1, 2022, as approved by the Hon'ble National Company Law Tribunal("NCLT"), Ahmedabad and which is deemed to be the demerger date for the purpose of accounting and consequently financial information in the statement of profit and loss for the year ended March 31, 2023, have been restated. Further pursuant to the scheme the company has become public limited company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>1. The Company has been transferred and vested the Traditional Textile Processing and Wind Power Undertaking of Mahalaxmi Rubtech Limited pursuant to a Scheme of Arrangement ("the Scheme"). The Scheme was approved by National Company Law Tribunal (NCLT) with an appointed date of 1st April,2022. We have identified this transaction relating to new operations on demerger, as a key audit matter because of</p>	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"> • We obtained and read the key documents relating to the transfer of the Demerged Undertakings (Scheme of Arrangement and approval granted by NCLT) • We have evaluated whether the method of accounting followed by the Company is in accordance with the scheme approved by NCLT and the relevant accounting guidelines. • We assessed the adequacy and appropriateness of the





significant complexities in its accounting and disclosure requirements.

2. Company's revenue is derived primarily from sale of goods. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Inappropriate assessment could lead to risk of revenue being recognized before transfer of control.

In view of the above and since revenue is a key performance indicator of the Company, we have identified timing of revenue recognition from sale of goods as a key audit matter.

disclosure in the Consolidated Financial Statements, relating to the transfer of operations on demerger, as required by the accounting standards.

- Based on the above procedures performed, the method of accounting and disclosures relating to the transfer of the Demerged Undertakings are considered to be adequate and reasonable.

Assessing the appropriateness of the accounting policy for revenue recognition with relevant accounting standards;

Evaluating the design and implementation of the Company's key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples

Performing detailed testing by selecting samples of revenue transactions recorded during the year and around the year end date using statistical sampling. We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, goods dispatch notes, customer acceptances and shipping documents;

Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.





Information other than the Consolidated Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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

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

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

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

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

- i) 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.
- ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.





- iv) 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.
- v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
 - (e) On the basis of written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 control, refer to our separate report in the **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 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:





- i. The company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements. Refer Note No.37 to the Consolidated Financial Statements.
- ii. The company has made provision, as required under the applicable law or IND AS, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, 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, to the Consolidated Financial Statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or:
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- b. The management has represented, that, to the best of its knowledge and belief, to the Consolidated Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- c. Based on such audit procedures as 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 h(iv) (a) & (b) contain any material mis-statement.





- v. The Company has not declared any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for certain direct changes to data when using certain access rights and at the database level for the accounting software, as described in note to the Consolidated Financial Statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For BHANWAR JAIN & CO.,
Chartered Accountants.
Firm Registration No.117340W

(B. M. JAIN)

Proprietor.

M. No. 034943

Ahmedabad: 30th May, 2024.

UDIN: 24034943BKFAYRS718



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Consolidated Financial Statements of the Company for the year ended March 31, 2024:

- i. In respect of property, plant & equipment:
 - (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) According to the information and explanation given to us and on the basis of our examination of records of the company, all property, plant & equipment have been physically verified by the management during the year and there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us and on the basis of our examination of records of the company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
 - (d) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
 - (e) According to the information and explanation given to us and on the basis of our examination of records of the company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii. In respect of inventories:
 - (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31st March, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies noticed on physical verification of inventory have been properly dealt with in the books of account.



- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. As disclosed in note 21 to the Consolidated Financial Statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

iii. In respect of investments, guarantee or security or loans and advances given

- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties except loan of Rs.175.50 lakhs to demerged company and balance outstanding as at balance sheet date in respect of the loans given to such company is Rs.100.00 lakhs.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties except loans provided to its demerged company. The terms and conditions of the grant of loans and advances in the nature of loans to such company are not prima facie prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayments or receipts have been regular, wherever applicable.
- (d) According to the information and explanation given to us and on the basis of our examination of records of the company, there are no amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (e) According to the information and explanation given to us and on the basis of our examination of records of the company, there is no loan or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties falling due during the year, which has been renewed or extended or fresh loan granted to settle the overdue of existing loans given to the same party.



- (f) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (g) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanation given to us and on the basis of our examination of records of the company, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the maintenance of cost records by the company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues applicable to it. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.



- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, there was no dispute in respect of dues outstanding of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues.
- (d) According to the information and explanation given to us and on the basis of our examination of records of the company, there are no dues of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute.
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. In respect of default in repayment of borrowings:
- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, term loans were applied for the purpose for which the loans were obtained.



- (d) On an overall examination of the Consolidated Financial Statements of the Company, no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Consolidated Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. In respect of funds raised and utilization:

- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not made any preferential allotment or private placement of shares during the year under audit in accordance with section 42 and 62 of the Companies Act, 2013.

xi. In respect of frauds and whistle blower complaints:

- (a) According to the information and explanation given to us and on the basis of our examination of records of the company, no fraud/ material fraud by the Company or no fraud/ material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us and on the basis of our examination of records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Consolidated Financial Statements, as required by the applicable accounting standards.
- xiv. Based on the information and explanation provided to us and our audit procedures, the company has an internal audit system in commensurate with the size and nature of its business. We have considered the internal audit reports of the company issued till date for the period under audit.
- xv. According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. Registration with RBI, Act
- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash loss in the current year and in previous financial year.



- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 47(8) to the Consolidated Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Consolidated 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 causes us to believe that any material uncertainty exists as on the date of the audit report that 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. According to the information and explanation given to us and on the basis of our examination of records of the company, there is no obligation under Corporate Social Responsibility of the company during the year hence requirement to report on clause 3(xx) of the Order is not applicable to the Company.

**For BHANWAR JAIN & CO.,
Chartered Accountants.
Firm Registration No.117340W**



(B. M. JAIN)

Proprietor.

M. No. 034943

Ahmedabad: 30th May, 2024.



“Annexure B” to the Independent Auditors’ Report on the Consolidated Financial Statements of MAHALAXMI FABRIC MILLS LIMITED.

(Referred to in paragraph 2(A)(f) under “Report on other legal and regulatory requirements” of our report of even date)

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

We have audited the internal financial controls over financial reporting of **MAHALAXMI FABRIC MILLS LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls.

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

Auditors’ Responsibility

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



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the 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 Ind AS 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, to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 ICAI.

For BHANWAR JAIN & CO.,
Chartered Accountants.
Firm Registration No.117340W



(B. M. JAIN)

Proprietor.

M. No. 034943

Ahmedabad: 30th May,2024.



MAHALAXMI FABRIC MILLS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2024

(Amount in Lakhs unless otherwise stated)

	Notes	As at 31.03.2024 ₹	As at 31.03.2023 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	1	8911.92	8473.72
Capital work-in-progress	2	184.66	---
Intangible assets	3	110.25	155.28
Financial assets			
Investments	4	12.13	8.86
Loans			
Other financial assets	5	---	---
Other non-current assets	6	58.66	60.54
Total non-current assets		9281.64	8704.20
Current assets			
Inventories			
Financial assets	7	1556.98	1350.62
Investments			
Trade receivables		---	---
Cash and cash equivalents	8	3365.94	2882.89
Bank balances other than cash and cash equivalents	9	263.00	156.76
Loans	10	1655.83	1852.87
Other financial assets	11	105.86	7.65
Other current assets	12	52.92	53.37
Assets classified as held for sale	13	565.33	489.22
Total current assets	14	15.05	15.05
TOTAL ASSETS		7580.91	6808.43
		16862.55	15512.63
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1062.03	1062.03
Other Equity	16	7905.60	7772.69
Total Equity		8967.63	8834.72
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings			
Other financial liabilities	17	631.61	319.57
Provisions		---	---
Deferred Tax Liabilities (Net)	18	60.55	83.61
Other non-current liabilities	19	64.88	98.87
Total non-current liabilities	20	54.22	96.41
Current liabilities			
Financial liabilities			
Borrowings			
Trade payables	21	2949.43	2639.30
Other financial liabilities	22	3799.68	3207.38
Other current liabilities	23	136.90	118.93
Provisions	24	93.48	14.99
Current tax liabilities (net)	26	42.84	40.53
		61.33	58.32
Total current liabilities		7083.65	6079.45
TOTAL LIABILITIES		7894.92	6677.91
TOTAL EQUITIES AND LIABILITIES		16862.55	15512.63



Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.
As per our report of even date
For BHANWAR JAIN & CO.
Chartered Accountants.
Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Limited.



Jeetmal B. Parekh
Chairman
(DIN 00512415)



Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)



Director
(DIN 00020062)



Director
(DIN 07054136)



Chief Financial Officer

(B. M. JAIN)

Proprietor

Membership No. : 034943

AHMEDABAD: 30th May, 2024.

AHMEDABAD: 30th May, 2024.

MAHALAXMI FABRIC MILLS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED ON 31st Mar ,2024

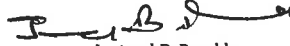
(Amount in Lakhs unless otherwise stated)

	Notes	YEAR ENDED 31.03.2024 ₹	YEAR ENDED 31.03.2023 ₹
Income			
Revenue from operations	27	16644.98	14928.77
Other income	28	391.78	449.13
Total income		17036.76	15377.90
Expenses			
Cost of material consumed and Trading Purchase	29	7437.74	5744.88
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	-54.79	98.60
Manufacturing & Operating Cost	31	7274.26	7449.73
Employee benefits expense	32	781.42	684.93
Finance costs	33	213.92	219.59
Depreciation and amortization expense	1	448.63	489.42
Other expenses	34	722.31	640.44
Total expenses		16823.49	15327.58
Profit / (Loss) before tax		213.27	50.32
Income tax expense			
Current tax		113.07	82.44
Deferred tax		-42.07	0.99
Total income tax expense		71.00	83.43
Profit/(Loss) for the year		142.27	-33.11
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on post employment defined benefit plan		17.14	11.89
Income tax effect		-4.77	0.00
		12.37	11.89
Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI		3.26	0.00
Income tax effect		(0.91)	---
		2.36	0.00
Total other comprehensive income for the year		14.73	11.89
Earnings / (Loss) per share			
Basic earnings / (loss) per share (INR)		1.34	-0.31
Diluted earnings / (loss) per share (INR)		1.34	-0.31



Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.
As per our report of even date
For BHANWAR JAIN & CO.
Chartered Accountants.
Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Limited.


Jeetmal B. Parekh
Chairman
(DIN 00512415)


Anand J. Parekh
Managing Director
(DIN 00500384)




Director
(DIN 06999605)


Director
(DIN 00020062)


Director
(DIN 07054136)




Chief Financial Officer

(B.M. JAIN)
Partner
Membership No. : 034943
AHMEDABAD: 30th May, 2024.

AHMEDABAD: 30th May, 2024.

MAHALAXMI FABRIC MILLS LIMITED

Consolidated Statement of Cash Flows for Year ended on 31st Mar, 2024

	(Amount in Lakhs unless otherwise stated)	
	YEAR ENDED 31-Mar-24	YEAR ENDED 31-Mar-23
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	213.27	50.32
Adjustments for:		
Depreciation and amortization expenses	448.63	489.42
Interest Paid	188.09	183.89
Interest Received	-94.87	-106.15
Provision for gratuity	20.75	-124.14
Payment of Gratuity	15.88	0.00
Net exchange differences	-99.62	-16.12
Deferred Revenue Expenses written off	1.26	1.26
Amortisation of Deferred Income	-30.49	-30.38
Amortisation of Leasehold Land	0.50	0.50
(Gain)/ loss on Disposal of fixed assets	-62.51	-260.32
Liabilities written back	-43.44	-25.11
Bad Debts written off	0.41	0.40
Provision for Impairment of Fixed Assets	0.00	0.18
Provision for Impairment of Receivables	7.43	7.43
Operating Profit before working capital changes	565.30	171.17
Changes in working capital		
Adjustments for:		
Decrease in inventories	-206.36	-942.37
Decrease in trade receivables	-95.54	-2477.14
Decrease in other financial assets	0.99	-152.11
Decrease in other current assets	-76.10	-233.95
Decrease in non-current financial assets	1.88	-60.54
Decrease in non-current assets	0.50	-2.00
Increase in trade payables	340.01	2942.53
Increase in other current liabilities	78.83	-15.21
Increase in non-current liabilities	-42.18	96.41
Increase in other financial liabilities	17.44	104.63
Cash generated from operations	584.75	-568.58
Net Income tax paid	-127.53	-258.27
Net cash flows used in operating activities (A)	457.22	-826.85
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	-1049.25	-8396.33
Purchase of Investments	0.00	0.00
Proceeds from sale/ disposal of fixed assets	71.02	-348.85
Net withdrawal of /Investment in fixed deposits	197.03	-1502.99
Interest Received	94.87	106.15
Net cash flow from investing activities (B)	-686.33	-10142.03
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	213.30	285.66
Increase/Buyback of Share Capital	0.00	0.00
Proceeds from short-term borrowings	310.15	2228.03
Interest paid	-188.09	-183.89
Net cash flow from financing activities (C)	335.35	2329.80
Net increase in cash and cash equivalents (A+B+C)	106.25	-8639.08
Cash and cash equivalents at the beginning of the year	156.76	93.98
On current accounts		
	---	8701.86
E. Transferred Pursuant to Scheme of Arrangement (Refer Note No 50)		
Cash and cash equivalents at the end of the period	263.01	156.76



Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Limited.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer

(B. M. JAIN)

Proprietor

Membership No. : 034943

AHMEDABAD: 30th May, 2024.

AHMEDABAD: 30th May, 2024.

MAHALAXMI FABRIC MILLS LIMITED

Statement of changes in equity for the year ended 31st March, 2024

(Amount in Lakhs, unless otherwise stated)

	Equity Share Capital	Reserve and		Retained earnings	Items of OCI	Other Comprehensive Income	Total
		Equity Share Capital	Securities Premium				
Balance as at April 1, 2022	5.00	---	93.58	0.00	33.38	131.97	
Balance Transferred pursuant to Scheme of Arrangement	1062.03	7669.71	---	---	---	8731.74	
Cancellation of Capital pursuant to scheme of Arrangement	-5.00	---	---	---	---	-5.00	
Balance as at April 1, 2022 (Post Demerger)	1062.03	7669.71	93.58	---	33.38	8858.71	
Profit for the year	---	---	-33.11	---	---	-33.11	
Other comprehensive income	---	---	---	---	---	---	
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)	---	---	---	---	11.89	11.89	
Fair Valuation of investments measured at FV/OCI (Net of tax)	---	---	---	---	---	---	
Income Tax of Earlier Year	---	---	-2.77	---	---	-2.77	
Balance As at 31 Mar, 2023	1062.03	7669.71	57.70	0.00	45.27	8834.71	
Balance As at April 1, 2023	1062.03	7669.71	57.70	0.00	45.27	8834.71	
Profit for the year	---	---	142.27	---	---	142.27	
Other comprehensive income	---	---	---	---	---	---	
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)	---	---	---	---	12.37	12.37	
Fair Valuation of investments measured at FV/OCI (Net of tax)	---	---	---	3.26	---	3.26	
Add: Income tax of earlier years	---	---	-25.00	---	---	-25.00	
Balance As at 31st Mar ,2024	1062.03	7669.71	174.98	3.26	57.64	8967.62	



Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.
As per our report of even date
For BHANWAR JAIN & CO.
Chartered Accountants.
Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Limited.



Jeetmal B. Parekh
Chairman
(DIN 00512415)



Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)



Director
(DIN 00020062)



Director
(DIN 007054136)



Chief Financial Officer

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.

AHMEDABAD: 30th May, 2024.

(Amount in Lakhs, unless otherwise stated)

1 Property, plant and equipment

Tangible Assets	Freehold Land	Building	Machinery	Electric Installation	Furniture Fixtures	Office Equipments	Vehicles	Total
A. Gross Carrying Amounts								
Year ended March 31, 2023								
Balance as at April 1, 2022	6274.19	853.85	5613.08	39.64	31.98	59.57	69.94	12942.25
Acquired pursuant to Scheme of Arrangement (Refer note no 50)	0.00	37.45	43.27	26.84	63.27	4.49	17.79	213.11
Additions	0.00	0.00	3.56	0.00	0.00	8.32	0.06	11.94
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Classified as held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance As at 31 Mar, 2023	6274.19	891.30	5652.79	66.47	115.26	55.73	87.66	13144.42
Year ended March 31, 2024								
Balance as at April 1, 2023	6274.19	891.30	6427.24	66.47	115.26	69.23	88.13	13932.82
Additions	0.00	0.00	835.45	0.00	0.00	13.49	1.37	850.31
Disposals	0.00	0.00	61.00	0.00	0.00	0.00	0.91	61.91
Classified as held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance As at 31 Mar, 2024	6274.19	891.30	6427.24	66.47	115.26	69.23	88.13	13932.82
B. Accumulated Depreciation/Amortisation								
Year ended March 31, 2023								
Balance as at April 1, 2022	0.00	246.70	3838.58	25.24	25.74	38.74	56.31	4231.30
Acquired pursuant to Scheme of Arrangement (Refer note no 50)	0.00	27.55	402.75	1.47	4.95	5.71	7.32	449.74
Depreciation For the Year	0.00	0.00	3.38	0.00	0.00	7.90	0.06	11.34
Deductions / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Classified as held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at March 31, 2023	0.00	274.25	4237.94	26.71	30.68	36.54	63.57	4669.69
Year ended March 31, 2024								
Balance as at April 1, 2023	0.00	282.22	357.05	3.94	8.71	6.91	4.20	409.02
Depreciation For the Year	0.00	0.00	57.95	0.00	0.00	0.00	0.86	58.81
Deductions / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Classified as held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at March 31, 2024	0.00	302.47	4577.04	30.65	39.39	43.44	66.91	5019.90
Net Carrying Amount								
As at 31.03.2023	6274.19	617.05	1414.66	39.76	84.58	19.20	24.09	8473.72
As at 31.03.2024	6274.19	588.83	1890.20	35.82	75.87	25.78	21.22	8911.92

2 Capital Work in Progress								
As at 31.03.2023	0							
As at 31.03.2024	184.66							

(Amount in Lakhs, unless otherwise stated)

Intangible assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.23	As at 31.03.24	As at 01.04.23	As at 31.03.24	As at 31.03.23	As at 31.03.24
Commercial Right-ETP Pipeline	412.63	396.13	257.35	39.61	110.25	155.28
Total	412.63	396.13	257.35	39.61	110.25	155.28

(Amount in Lakhs, unless otherwise stated)

Intangible assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.22	As at 31.03.23	As at 01.04.22	As at 31.03.23	As at 31.03.22	As at 31.03.23
Commercial Right-ETP Pipeline	0.00	412.63	0.00	161.10	0.00	155.28
Total	0.00	412.63	0.00	161.10	0.00	155.28



MAHALAXMI FABRIC MILLS LIMITED

Notes Forming part of Financial Statements for year ended on 31st Mar ,2024

(Amount in Lakhs, unless otherwise stated)

4 Financial Assets- Investments

(As valued , verified & certified by the management)

Financial Assets carried at cost		As at 31.03.2024	As at 31.03.2023
Investment in equity instrument designated as at fair value through OCI			
1	Investment in Associates (Unquoted - Non Trade)		
	Investment in Equity Instruments	11.93	8.66
	225(225) Shares of Anand Chem Industries Pvt Ltd Of Rs 1000/- Each		
2	Investment in others (Unquoted-Trade)		
	Investment in Equity Instruments		
	200 (200) Shares of Social Co-op Bank Ltd of Rs.100	0.20	0.20
TOTAL		12.13	8.86

The details of aggregate of quoted and unquoted investment:

Particulars	Book Value (In Rs.)		Market Value (In Rs.)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
	Aggregate Quoted Investment	----	----	----
Aggregate Unquoted Investment	12.13	8.86	----	----

(Amount in Lakhs, unless otherwise stated)

		As at 31.03.2024	As at 31.03.2023
5	Non-Current Financial assets - Others		
(Unsecured and considered good)			
	Margin Money with Banks	2.23	----
	Security Deposits	56.43	60.54
Total		58.66	60.54



(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
6 Other non-current assets		
Non Financial Assets (Unsecured and considered good)		
Capital advance	0.00	0.00
Preliminary Expenses (To the Extent not written off)	2.53	3.79
Deferred Employee Cost	---	---
Leasehold Land	1.50	2.00
Total	4.03	5.79

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
7 Inventories		
(As verified, valued & certified by management)		
Raw Materials	1102.38	983.91
Finished Goods	55.10	0.00
Semi-finished Goods	90.55	84.65
Fents & Rags	71.74	77.96
Stores, Spares, Coal, Packing & Design Materials	237.20	204.10
Total	1556.98	1350.62

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
8 Trade receivable		
(a) Trade Receivables considered Good -Secured	---	---
(b) Trade Receivables considered Good -Unsecured	3064.92	2469.68
(c) Trade Receivables which have significant increase in credit risk	0.00	54.02
(d) Trade Receivables credit impaired	---	---
	3064.92	2523.70
Less:- Provision for Doubtful Trade receivables	7.43	7.43
Total Trade Receivables (Billed)	3057.49	2516.27
Trade Receivable-Unbilled	308.45	366.62
Total Trade Receivables	3365.94	2882.89
Trade Receivables includes dues from :		
Related Parties	1208.99	63.91

Trade Receivables Ageing Schedule:

Particulars	Outstanding for following periods as at 31.03.2024						Total
	Less than 6	6 months to 1 Year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables -considered	2885.08	172.41	---	---	---	3057.49	
(ii) Undisputed Trade Receivables - which have	---	2.78	2.29	2.36	---	7.43	
(iii) Undisputed Trade receivables - Credit	---	---	---	---	---	---	
(iv) Disputed Trade Receivables	---	---	---	---	---	---	
(v) Disputed Trade Receivables - which have	---	---	---	---	---	---	
(vi) Disputed Trade receivables - Credit	---	---	---	---	---	---	

Particulars	Outstanding for following periods as at 31.03.2023						Total
	Less than 6	6 months to 1 Year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables -considered	2502.77	8.55	4.81	0.00	0.14	2516.27	
(ii) Undisputed Trade Receivables - which have	2.78	2.29	2.36	---	---	7.43	
(iii) Undisputed Trade receivables - Credit	---	---	---	---	---	---	
(iv) Disputed Trade Receivables	---	---	---	---	---	---	
(v) Disputed Trade Receivables - which have	---	---	---	---	---	---	
(vi) Disputed Trade receivables - Credit	---	---	---	---	---	---	

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
9 Cash and cash equivalents		
Balances with banks		
On current accounts	83.86	77.01
In Fixed deposit with maturity for less than 3 months	176.09	76.04
Cash on hand	3.05	3.70
Total cash and cash equivalents	263.00	155.76



			*(Amount in Lakhs, unless otherwise stated)	
			As at 31.03.2024	As at 31.03.2023
10	Bank balances other than Cash and cash equivalent			
	In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date		1655.83	1852.87
	Balances with Banks held as margin money		---	---
	In Fixed deposit with maturity more than 12 months		---	---
	Earmarked Balance with banks (pertaining to dividend accounts with banks)		---	0
			1656	1853
			*(Amount in Lakhs, unless otherwise stated)	
			As at 31.03.2024	As at 31.03.2023
11	Current Financial assets - Loans			
	Unsecured, considered good			
	To Subsidiary Companies		105.86	7.65
	Others		---	---
			105.86	7.65
			*(Amount in Lakhs, unless otherwise stated)	
			As at 31.03.2024	As at 31.03.2023
12	Current Financial assets - Others			
	Interest Receivable under TUFs		0.81	0.81
	Export Benefit Receivable		6.51	6.06
	Stipend Reimbursement Receivable		---	---
	Accrued Income		45.59	46.50
			52.92	53.37
			*(Amount in Lakhs, unless otherwise stated)	
			As at 31.03.2024	As at 31.03.2023
13	Other current assets			
	Prepaid Expenses		45.94	37.47
	Deposit		1.25	1.25
	Advance to employees		7.30	4.23
	Balance with Statutory Authorities		258.73	216.32
	Leasehold Land		0.50	0.50
	Others		251.61	229.45
	Total		565.33	489.22
			*(Amount in Lakhs, unless otherwise stated)	
			As at 31.03.2024	As at 31.03.2023
14	Assets classified as held for sale			
	Plant & Machinery		15.05	15.05
	Total		15.05	15.05



(Amount in Lakhs, unless otherwise stated)

15 Equity Share Capital

	As at 31.03.2024	As at 31.03.2023
Authorized 110000000 (110000000) Equity Shares of Rs.10 each	1100.00	1100.00
Issued, subscribed and paid up 10620275 (10620275) Equity Shares of Rs.10 each fully paid allotment pending(Refer note no 50)	1062.03	1062.03
Total	1062.03	1062.03

(a) Reconciliation of equity shares outstanding at the

	As at 31.03.2024		As at 31.03.2023	
	Number of shares	Amount	Number of shares	Amount
beginning and at the end of the year				
Outstanding at the beginning of the year	10620275	1062.03	500000.00	5.00
Add: Issue during the year	--	--	10620275.00	1062.03
Less: Cancel during the year			500000.00	5.00
Outstanding at the end of the year	10620275	1062.03	10620275.00	1062.03

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each of holder of Equity Share is entitled to one Vote per Share. The Company declares and pays Dividend in Indian Rupees. The Dividend proposed by the Board of Director is subject to approval of Shareholder in AGM. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their Shareholding. However, no such preferential amounts exist currently.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31.03.2024		As at 31.03.2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Jeetmal B. Parekh	1289513	12.14%	1289513	12.14%
Rahul J. Parekh	1837710	17.30%	1837710	17.30%
Kamlaben J. Parekh	545000	5.13%	545000	5.13%
Anand J. Parekh	1705676	16.06%	1705676	16.06%

(d) The movement of Equity shares during 5 years preceding to year ended March 31, 2024

Equity shares movement during 5 years preceding March 31, 2024	31-03-2024	31-03-2023
1 No. of Equity Shares allotted as fully paid-up without payment being received in cash	Nil	Nil
2 No. of Equity Shares issued as bonus shares	Nil	Nil
3 No. of Equity shares extinguished on buy-back	Nil	Nil

(e) Details of Shareholding of Promoters at the end of the year as follows :

S. No	Name of Promoter	Equity Shares held by promoters at the end of March 31, 2024		Equity Shares held by promoters at the end of March 31, 2023		% Change during the year
		No. of Shares	% of total shares	No. of Equity Shares	% of total Equity Shares	
1	Rahul Jeetmal Parekh	1837710	17.30	1837710	17.30	0.00
2	Anand Jeetmal Parekh	1705676	16.06	1705676	16.06	0.00
3	Jeetmal Bhoorchand Parekh	1289513	12.14	1289513	12.14	0.00
4	Kamladevi Jeetmal Parekh	545000	5.13	545000	5.13	0.00
5	Ratna Rahul Parekh	256535	2.42	256535	2.42	0.00
6	Jeetmal Bhoorchand (HUF)	129934	1.22	129934	1.22	0.00
7	Jeetmal Rahulkumar (HUF)	67026	0.63	67026	0.63	0.00
8	Yashovardhan Rahul Parekh	61596	0.58	61596	0.58	0.00
9	Rohan Anand Parekh	416260	3.92	416260	3.92	0.00
10	Jeetmal Prithviraj Parekh (HUF)	10250	0.10	10250	0.10	0.00
11	Atul Jain	2000	0.02	2000	0.02	0.00
12	Rahul Calchem Pvt Ltd	206094	1.94	206094	1.94	0.00
13	Mahalaxmi Calchem Private Limited	168196	1.58	168196	1.58	0.00
14	Anand Chem Industries Pvt Ltd	94195	0.89	94195	0.89	0.00
15	Heena Agriculture Private Limited	68344	0.64	68344	0.64	0.00
16	Ashita Mercantile Private Limited	23862	0.22	23862	0.22	0.00
	Total	6882191	64.80	6882191	64.80	0.00



(Amount in Lakhs, unless otherwise stated)

16 Other Equity

	As at 31.03.2024	As at 31.03.2023
(a) Securities premium reserve		
Opening balance	7669.71	0.00
Add : Received during the year	0.00	7669.71
Closing balance	7669.71	7669.71
(d) Retained Earnings		
Opening balance	57.70	93.58
Add: Net profit for the year	142.27	-33.11
Less: Income Tax of earlier years	-25.00	-2.80
Less: Income Tax on buyback of shares	0.00	0.03
Closing balance	174.98	57.70
(e) Equity Instruments through OCI		
Opening Balance	---	---
For The Year (net of Tax)	3.26	---
	3.26	0.00
(e) Other items of Other Comprehensive Income		
Opening balance	45.27	33.38
Re-measurement gain/(loss) on defined benefit plans (net of tax)	12.37	11.89
Closing balance	57.64	45.27
(f) Money Received against Share Warrants		
Opening balance	---	---
Less: Utilized during the year	---	---
	---	---
	---	---
Total Other Equity	7905.60	7772.69

Notes

The description of the nature and purpose of each reserve within equity is as follows:-

1 Securities Premium Reserve:-

Securities Premium Reserve is created due to premium on issue of Shares. These Reserve has been utilised in Buyback of Equity Shares of the Company, in accordance with the provisions of the Companies Act, 2013.

2 Equity Instrument through OCI:-

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

3 Other Items of other Comprehensive Income:-

The Actuarial Gain (net of tax) on defined benefit plan due to Change in Demographic Assumptions, Financial Assumption and Experience has been recognised in other Comprehensive Income.

(Amount in Lakhs, unless otherwise stated)

17 Non-Current Borrowings

	As at 31.03.2024	As at 31.03.2023
Secured		
Term Loans		
From Banks	613.66	314.27
From Others		
Total (A)	613.66	314.27
Unsecured		
Loan from Related Parties	12.95	5.30
Other Loans	5.00	0.00
Total (B)	17.95	5.30
TOTAL (A+B)	631.61	319.57



(Amount in Lakhs, unless otherwise stated)

18 Provisions (Non Current)

	As at 31.03.2024	As at 31.03.2023
Provision for Gratuity	60.55	83.61
Total	60.55	83.61

19 Deferred Tax Liabilities (Net)

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
Deferred Tax Liability		
(a) Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.	140.87	111.35
(b) Fair Valuation Gain on Investments	1.64	2.55
Deferred Tax Asset:		
(c) Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.	28.76	23.34
(d) Unabsorbed Loss	65.26	---
(e) Remeasurements of defined benefit plans	-16.39	-8.31
Deferred Tax Liabilities (Net)	64.88	98.87

(Amount in Lakhs, unless otherwise stated)

20 Other Non-current Liabilities

	As at 31.03.2024	As at 31.03.2023
Deferred Income for Capital Subsidy	25.26	27.84
Deferred Income for EPCG Liability	7.69	16.35
Others	21.28	52.22
	54.22	96.41

(Amount in Lakhs, unless otherwise stated)

21 Short-Term Borrowings

	As at 31.03.2024	As at 31.03.2023
Current Maturities of long term debts	188.00	224.40
Working Capital Loans from Banks		
Secured		
Cash Credit	562.92	431.15
Foreign Bills Purchase	1541.41	1375.42
Overdraft	499.28	604.73
Export Packing Credit	157.82	0.94
Vehicle Loan	0.00	2.66
Total short-term borrowings	2949.43	2639.30

Note

- Cash Credit, Foreign Bills Purchase and Export packing Credit facilities are secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and overdraft is secured by way of pledge of fixed deposit receipts of the company.
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.



(Amount in Lakhs, unless otherwise stated)

22 Trade Payables

	As at 31.03.2024	As at 31.03.2023
Trade Payables		
Payable to related parties	754.20	789.09
Payable to Others	3045.48	2418.29
Total Trade Payables	3799.68	3207.38

Trade Payable Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	424.54	---	---	---	424.54
(ii) Others	3315.47	16.77	18.07	24.83	3375.14
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	397.19	---	---	---	397.19
(ii) Others	2750.53	16.77	18.07	24.83	2810.19
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---

23 Other financial liabilities

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
Salary & Wages Payable	40.40	33.40
Unclaimed Dividend	0.00	0.00
Provision for impairment of Assets	0.18	0.18
Other Payables	96.31	85.35
	136.90	118.93

24 Other current liabilities

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
Advances from Customers	84.79	7.68
Outstanding Expense	---	0.34
Security Deposit	---	---
Statutory Duties & Taxes	8.69	6.98
	93.48	14.99

25 Short Term Provisions

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
Provision For Gratuity	42.84	40.53
	42.84	40.53

26 Current tax liabilities (net)

(Amount in Lakhs, unless otherwise stated)

	As at 31.03.2024	As at 31.03.2023
Opening Balance	58.32	36.71
Current Tax Provision for the year	113.07	82.44
Less: Advance Tax paid (including TDS & TCS)	110.06	60.83
	61.33	58.32



'(Amount in Lakhs, unless otherwise stated)			
27	Revenue from operations	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
	Sale of products and services	9312.00	6973.41
	Job Work Charges	6540.81	7294.05
	Other Operating revenue		
	Export Entitlement Benefits	792.17	661.31
	Total revenue from operations	16644.98	14928.77
'(Amount in Lakhs, unless otherwise stated)			
28	Other income	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
	Exchange Rate Fluctuation	99.62	16.12
	Sale of Scrap	0.00	0.60
	Interest Received	118.22	112.92
	Liability Written Back	46.80	25.13
	Vatav Kasar	28.02	1.02
	Profit on Sale/disposal of Fixed Assets	62.57	260.32
	Amortisation of Deferred Income under EPCG Scheme	8.66	8.66
	Amortisation of Deferred Income (Capital Subsidy)	21.83	21.72
	Service Tax Refund	0.41	0.00
	Rent Income	5.66	2.64
		391.78	449.13
'(Amount in Lakhs, unless otherwise stated)			
29	Cost of raw material consumed and trading purchase	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
	Raw Material Consumed:		
	Opening Stock	983.91	819.61
	Add: Purchases	7556.22	5909.17
	Less: Closing Stock	1102.38	983.91
		7437.74	5744.88
'(Amount in Lakhs, unless otherwise stated)			
30	Changes in inventories	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
	Inventories at the beginning of the year		
	Finished Goods	0.00	156.48
	Semi Finished Goods	84.65	86.61
	Fents & Rags	77.96	18.11
		162.61	261.20
	Less: Inventories at the end of the year		
	Finished Goods	55.10	0.00
	Semi Finished Goods	90.55	84.65
	Fents & Rags	71.74	77.96
		217.39	162.61
	Net decrease/ (increase)	-54.79	98.60



(Amount in Lakhs, unless otherwise stated)

31 Manufacturing & Operating CostYEAR ENDED
31.03.2024YEAR ENDED
31.03.2023

Stores, Spares & Maintenance Expenses	433.48	432.84
Job Charges Paid	2232.52	1827.89
Design Expenses	102.96	101.43
Power & Fuel Expenses	2771.40	3631.23
Processing Charges	920.21	839.97
Laboratory Expenses	25.43	10.18
Freight, Clearing & Forwarding Expenses	67.54	48.88
Pollution Control Expenses	239.90	119.47
Stitching Materials Purchase & Expenses	---	155.96
Packing Materials Expenses	480.82	281.88
	7274.26	7449.73

(Amount in Lakhs, unless otherwise stated)

32 Employee benefits expenseYEAR ENDED
31.03.2024YEAR ENDED
31.03.2023

Salaries, wages, bonus and other allowances	698.75	610.16
Gratuity	18.04	22.72
Contribution to Provident Fund and ESI	51.79	33.88
Employees' Welfare Expenses	12.84	18.17
	781.42	684.93

(Amount in Lakhs, unless otherwise stated)

33 Finance costsYEAR ENDED
31.03.2024YEAR ENDED
31.03.2023

Interest (Net)	188.09	183.89
Bank Commission & Charges	25.83	35.70
	213.92	219.59

(Amount in Lakhs, unless otherwise stated)

34 Other expensesYEAR ENDED
31.03.2024YEAR ENDED
31.03.2023

E.C.G.C. Premium	33.52	27.15
Telecommunication Expenses	3.42	3.05
General Expenses	2.04	1.56
Insurance Premium	19.51	22.05
Advertisement Expenses	0.00	0.58
Audit Fees	2.75	0.90
Car Expenses	4.26	6.23
Packing Materials Expenses	71.90	79.83
Legal & Consulting Expenses	58.97	65.11
Postage & Courier Expenses	15.15	12.12
Rent, Rates and Taxes	9.32	18.31
Loss on Sale of Fixed Assets	0.06	0.00
Miscellaneous Expenses	86.35	66.88
Amortisation of Leasehold Land	0.50	0.50
Export Freight	59.16	56.04
Commission Expenses	209.23	209.34
Factory Expenses	0.27	0.34
Bad Debts written off	0.41	0.40
Printing & Stationery Expenses	9.72	9.99
Provision for impairment of Assets	0.00	0.18
Provision for impairment of Debtors	0.00	7.25
Exhibition Expenses	24.96	30.50
Travelling Expense	109.24	14.87
Subscription Expense	1.56	0.00
Business Promotion	0.00	7.25
	722.31	640.44



(Amount in Lakhs, unless otherwise stated)

35 *Note : The following is the break-up of Auditors remuneration

	For the year ended	
	31.03.2024	31.03.2023
Statutory Audit Fee	2.75	0.90
For Others (Reports, Certificates, etc.)	0.73	0.42
Total	3.48	1.32

36 (a) Financial Instruments by Category

(Amount in Lakhs, unless otherwise stated)

(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:

Particulars	As at 31.03.24		As at 31 Mar, 2023	
	At FVTOCI	Amortised Cost	At FVTOCI	Amortised Cost
Assets:				
Investments (Non Current)	12.13		8.86	
Other Financial Non- current assets		58.66		60.54
Trade Receivables		3365.94		2882.89
Cash & Cash Equivalents		263.00		156.76
Other Bank Balance		1655.83		1852.87
Loan		105.86		7.65
Other Financial current assets		52.92		53.37
Total	12.13	5502.21	8.86	5014.08
Liabilities:				
Borrowings		631.61		319.57
Borrowings (Current)		2949.43		2639.30
Trade Payables		3799.68		3207.38
Other Financial Liabilities (Current)		136.90		118.93
Total	---	7517.62	---	6285.18

(b) Fair Value Measurement

(i) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input for the assets or liabilities that are not based on observable market data (unobservable inputs)

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Long terms Investments				
As at 31.03.24				
Fair values through OCI	8.86	---	8.86	---
As at 31 Mar, 2023				
Fair values through OCI	12.13	---	12.13	---



37 The details of Contingent Liabilities and Commitments (to the extent not provided for):		(Amount in Lakhs, unless otherwise stated)	
Particulars		As at 31.03.24	As at 31 Mar, 2023
A	Contingent Liabilities:		
1	Employees' cases pending before labour courts In other cases of Employees' pending before labour courts, the liability is indeterminate The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.	19.49	---
B	Commitments:		
1	Estimated amount of capital contacts (including covered by Letter of Credit remaining to be executed on capital account not provided for (Net of Advances)	---	---
38	Amortisation of Intangible assets Commercial Right to use effluent treatment pipeline and CETP has been amortised @ 10% on straight line basis as the useful life thereof has been estimated to be not more than 10 years.		
39	Based on review carried out as on 31.03.2024, no impairment loss is required to be provided for as per Indian Accounting Standard 36 on "Impairment of Assets".		
40	Calculation of Earning per Share	(Amount in Lakhs, unless otherwise stated)	
	Earning per Share	AS AT	
		31.03.2024	31.03.2023
	Net Profit after Tax	Rs. In Lakhs	142.27
	Nominal Value of equity share	Rs.	10.00
	Weighted average number of equity shares	Nos.	10620275
	- for Basic EPS		10620275
	- for Diluted EPS		10620275
	Basic EPS	Rs.	1.34
	Diluted EPS	Rs.	1.34
41	The outstanding amount of Rs. 424.54 Lakhs due to those Micro and Small Enterprises who have reported to the company as Micro and Small Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME). However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.		



42 Related Party Transactions:
As per Accounting Standard 18, Related Party Disclosure is as under:
List of Related Parties with whom transactions have taken place during the year and relationship:

Globale Tessile Private Limited	Associate
Mahalaxmi Cal Chem Pvt. Ltd.	Associate
Anand Chem Industries Pvt. Ltd.	Associate
Mahalaxmi Rubtech Limited	Associate
Mahalaxmi Exports	Associate
Rahul Textile	Associate
Parekh Dye Chem Corporation	Associate
Jeetmal B Parekh	Key Managerial Personnel
Rahul J Parekh	Key Managerial Personnel

(Amount in Lakhs, unless otherwise stated)

Transactions during the year ended March 31, 2024 with Related Parties:

Nature of Transaction	Associate	Key Managerial Personnel	Relative of KMP
Rent paid			
Rahul Textile	1.08		
	1.08		
Rent Received			
Globale Tessile Private Limited	3.60		
Mahalaxmi Exports	0.60		
	4.20		
Purchase			
Globale Tessile Private Limited	4.06		
Mahalaxmi Cal Chem P Ltd.	0.18		
Anand Chem Ind. P. Ltd.	256.88		
Mahalaxmi Exports	38.39		
	299.51		
Sales			
Mahalaxmi Exports	38.66		
	38.66		
Job charges Received			
Mahalaxmi Exports	460.49		
Globale Tessile Pvt. Ltd.	1450.89		
	1911.37		
Advance given			
Mahalaxmi Rubtech Limited	175.50		
	175.50		
Advance Recovered			
Mahalaxmi Rubtech Limited	75.50		
	75.50		
Loan Taken			
Jeetmal B Parekh		12.65	
	0.00	12.65	0.00
Outstandings			
Payables			
Mahalaxmi Rubtech Ltd.	725.75		
Anand Chem Industries Pvt. Ltd.	28.44		
	754.19		
Receivables			
Mahalaxmi Exports	262.46		
Mahalaxmi Rubtech Ltd.	177.82		
Globale Tessile Pvt. Ltd.	768.72		
	1208.99		
Advance given			
Mahalaxmi Rubtech Limited	100.00		
	100.00		
Loan Taken			
Rahul J Parekh		0.20	
Jeetmal B Parekh		12.75	
		12.95	
Investments (Unquoted)			
Closing Balance			
Anand Chem Ind. P. Ltd.	11.93		
	11.93		



(b)	Transactions during the year ended March 31,2023 with Related Parties:	'(Amount in Lakhs, unless otherwise stated)		
	Nature of Transaction	Associate	Key Managerial Personnel	Relative of KMP
	Rent paid			
	Rahul Textile	1.08		
		1.08	---	---
	Rent Received			
	Globale Tessile Private Limited	3.00		---
	Mahalaxmi Exports	0.60		
		3.60	---	---
	Purchase			
	Globale Tessile Private Limited	4.06		
	Mahalaxmi Cal Chem P Ltd.	0.18		
	Anand Chem Ind. P. Ltd.	256.88		
	Mahalaxmi Exports	38.39		
		299.51	---	---
	Sales			
	Mahalaxmi Exports	38.66		
		38.66	---	---
	Job charges Received			
	Mahalaxmi Exports	460.49		---
	Globale Tessile Pvt. Ltd.	1450.89		
		1911.37	---	---
	Outstandings			
	Payables			
	Mahalaxmi Rubtech Ltd.	680.03		
	Globale Tessile Pvt. Ltd.	17.54		
	Anand Chem Industries Pvt. Ltd.	91.52	---	---
		789.09	---	---
	Receivables			
	Mahalaxmi Exports	32.54	---	---
	Globale Tessile Pvt. Ltd.	31.37	---	---
		63.91	---	---
	Loan Taken			
	Rahul J Parekh	---	0.20	---
	Jeetmal B Parekh	---	0.10	---
		---	0.30	---



43 Derivatives Instruments:

(Amount in Lakhs, unless otherwise stated)

(a)

Currency	No. of Contracts	As at the year ended	
		Rs. Lacs	Foreign Currency
USD	SELL	7	293.03
	BUY	0	USD 350000

(b) Foreign currency exposure at the year end not hedged by derivative instruments:

Particulars	As at 31.03.2024	As at 31.03.2023
Pavable against import of goods & services		
Rupees in Lakhs		
US Dollar	71.46	33.27
GBP	85679	40491
CHF	---	---
Euro	---	---
Advance payment to suppliers and for expenses		
Rupees in Lacs		
Euro	---	---
US Dollar	---	---
Receivable against export of goods and services		
Rupees in Lacs	918.19	104.37
US Dollar	856055.58	127027.92
Euro	229189.24	0.00

The Company entered in to derivative contracts strictly for hedging purposes only and not for trading or speculation purposes.

(Amount in Lakhs, unless otherwise stated)

44 Reconciliation of opening and closing balances of Defined Benefit Obligation

Gratuity (Non-Funded)

	2023-24	2022-23
Defined Benefit obligation at beginning of year	---	---
Current Service Cost	9.69	---
Interest Cost	8.35	---
Past Service Cost	---	---
Actuarial (gain)/loss	-17.14	---
Liability Transferred In/Acquisitions	111.30	---
Benefits paid	-8.80	---
Defined Benefit obligation at year end	103.39	---

Reconciliation of opening and closing balances of fair value of Plan Assets

	2023-24	2022-23
Fair value of Plan assets at beginning of year	---	---
Expected return on plan assets	---	---
Actuarial gain/loss	---	---
Employer contribution	---	---
Benefits paid	---	---
Fair value of Plan assets at year end	---	---
Actual return on plan assets	---	---

Reconciliation of fair value of assets and obligations

	As at 31.03.2024	As at 31.03.2023
Fair value of Plan assets	---	---
Present value of obligation	103.39	---
Amount recognised in Balance Sheet	103.39	---

Expenses recognised in Profit & Loss A/c

	2023-24	2022-23
Current Service Cost	9.69	---
Interest Cost	8.35	---
Past Service Cost	---	---
Expected return on Plan assets	-	---
NET COST	18.04	---

Expenses recognised in OCI

	2023-24	2022-23
Actuarial (gain)/loss	-17.14	---
Total	-17.14	---

Investment Details

	31.03.2024	31.03.2023
GOI Securities	-	-
Public Securities	-	-
State Government Securities	-	-
Insurance Policies	-	-
Others (including bank balances)	-	-

Actuarial assumptions

	2023-24	2022-23
Mortality Table(LIC)		
Attrition Rate	2.00%	2.00%
Discount rate (per annum)	7.23%	7.25%
Expected rate of return on Plan Assets(per annum)	N.A.	N.A.
Rate of escalation in salary (Per Annum)	5.00%	5.00%



45) **Financial Risk Management**

(Amount in Lakhs, unless otherwise stated)

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies:

The export sales of company comprise around 47.36% of the total sales of the company. Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	Foreign Currency	
	31.03.2024	31.03.2023
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) [A]		
In USD	---	---
In Euro	---	---
Amount hedged through forwards & options # [B]		
In USD	---	---
In Euro	---	---
Net Exposure to Foreign Currency Assets [C=A-B]		
In USD	---	---
In Euro	---	---
b) Exposure on account of Financial Liabilities		
Trade Payables [D]		
In USD	---	---
In Euro	---	---
In GBP	---	---
In CHF	---	---
Amount Hedged through forwards & options # [E]		
In USD	---	---
In Euro	---	---
In CHF	---	---
Net Exposure to Foreign Currency Liabilities F=(D-E)		
In USD	---	---
In Euro	---	---
In GBP	---	---
In CHF	---	---
Net Exposure to Foreign Currency Assets/(Liability) [C-F]		
In USD	---	---
In Euro	---	---
In GBP	---	---
In CHF	---	---

Foreign Currency Risk Sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	Net Impact on Profit before Tax	
	As at	As at
	31.03.2024	31.03.2023
USD sensitivity		
INR/USD -Increase by 5%	---	---
INR/USD -Decrease by 5%	---	---
EURU sensitivity		
INR/EURU -Increase by 5%	---	---
INR/EURU -Decrease by 5%	---	---
CHF sensitivity		
INR/EURU -Increase by 5%	---	---
INR/EURU -Decrease by 5%	---	---

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Amount in Lakhs, unless otherwise stated)	
	AS AT 31.03.2024	AS AT 31.03.2023
Long term debts from Banks and Financial Institutions	613.55	314.27
Current Maturities of long term debts	188.00	224.90
Unsecured Loan		
- From Bank	0.00	0.00
- From Related Parties	17.95	5.30
Short term Borrowings from Banks	2262.15	1810.17
Overdraft from Bank	499.28	604.73
Total borrowings	3581.04	2958.86
% of Borrowings out of above bearing variable rate of interest	86.06%	79.56%

Interest rate sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	AS AT	AS AT
	31.03.2024	31.03.2023
50 bps increase would decrease the profit before tax by	-15.41	-11.77
50 bps decrease would increase the profit before tax by	15.41	11.77

(iii) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plans. The company does not actively trade equity investments. Protection principle is given high priority by limiting company's investments to fixed deposits/Fixed Maturity plans only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.



The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	AS AT	
	31.03.2024	31.03.2023
Borrowings		
expiring within one year	2949.43	2639.30
expiring beyond one year	631.61	319.57
	3581.04	2958.86
Trade Payables		
expiring within one year	3740.01	3147.71
expiring beyond one year	59.67	59.67
	3799.68	3207.38
Other Financial liabilities		
expiring within one year	136.90	118.93
expiring beyond one year	0.00	0.00
	136.90	118.93

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk for the overseas customers based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by ECGC.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 8

Write off policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

46 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company's gearing ratio was as follows:

Particulars	(Amount in Lakhs)	
	Financial Year ended on	
	31.03.2024	31.03.2023
Total Borrowings	3581.04	2958.86
Less: Cash and cash equivalents	263.00	156.76
Net debt	3318.04	2802.10
Total equity	8967.62	8834.71
Gearing ratio	37.00%	31.72%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31-Mar-23

47 Additional Regulatory Information

- 1 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company do not have any transactions with companies struck off.
- 3 The Company do not have any charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- 4 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 6 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 7 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income tax Act, 1961)



8 Ratios (Continuing operations)							
Sr No	Particular	Numerator	Denominator	March 31,2023	March 31,2022	% of Variance	Reason for Variance of more than 25%
1	Current Ratio	Current Asset	Current Liabilities	1.07	1.12	-4.44	
2	Debt-Equity Ratio	Total Liabilities	Shareholders Equity	1.88	1.76	7.09	
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.15	1.80	-36.11	Variance is due to increase in Net profit after taxes and decrease in debt service repayment.
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Shareholder's Equity	1.59	-0.37	523.32	Variance is due to increase in Net profit after taxes.
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	134.08	330.28	-59.40	Variance is due to increase in Inventory
6	Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	1.33	2.59	-48.56	Variance is due to increase in Trade Receivable
7	Trade payables turnover ratio	Net credit purchases = Gross credit purchases -	Average Trade Payables	1.17	2.85	-59.02	Variance is due to increase in Trade Payble
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	33.47	20.48	63.45	Variance is due to decrease in working capital.
9	Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.85	-0.22	485.39	Variance is due to increase in Net profit after taxes.
10	Return on Capital employed	Earning before interest and taxes	Capital Employed = Total Equity+Long term Debt	4.18	2.56	63.42	Variance is due to increase in Net profit after taxes.
11	Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	2.41	1.57	53.70	Variance is due to increase in Net profit after taxes.
12	Return on Net Worth (%)	Total comprehensive income for the year, net of tax	Net worth= Total Equity	1.75	-0.24	828.82	Variance is due to increase in Net profit after taxes.





48. Additional information, as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiaries
(Amount in Lakhs, unless otherwise stated)

Name of the entity in the Group	As % of consolidated net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Mahalaxmi Fabric Mills Limited	88.97	7978.15	-134.83	-191.83	100	14.73	-112.80	-177
Subsidiaries								
Indian								
1. Mahalaxmi Exports Private Limited	11.03	989.47	234.83	334.10	---	---	212.80	334
Foreign								
-								
Non-Controlling Interest in all subsidiaries								
-								
Associates (Investment as per the equity method)								
Indian								
-								
Foreign								
-								
Joint Venture (Investment as per the equity method)								
Indian								
-								
Foreign								
-								
Total	100.00	8967.62	100.00	142.27	100.00	14.73	100	157.00

49 The Company's Software for maintaining its Books of Account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for certain direct changes to data when using certain access rights and at the database level for the accounting software.

5U SCHEME OF ARRANGEMENT

The Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, vide Order No.:- C.P. (CAA)/ 57(AHM)2023 in C.A.(CAA)/47(AHM)2023, dated 04th March, 2024, sanctioned the Scheme of Arrangements involving Demerger between Mahalaxmi Rubtech Limited (MRT) (CIN:- L25190GJ1991PLC016327) ("Demerged Company"); Mahalaxmi Fabric Mills Private Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MF MPL) (CIN:- U17100GJ1991PTC015345) ("First Resulting Company"); and Globale Tessile Private Limited (GTPL) (CIN:- U17299GJ2017PTC098506) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme").

Purs

The Company has been converted into Public company.

The Traditional Textiles Processing division and Wind Power Division being the First Demerged Undertaking has been transferred and vested, on a going concern basis, in Mahalaxmi Fabric Mills Limited, with effect from 1st April, 2022 i.e. Appointed Date.

Accordingly, this Restated Financial Statements include financial information for the First Demerged Undertaking of the Demerged Company.

Mahalaxmi Exports Private Limited has ceased to become the Wholly Owned Subsidiary Company of Mahalaxmi Rubtech Limited and has become the Wholly Owned Subsidiary Company of Mahalaxmi Fabric Mills Limited.

All the Secured Loan including Term Loan, Cash Credit and Overdraft Facilities from Banks in the Demerged Undertakings and residual undertaking are secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and overdraft is secured by way of pledge of fixed deposit receipts of the demerged company.

The borrowing limits and securities with Banks pertaining to the demerged undertakings are to be transferred into the respective resulting companies as a going concern in pursuance of Scheme. The Bank is in process of reviewing & segregating and transferring of all credit facilities and securities to respective resulting companies in pursuance of Scheme.

The Authorised Share Capital has been increased to Rs. 11,00,00,000/- with simultaneous conversion of 3,000 9% Redeemable Preference Shares of Rs. 100/- each to 3,000 Equity Shares of Rs. 100/- each as well as simultaneous splitting of 15,000 Equity Share

In consideration of transfer of the First Demerged Undertaking of the Demerged Company, Mahalaxmi Fabric Mills Limited shall issue and allot 1,06,20,275 Equity Shares of Rs. 10/- each, to the Shareholders of the Demerged Company, in the ratio of 1 new Equity Share of Mahalaxmi Fabric Mills Limited, for every 1 Equity Share in the Demerged Company.

In accordance with the Scheme, the Demerger of the Undertaking has been accounted as prescribed by Ind AS 103 - Business Combinations. As per the requirements of Appendix C to Ind AS 103 - Business Combinations, in respect of the Scheme, effect of the Demerger needs to be given in the accounts as if it had occurred from the beginning of the preceding period in the standalone and consolidated Financial Statements of the Company. Notwithstanding this, in accordance with the MCA circular dated 21st August, 2019, the Company has considered the Appointed Date i.e. on 01st April, 2022, as the date of the Demerger for the purpose of accounting. Further, in terms of the Scheme, with effect from the Appointed Date till the Effective Date, Traditional Textiles Processing Division including Wind Power Division was carried on by the Demerged Company for and on account of, and in trust for Mahalaxmi Fabric Mills Limited.

These Financial Statements comprise of also financial information for the First Demerged Undertaking of the Demerged Company and the internal transactions between the First Demerged Undertaking and the Residual Undertaking are now not required to be eliminated. Accordingly, the previous year i.e. 2022-23 figures have been restated by giving the effect of Scheme of Arrangement.

The Company has recognise all Assets and Liabilities at net carrying book value and Factory Land at Fair Market Value transferred from demerged company as on Appointed Date 1st April, 2022 and has been adjusted in Equity Share Capital of Rs 10.62 Crore and Security Premium Reserve of Rs 76.70 Crores in pursuance of the Scheme of Arrangement.

Accordingly, the accounting treatment has been given as under:-

Particulars	First
	Demerged Undertaking
ASSETS	
Non Current Asset	379853141
Current Asset	493025368
Addition in Value of Land	530952509
TOTAL ASSETS (A)	1403831018
LIABILITIES	
Non-Current Liabilities	91754592
Current Liabilities	438902470
TOTAL LIABILITIES (B)	530657062
net carrying value of assets (A-B)	873173956



Significant accounting policies

1 The Company overview

Mahalaxmi Fabric Mills Limited (Company) is an Unlisted Public Company domiciled in India and was incorporated on 04th April, 1991 under the provisions of the Companies Act, 1956 applicable in India. The Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, vide Order No.- C.P.(CAA)/57(AHM)2023 in C.A.(CAA)/47(AHM)2023, dated 04th March, 2024, sanctioned the Scheme of Arrangements involving Demerger between Mahalaxmi Rubtech Limited (MRT) ("Demerged Company"); Mahalaxmi Fabric Mills Private Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MFMPPL or MFML) ("First Resulting Company"); and Globale Tessile Private Limited (GPL or GTL) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme"), with effect from the Appointed Date i.e. 01st April, 2022. The Scheme became effective on 01st April, 2024 and consequent thereto, the entire business of the First Demerged Undertaking stand transferred and vested in the Company, on a going concern basis, with effect from the Appointed Date. Further, in terms of the Scheme, with effect from the Appointed Date till the Effective Date, Traditional Textiles Processing including Windpower business was carried on by MRT for and on account of, and in trust for the Company. The Company has already applied for listing of the Equity Shares to BSE Limited (BSE), on 30th April, 2024 and the National Stock Exchange of India Limited (NSE), on 01st May, 2024. Its registered office is located at 47, New Cloth market, Ahmedabad. The Company is primarily engaged in the business of manufacturing of traditional textile and technical textile products.

For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 01, 2021 as the transition date. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 51 of Point No. B below have been applied in preparing the Company's financial statements for the year ended 31 March, 2022, 31 March, 2023 and 31 March, 2024.

2 Summary of Significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The Consolidated financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value.

All the amounts included in the consolidated financial statements are reported in Indian rupees, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/ rearranged, wherever necessary.

2.2 Principles of Consolidation

(a) The financial statements of the Holding company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra group transactions.

(b) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(c) The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in the subsidiary.

(d) The financial statements of the following subsidiary company have been considered for consolidation

Name of the Entity	Relationship	% of holding
Mahalaxmi Exports Private Limited	Subsidiary	100%

2.3 Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.



2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

2.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.6 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company has amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible asset is 10 years.

2.7 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

The Company has adopted Ind AS 115 'Revenue from contracts with customers' made effective from April 1, 2018. Based on the assessment done by the management, there is no material impact on the revenue recognised during the period:

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Advance from Customers".

Sale of products:

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales is based on the price specified in the sales contracts, net of all discounts, returns and goods and service tax at the time of sale.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows: Raw materials, finished goods, semi finished goods, trading goods and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Rent, rags and rejections are stated at net realisable value. In determining the cost, FIFO method is used.



2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are shown as other non current assets . Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease .

2.10 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.12 Borrowing cost

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.13 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.14 Financial Instruments.

Fair value measurement

The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

Financial Assets

The company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income or through Profit or loss) and those to be measured at amortised cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable to transaction costs.



2.15 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

(b) Deferred tax

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.16 Impairment of assets

The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.

2.17 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is recognised only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.



(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

2.19 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations apart from the contributions made on a monthly basis which are charged to the Sta

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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



2.21 Research & Development

Expenditure on research and development is recognised as an expense when it is incurred. Expenditure which results in increase in property, plant and equipment are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income. Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

2.23 Inter divisional transactions

Inter divisional transactions are eliminated as contra items. Any unrealised profits on unsold stocks on account of inter divisional transactions is eliminated while valuing the inventory.

2.24 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Significant assumptions and judgments are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements including an estimation of the likely outcome of any open tax assessments/litigations. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available, based on estimates thereof.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.



Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.
As per our report of even date
For BHANWAR JAIN & CO.
Chartered Accountants.
Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Limited.

Jeetmal B. Parekh
Chairman
(DIN 00512415)

Anand J. Parekh
Managing Director
(DIN 00500384)



Director
(DIN 06999605)

Director
(DIN 00020062)

Director
(DIN 07054136)

Chief Financial Officer

(B. M. JAIN)
Proprietor
Membership No. : 034943
AHMEDABAD: 30th May, 2024.

AHMEDABAD: 30th May, 2024.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHALAXMI FABRICS MILLS PRIVATE LIMITED
(Formerly known as (Sonnet Colours Private Limited))

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MAHALAXMI FABRICS MILLS PRIVATE LIMITED** (Formerly Known as Sonnet Colours Private Limited), which comprise the Balance Sheet as at March 31, 2023 and the statement of profit and loss for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Reporting of Key Audit Matters as per SA 701 are not applicable to the company as it is an unlisted company.





Information other than the financial Statements and Auditor's report thereon

- i) The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' Report, but does not include the financial statements and our auditor's report thereon.
- ii) Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon,
- iii) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- iv) If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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





Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- i) Identify and assess the risks of material misstatement of the 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.
- ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) 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 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.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report 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 and the Statement of profit and loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
 - (e) On the basis of written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.





- (f) Since the Company's turnover as per last audited financial statements and its borrowings from banks and financial institutions at any time during the year is less than the specified limits, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls; and
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the company did not have any pending litigations which have impact on its financial position .
 - ii. the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - 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, to the standalone financial statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or:
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - b. The management has represented, that, to the best of its knowledge and belief, to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or





- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- c. Based on such audit procedures as 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 g(iv) (a) & (b) contain any material mis-statement.
2. This report does not include a statement on the matters specified in the paragraph 3 and 4 of the said Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act. Since in our opinion and according to the information and explanations given to us the said Order is not applicable to the Company.

**For BHANWAR JAIN & CO.,
Chartered Accountants.
(Registration No. 117340W)**



(B. M. JAIN)

Partner.

M. No. 034943

Ahmedabad:29th May,2023.

UDIN: 23034943B6XUVT7145

MAHALAXMI FABRICS MILLS PRIVATE LIMITED

(FORMERLY KNOWN AS SONNET COLOURS PVT. LTD)

BALANCE SHEET AS AT MARCH 31, 2023

PARTICULARS	NOTE NO.	AS AT	
		31/03/2023 ₹	31/03/2022 ₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	500000	500000
Reserves & Surplus	2	6898590	1179964
Non-Current Liabilities			
Long Term Borrowings	3	30000	20000
Current Liabilities			
Trade Payables	4	25960	4720
Other Current Liabilities	5	33880	4720
Short Term Provisions			
Provision for Current Tax			
TOTAL		1698730	118260
ASSETS			
Non-current assets			
Non Current investment	6	886300	1125540
Current assets			
Cash & Bank Balances	7	7535504	19055
Loans and advances	8	765356	683068
TOTAL		9187160	1827664

NOTES FORMING AN INTEGRAL PART OF STATEMENT OF ACCOUNTS

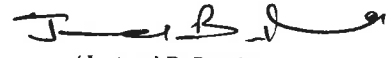
As per our report of even date.

For **BHANWAR JAIN & CO.**

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Private Limited.



(Jeetmal B. Parekh)

Director.

DIN 00512415



(Anand J. Parekh)

Director.

DIN 00500384

AHMEDABAD

DATE: 29th May, 2023.





(B. M. JAIN)

Partner

Membership No. : 034943

AHMEDABAD

DATE: 29th May, 2023.

MAHALAXMI FABRICS MILLS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2023

PARTICULARS

PARTICULARS	NOTE NO.	YEAR ENDED	
		31/03/2023 ₹	31/03/2022 ₹
INCOME:			
Dividend Income			
Interest		---	---
Profit on shares		160990	18068
Vatav and Kasar		7221528	765540
		---	---
Total Revenue		7382518	783608
EXPENSES:			
Rent, Rates & Taxes			
Audit Fees		28320	14160
Legal Fees		15000	4720
Printing & Stationary		35945	1200
Demat Expenses		500	---
Bank Charges		2804	4732
Total Expenses		83405	25520
Profit Before Tax		7299113	758088
Tax Expense:			
Current Tax		1698730	118260
Profit/(Loss) for the period		5600383	639828
Earning per equity share:			
Basic		1120.08	127.97
Diluted		1120.08	127.97

NOTES FORMING AN INTEGRAL PART OF STATEMENT OF ACCOUNTS

As per our report of even date.

For **BHANWAR JAIN & CO.**

Chartered Accountants.

Firm Registration No. : 117340W

For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Private Limited.




(B. M. JAIN)

Partner

Membership No. : 034943

AHMEDABAD

DATE: 29th May, 2023.



(Jeetmal B. Parekh)

Director.

DIN 00512415



(Anand J. Parekh)

Director.

DIN 00500384

AHMEDABAD

DATE: 29th May, 2023.

NOTES ON STATEMENT OF ACCOUNTS

NOTE 1 SHARE CAPITAL

PARTICULARS	AS AT	
	31/03/2023	31/03/2022
	₹	₹
AUTHORISED: 12000(12000) Equity Shares of Rs. 100 each	1200000	1200000
3000 (3000) 9% Redeemable Preference Shares of Rs.100 each	300000	300000
TOTAL	1500000	1500000
ISSUED, SUBSCRIBED & FULLY PAID UP: 5000(5000) Equity Shares of Rs.100 each fully paid	500000	500000
TOTAL	500000	500000

a. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. The reconciliation of the number of shares outstanding and the amount of share capital.

Particulars	AS AT 31-03-23		AS AT 31-03-22	
	No. of shares	Amt. in ₹	No. of shares	Amt. in ₹
Outstanding at beginning of year	5000	500000	5000	500000
Add/Less: Adjustment during the year	----	----	----	----
Outstanding at the year end	5000	500000	5000	500000

c. The details of shareholders holding more than 5% of shares in the company.

Particulars	AS AT 31-03-23		AS AT 31-03-22	
	No. of shares	% of Holding	No. of shares	% of Holding
Jeetmal B.Parekh	490	9.8	490	9.8
Anand J Parekh	450	9.0	450	9.0
Rahul J Parekh	450	9.0	450	9.0
Kamlaben J Parekh	450	9.0	450	9.0
Mamta A Surana	440	8.8	440	8.8
Ratna R.Parekh	450	9.0	450	9.0
Amita A.Parekh	460	9.2	460	9.2
Heena Agarculture Pvt Ltd	430	8.6	430	8.6
Anand Chem Industrie Pvt Ltd	440	8.8	440	8.8
Rainbow Exports Pvt. Ltd.	500	10.0	500	10.0
Mahalaxmi Calchem Pvt Ltd	440	8.8	440	8.8

d. Details of Shareholding of Promoters at the end of the year as follows :

S. No	Name of Promoter	Equity Shares held by promoters at the end of March 31, 2023		Equity Shares held by promoters at the end of March 31, 2022		% Change during the year
		No. of Equity Shares	% of total Equity Shares	No. of Equity Shares	% of total Equity Shares	
1	Jeetmal B.Parekh	490	9.8	490	9.8	---
2	Anand J Parekh	450	9.0	450	9.0	---
3	Rahul J Parekh	450	9.0	450	9.0	---
4	Kamlaben J Parekh	450	9.0	450	9.0	---
5	Mamta A Surana	440	8.8	440	8.8	---
6	Ratna R.Parekh	450	9.0	450	9.0	---
7	Amita A.Parekh	460	9.2	460	9.2	---
8	Heena Agarculture Pvt Ltd	430	8.6	430	8.6	---
9	Anand Chem Industrie Pvt Ltd	440	8.8	440	8.8	---
10	Rainbow Exports Pvt. Ltd.	500	10.0	500	10.0	---
11	Mahalaxmi Calchem Pvt Ltd	440	8.8	440	8.8	---

e. The movement of Equity shares during 5 years preceding to year ended March 31, 2023

	2022-23	2021-22
1 No. of Equity shares allotted as fully paid up without payment being received in cash	Nil	Nil
2 No. of Equity shares issued as bonus shares	Nil	Nil
3 No. of Equity shares extinguished on buy back	Nil	Nil



NOTE 2 RESERVES & SURPLUS

PARTICULARS	AS AT	
	31/03/2023	31/03/2022
	₹	₹
Surplus		
Opening balance	1186474	546646
Add: Addition during the year	5600383	639828
Add: Income tax of Earlier years	108978	(9265)
Add: MAT Credit of Earlier years	2755	2755
TOTAL	6898590	1179964

NOTE 3 LONG TERM BORROWING

Particulars	AS AT	AS AT
	31/03/2023	31/03/2022
	₹	₹
Loans and advances from related parties:		
Unsecured		
From Directors	30000	20000
From Relatives	---	---
TOTAL	30000	20000

4 Trade Payables

	AS AT	AS AT
	31/03/2023	31/03/2022
	₹	₹
Trade Payables		
Payable to related parties (Refer Note No.43)	---	---
Payable to Others	9440	4720
Total Trade Payables	9440	4720

Trade Payable Ageing Schedule

Particulars	Outstanding as on 31.03.2023 for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues-MSME	---	---	---	---	0
(ii) Undisputed dues - Others	4720	4720	---	---	9440
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---

Particulars	Outstanding as on 31.03.2022 for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues-MSME	---	---	---	---	0
(ii) Undisputed dues - Others	---	4720	---	---	4720
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---



NOTE 5 OTHER CURRENT LIABILITIES		
PARTICULARS	AS AT	
	31/03/2023 ₹	31/03/2022 ₹
Outstanding Expenses	33880	4720
TOTAL	33880	4720

NOTE 6 NON CURRENT INVESTMENT		
PARTICULARS	AS AT	
	31/03/2023 ₹	31/03/2022 ₹
(As verified & certified by the management)		
Investment in Associates (Quoted - Non Trade)		
Investment in Equity Instruments		
Nil(32866) Shares of Mahalaxmi Rubtech Ltd of Re.10 Each	---	237410
Investment in Equity Instruments		
Nil(500) Shares of Reliance Communication Ltd of Re.3.66 Each	---	1830
Investment in Associates (Unquoted - Non Trade)		
Investment in Equity Instruments		
225 Shares of Anand Chem Industries Pvt Ltd Of Rs 1000/- Each	866250	866250
Investment in others (Unquoted-Trade)		
Investment in Equity Instruments		
200 Shares of Social Co-op Bank Ltd of Rs.100	20050	20050
TOTAL	886300	1125540

a. The details of aggregate of quoted and unquoted investment.

Particulars	Book Value		Market Value	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	₹	₹	₹	₹
Aggregate Quoted Investment	---	239240	---	3943602
Aggregate Unquoted Investment	886300	886300	---	---

NOTE 7 CASH & BANK BALANCES		
PARTICULARS	AS AT	
	31/03/2023 ₹	31/03/2022 ₹
Cash and Cash Equivalents		
Cash on Hand	1816	1582
Balances with banks		
-On Current Accounts	7533685	17470
TOTAL	7535501	19053

NOTE 8 LOANS AND ADVANCES		
PARTICULARS	AS AT	
	31/03/2023 ₹	31/03/2022 ₹
Unsecured and considered good	765356	683068
TOTAL	765356	683068

NOTE 9 The details of payment to auditors.

Audit fee
Others

	2022-23	2021-22
	₹	₹
Audit fee	15000	4000
Others	30680	---
	45680	4000



NOTE 10 There are no dues to micro, small and medium enterprises as on 31st March,2023.

NOTE 11 Provision for Income Tax is made after considering deductions and allowances as per Income Tax Regulations.

NOTE 12 In the opinion of the management the balances shown under sundry debtors and loans & advances have approximately the same realisable value as shown in the accounts.

NOTE 13 Previous year's figures have been regrouped and rearranged to make them comparable with those of current year.

NOTE 14 As per Accounting Standard 18, Related Party Disclosure is as under:

(a) List of Related Parties with whom transactions have taken place during the year and relationship:

<u>Name of the Related Party</u>	<u>Relationship</u>
Kamlaben J. Parekh	Mother of director
Rahul J. Parekh	Director
Mahalaxmi Exports	Associate
<u>Nature of Transaction</u>	<u>Associate</u> <u>Key Managerial Personnel</u>
<u>Rent Paid</u>	
Mahalaxmi Exports	12000
<u>Outstanding</u>	
<u>Payable</u>	
Rahul J. Parekh	20000
	0 20000

NOTE 15 Additional Regulatory Information

- 1 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company do not have any transactions with companies struck off.
- 3 The Company do not have any charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- 4 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 6 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income tax Act,1961)



7 Ratios (Continuing operations)

Sr N	Particular	Numerator	Denominator	March 31,2023	March 31,2022	% of Variance	Reason for Variance of
1	Current Ratio	Current Asset	Current Liabilities	4.72	5.50	-14.15	---
2	Debt-Equity Ratio	Total Liabilities	Shareholders Equity	0.24	0.09	174.96	Increase in net worth compare to increase in
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	---	---
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Shareholder's Equity	75.70	38.09	98.75	Due to increase in Net profit after tax.
5	Inventory turnover ratio	Cost of goods sold/Net Sales	Average Inventory	NA	NA	---	---
6	Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	NA	NA	---	---
7	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	NA	NA	---	---
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	NA	NA	---	---
9	Net profit ratio	Net Profit	Net sales = Total sales - sales return	NA	NA	---	---
10	Return on Capital employed	Earning before interest and taxes	Capital Employed = Total Equity+Long term Debt	98.26	44.59	120.34	Due to increase in Net profit after tax.
11	Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	NA	NA	---	---
12	Return on Net Worth (%)	Total comprehensive income for the year, net of tax	Net worth= Total Equity	75.70	38.09	98.75	Due to increase in Net profit after tax.



NOTE 15 Significant accounting policies and practices adopted by the company:

- a. Basis of Accounting :
The financial statements are prepared under the historical cost convention on accrual basis.
- b. Investments :
Investments are considered as long term, therefore stated at cost of acquisition and no provision for diminution in value is made having considered as temporary by the board of directors.
- c. Taxes on Income:
Provision for current tax is made on the basis of taxable income for the period computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing differences between taxable income and accounting income, is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that there would be adequate future taxable income against which deferred tax asset can be realised.
- d. Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

Signatures to Notes

As per our report of even date.

For **BHANWAR JAIN & CO.**

Chartered Accountants.

Firm Registration No. : 117340W

1 TO 15
For and on behalf of Board of Directors of Mahalaxmi Fabric Mills Private Limited.



(B. M. JAIN)

Partner

Membership No. : 034943

AHMEDABAD

DATE: 29th May, 2023.



(Jectmal B. Parekh)

Director.

DIN 00512415



(Anand J. Parekh)

Director.

DIN 00500384

AHMEDABAD

DATE: 29th May, 2023.

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED ON
31ST MARCH, 2022

OF

SONNET COLOURS PVT.LTD



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SONNET COLOURS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **SONNET COLOURS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the statement of profit and loss for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Reporting of Key Audit Matters as per SA 701 are not applicable to the company as it is an unlisted company.





Information other than the financial Statements and Auditor's report thereon

- i) The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, but does not include the financial statements and our auditor's report thereon.
- ii) Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon,
- iii) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- iv) If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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





Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- i) Identify and assess the risks of material misstatement of the 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.
- ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) 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 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.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

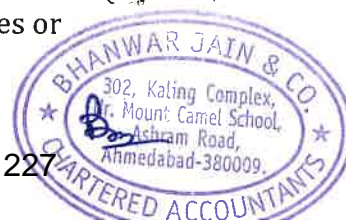
Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report 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 and the Statement of profit and loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
 - (e) On the basis of written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.





- (f) Since the Company's turnover as per last audited financial statements and its borrowings from banks and financial institutions at any time during the year is less than the specified limits, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls; and
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the company did not have any pending litigations which have impact on its financial position .
 - ii. the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - 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, to the standalone financial statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or:
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - b. The management has represented, that, to the best of its knowledge and belief, to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or





- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- c. Based on such audit procedures as 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 g(iv) (a) & (b) contain any material mis-statement.
2. This report does not include a statement on the matters specified in the paragraph 3 and 4 of the said Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act. Since in our opinion and according to the information and explanations given to us the said Order is not applicable to the Company.

For BHANWAR JAIN & CO.,
Chartered Accountants.
(Registration No. 117340W)

(B. M. JAIN)

Partner.

M. No. 034943

Ahmedabad:28th August ,2022.

UDIN: 22034943AQSRRZ9615



SONNET COLOURS PVT. LTD.
BALANCE SHEET AS AT MARCH 31, 2022

PARTICULARS	NOTE NO.	AS AT	
		31/03/2022 ₹	31/03/2021 ₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	500000	500000
Reserves & Surplus	2	1179964	546646
Non-Current Liabilities			
Long Term Borrowings	3	20000	138709
Current Liabilities			
Trade Payables	4	4720	4720
Other Current Liabilities	5	4720	4720
Short Term Provisions			
Provision for Current Tax			
TOTAL		118260	111000
		1827664	1305795
ASSETS			
Non-current assets			
Non Current investment	6	1125540	1251300
Current assets			
Cash & Bank Balances	7	19056	20744
Loans and advances	8	683068	33750
TOTAL		1827664	1305795

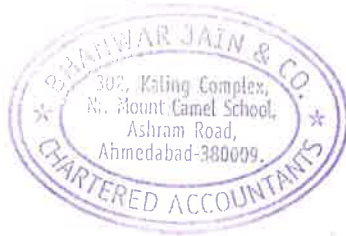
NOTES FORMING AN INTEGRAL PART OF STATEMENT OF ACCOUNTS

As per our report of even date.

For **BHANWAR JAIN & CO.**

Chartered Accountants.

Firm Registration No. : 117340W

(B. M. JAIN)

Partner

Membership No. : 034943

AHMEDABAD

DATE: 28/08/2022



(Rahul J. Parekh)

Director.

DIN 00500328



(Anand J. Parekh)

Director.

DIN 00500384

AHMEDABAD

DATE: 28/08/2022

SONNET COLOURS PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2022

PARTICULARS	NOTE NO.	YEAR ENDED	
		31/03/2022	31/03/2021
		₹	₹
INCOME:			
Dividend Income		---	450000
Interest		18068	---
Profit on buyback of shares		765540	---
Vatav and Kasar		---	962
Total Revenue		783608	450962
EXPENSES:			
Rent, Rates & Taxes		14160	14160
Audit Fees		4720	4720
Legal Fees		1200	1600
Demat Expenses		4732	2362
Bank Charges		708	710
Total Expenses		25520	23552
Profit Before Tax		758088	427410
Tax Expense:			
Current Tax		118260	111000
Profit/(Loss) for the period		639828	316410
Earning per equity share:			
Basic		127.97	63.28
Diluted		127.97	63.28

NOTES FORMING AN INTEGRAL PART OF STATEMENT OF ACCOUNTS

As per our report of even date.

For **BHANWAR JAIN & CO.**

Chartered Accountants.

Firm Registration No. : 117340W





(B. M. JAIN)

Partner


Membership No. : 034943

AHMEDABAD

DATE: 28/08/2022



(Rahul J. Parekh)
Director.
DIN 00500328



(Anand J. Parekh)
Director.
DIN 00500384
AHMEDABAD
DATE: 28/08/2022

NOTES ON STATEMENT OF ACCOUNTS
NOTE 1 SHARE CAPITAL

PARTICULARS	AS AT	
	31/03/2022 ₹	31/03/2021 ₹
AUTHORISED: 12000(12000) Equity Shares of Rs. 100 each	1200000	1200000
3000 (3000) 9% Redeemable Preference Shares of Rs.100 each	300000	300000
TOTAL	1500000	1500000
ISSUED, SUBSCRIBED & FULLY PAID UP: 5000(5000) Equity Shares of Rs.100 each fully paid	500000	500000
TOTAL	500000	500000

a. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. The reconciliation of the number of shares outstanding and the amount of share capital.

Particulars	AS AT 31-03-22		AS AT 31-03-21	
	No. of shares	Amt. in *	No. of shares	Amt. in *
Outstanding at beginning of year	5000	500000	5000	500000
Add/Less: Adjustment during the year	----	----	----	----
Outstanding at the year end	5000	500000	5000	500000

c. The details of shareholders holding more than 5% of shares in the company.

Particulars	AS AT 31-03-22		AS AT 31-03-21	
	No. of shares	% of Holding	No. of shares	% of Holding
Jeetmal B.Parekh	490	9.8	490	9.8
Anand J Parekh	450	9.0	450	9.0
Rahul J Parekh	450	9.0	450	9.0
Kamlaben J Parekh	450	9.0	450	9.0
Mamta A Surana	440	8.8	440	8.8
Ratna R.Parekh	450	9.0	450	9.0
Amita A.Parekh	460	9.2	460	9.2
Heena Agariculture Pvt Ltd	430	8.6	430	8.6
Anand Chem Industrie Pvt Ltd	440	8.8	440	8.8
Rainbow Exports Pvt. Ltd.	500	10.0	500	10.0
Mahalaxmi Calchem Pvt Ltd	440	8.8	440	8.8

d Details of Shareholding of Promoters at the end of the year as follows :

S. No	Shares held by promoters at the end of the year Name of Promoter	Equity Shares held by promoters at the end of March 31, 2022		Equity Shares held by promoters at the end of March 31, 2021		% Change during the year
		No. of Equity Shares	% of total Equity Shares	No. of Equity Shares	% of total Equity Shares	
1	Jeetmal B.Parekh	490	9.8	490	9.8	---
2	Anand J Parekh	450	9.0	450	9.0	---
3	Rahul J Parekh	450	9.0	450	9.0	---
4	Kamlaben J Parekh	450	9.0	450	9.0	---
5	Mamta A Surana	440	8.8	440	8.8	---
6	Ratna R.Parekh	450	9.0	450	9.0	---
7	Amita A.Parekh	460	9.2	460	9.2	---
8	Heena Agariculture Pvt Ltd	430	8.6	430	8.6	---
9	Anand Chem Industrie Pvt Ltd	440	8.8	440	8.8	---
10	Rainbow Exports Pvt. Ltd.	500	10.0	500	10.0	---
11	Mahalaxmi Calchem Pvt Ltd	440	8.8	440	8.8	---



NOTE 2 RESERVES & SURPLUS

PARTICULARS	AS AT	
	31/03/2022	31/03/2021
	₹	₹
Surplus		
Opening balance	546646	230235
Add: Addition during the year	639828	316411
Add: Income tax of Earlier years	(9265)	---
Add: MAT Credit of Earlier years	2755	---
TOTAL	1179964	546646

NOTE 3 LONG TERM BORROWING

Particulars	AS AT	AS AT
	31/03/2022	31/03/2021
	₹	₹
Loans and advances from related parties:		
Unsecured		
From Directors	20000	123709
From Relatives	---	15000
TOTAL	20000	138709

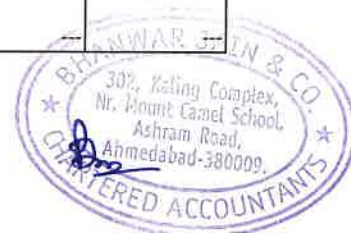
4 Trade Payables

	AS AT	AS AT
	31/03/2022	31/03/2021
	₹	₹
Trade Payables		
Payable to related parties (Refer Note No.43)	---	---
Payable to Others	4720	4720
Total Trade Payables	4720	4720

Trade Payable Ageing Schedule

Particulars	Outstanding as on 31.03.2022 for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 ye	
	i) Undisputed dues-MSME	---	4720	---	
(ii) Undisputed dues - Others	---	---	---	---	0
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---

Particulars	Outstanding as on 31.03.2021 for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 ye	
	i) Undisputed dues-MSME	4720	---	---	
(ii) Undisputed dues - Others	---	---	---	---	0
(iii) Disputed dues - MSME	---	---	---	---	---
(iv) Disputed dues - Others	---	---	---	---	---



NOTE 5 OTHER CURRENT LIABILITIES		
PARTICULARS	AS AT	
	31/03/2022	31/03/2021
	₹	₹
Outstanding Expenses	4720	4720
TOTAL	4720	4720

NOTE 6 NON CURRENT INVESTMENT		
PARTICULARS	AS AT	
	31/03/2022	31/03/2021
	₹	₹
(As verified & certified by the management)		
Investment in Associates (Quoted - Non Trade)		
Investment in Equity Instruments		
32866(45625) Shares of Mahalaxmi Rubtech Ltd of Re.10 Each	237410	365000
Investment in Equity Instruments		
500(Nil) Shares of Reliance Communication Ltd of Re.3.66 Each	1830	0
Investment in Associates (Unquoted - Non Trade)		
Investment in Equity Instruments		
225 Shares of Anand Chem Industries Pvt Ltd Of Rs 1000/- Each	866250	866250
Investment in others (Unquoted-Trade)		
Investment in Equity Instruments		
200 Shares of Social Co-op Bank Ltd of Rs.100	20050	20050
TOTAL	1125540	1251300

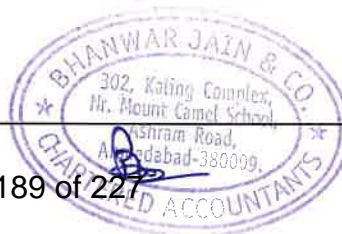
a. The details of aggregate of quoted and unquoted investment.

Particulars	Book Value		Market Value	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	₹	₹	₹	₹
Aggregate Quoted Investment	239240	365000	3943602	1786219
Aggregate Unquoted Investment	886300	886300	---	---

NOTE 7 CASH & BANK BALANCES		
PARTICULARS	AS AT	
	31/03/2022	31/03/2021
	₹	₹
Cash and Cash Equivalents		
Cash on Hand	1582	782
Balances with banks		
-On Current Accounts	17470	19961
TOTAL	19053	20743

NOTE 8 LOANS AND ADVANCES		
PARTICULARS	AS AT	
	31/03/2022	31/03/2021
	₹	₹
Unsecured and considered good	683068	33750
TOTAL	683068	33750

NOTE 9 The details of payment to auditors.		
Audit fee	2021-22	2020-21
		4000
	4000	4000



NOTE 10 There are no dues to micro, small and medium enterprises as on 31st March,2022

NOTE 11 Provision for Income Tax is made after considering deductions and allowances as per Income Tax Regulations.

NOTE 12 In the opinion of the management the balances shown under sundry debtors and loans & advances have approximately the same realisable value as shown in the accounts.

NOTE 13 Previous year's figures have been regrouped and rearranged to make them comparable with those of current year.

NOTE 14 As per Accounting Standard 18, Related Party Disclosure is as under:

(a) List of Related Parties with whom transactions have taken place during the year and relationship:

<u>Name of the Related Party</u>	<u>Relationship</u>
Kamlaben J. Parekh	Mother of director
Rahul J. Parekh	Director
Mahalaxmi Exports	Associate

<u>Nature of Transaction</u>	<u>Associate</u>	<u>Key Managerial Personnel</u>
Rent Paid		
Mahalaxmi Exports	12000	
Outstanding		
Payable		
Rahul J. Parekh	---	20000
	0	20000

NOTE 15 **Additional Regulatory Information**

- 1 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company do not have any transactions with companies struck off.
- 3 The Company do not have any charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- 4 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 6 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income tax Act,1961)



7 Ratios (Continuing operations)

Sr No	Particular	Numerator	Denominator	March 31,2022	March 31,2021	% of Variance	Reason for Variance of
1	Current Ratio	Current Asset	Current Liabilities	5.50	0.45	1115.19	Due to increase in current asset.
2	Debt-Equity Ratio	Total Liabilities	Shareholders Equity	0.09	0.25	-64.49	Increase in net worth and decrease in long term
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	---	
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Shareholder's Equity	38.09	30.23	25.98	Due to increase in Net profit after tax.
5	Inventory turnover ratio	Cost of goods sold/Net Sales	Average Inventory	NA	NA	---	
6	Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	NA	NA	---	
7	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	NA	NA	---	
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	NA	NA	---	
9	Net profit ratio	Net Profit	Net sales = Total sales - sales return	NA	NA	---	
10	Return on Capital employed	Earning before interest and taxes	Capital Employed = Total Equity+Long term Debt	44.59	36.06	23.68	
11	Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	NA	NA	---	
12	Return on Net Worth (%)	Total comprehensive income for the year, net of tax	Net worth= Total Equity	38.09	30.23	25.98	Due to increase in Net profit after tax.



NOTE 15 Significant accounting policies and practices adopted by the company:

- a. Basis of Accounting :
The financial statements are prepared under the historical cost convention on accrual basis.
- b. Investments :
Investments are considered as long term, therefore stated at cost of acquisition and no provision for diminution in value is made having considered as temporary by the board of directors.
- c. Taxes on Income:
Provision for current tax is made on the basis of taxable income for the period computed in accordance with the provisions of the Income Tax Act,1961. Deferred tax resulting from timing differences between taxable income and accounting income, is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that there would be adequate future taxable income against which deferred tax asset can be realised.
- d. Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

Signatures to Notes

As per our report of even date.

For **BHANWAR JAIN & CO.**

Chartered Accountants.

Firm Registration No. : 117340W

1 TO 15



(Rahul J. Parekh)
Director.
DIN 00500328



(Anand J. Parekh)
Director.
DIN 00500384
AHMEDABAD
DATE: 28/08/2022

(B. M. JAIN)
Partner
Membership No. : 034943
AHMEDABAD
DATE: 28/08/2022

Management’s Discussion and Analysis of Financial Conditions and Results of Operations:-

This Information Memorandum may include our financial condition and results of operations together with our Financial Statements which appear elsewhere in this Information Memorandum. You should also read the Section titled “Risk factors” on page 15, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to the Financial Statements of our Company.

For further information, contains forward-looking statement and reflects our current plans and expectations, actual results may differ materially from those anticipated in these forward-looking statements. By their nature certain market risk disclosures are only estimates and could be materially different from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward looking statements. factors that could cause or contribute to such differences include, but are not limited to, those discussed in the Sections titles “Risk factors”, “Forward Looking Statements” and “Our Business” on page 15, 10 and 37 respectively.

Business Overview

Pursuant to the Scheme, First Demerged Undertaking i.e. Traditional Textiles Processing Division along with Wind power division of MRT has been transferred to MFML. In the Traditional Textiles Processing Division, it mainly engaged in bleaching, dyeing, printing and finishing and at the end of the chain, its fabric range goes into apparels and home textiles, catering to Domestic as well as Global Market. The company has end-to-end complete facility of processing various types of fabrics such as cotton, polyester, Bottom-weight and other blends.

The Company continues to sustain its overall performance in the Financial Year 2023-24 driven by the average performance in the business. The Traditional Textiles processing division performance is continue plunged to some extent as compared to the previous years due to a significant increase in the cost of raw materials, cost of coal power-fuel and logistics. Your Directors have been making efforts on all fronts viz. marketing, finance and cost control, etc. and these efforts have been yielding good results. The outlook for the Company’s products appears to be good and the Company is confident of achieving improved operational performance.

In order to achieve the greatest level of customer satisfaction and excellent business relations, continuous infrastructure upgradations are made. There is a special focus on adopting sustainable business processes that add value for the stakeholders. Our dedicated team, with rich experience in the field of procuring superior quality for the perfect quality cotton fabric.

Product Basket – Traditional Textile Processing Division

Product ranges at MFML is in end-to-end complete facility of processing various types of fabrics such as cotton, polyester, Bottom-weight and other blends, its fabric range goes into apparels and home textiles such as made-ups articles, bed sheets, pillow covers, bed covers, curtain, etc.

Traditional Textile processing divisions are well accepted in domestic and international markets by premium buyers. Our products respond well to the fine end products like garments, apparels and home textiles products.

Significant factors affecting Our Business, Financial Condition and Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the Section titled ‘Risk factors’ on page 15. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Competition from multinational corporations;
- Raw material and cotton fabric price fluctuations;
- Ability to obtain registrations;
- Fluctuating foreign exchange rates;
- Factors affecting the global textile industry;
- Increasing competition in the Industry;
- Changes in Government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

Significant Accounting Policies

For details about our key significant accounting policies, see Section titled “Financial Statements” on page 57.

Change in Accounting Policies

There are no changes in Accounting Policies in last three years. However, Restated Financial Statements for the Financial Year 2023-24 has been prepared in accordance with the IND AS. For details, refer to Notes to the Financial Statements for the F.Y. 2023-24.

Reservations, Qualifications, Matter of Emphasis, Adverse Remark / Other Observations in Caro

There are no qualifications by our Statutory Auditors in the Financial Statements for the Financial Year ended on 31st March, 2023, 31st March, 2022, 31st March, 2021.

Principal Components of Our Statement of Profit and Loss

Revenue

Our Company was incorporated on April 04, 1991, we did not generate considerable income from business activities. However, pursuant to the Scheme becoming effective, the Traditional Textile Processing business of the First Demerged undertaking of the Demerged Company vested into our Company has generated revenue from business activities.

Total Revenue from Operation Rs. 8750.51 Lakhs and Other Income is Rs. 274.51 Lakhs for the Restated Financial Year ended on 31st March 2024, on a Standalone basis.

Expenses

Our total expenditure primarily consists of manufacturing and operation cost, employee benefits expenses, finance cost, and other expenses etc.

Profit before Tax

Our Profit/(Loss) before Tax was Rs. (234.59) Lakhs for the Restated Financial Year ended on 31st March, 2024, on a Standalone basis.

Profit after Tax

Our Profit/(Loss) after Tax was Rs. (42.76) Lakhs for the Restated Financial Year ended on 31st March 2024, on a Standalone basis.

Results of our Operations

The following table sets forth select financial data from our Audited Financial Statement for the year ended on 31st March, 2024, 31st March, 2023 and 31st March, 2022:-

(Rupees in Lakhs, unless otherwise stated)

Particulars	Restated Audited F.Y. 31 st March, 2024		Audited F.Y. 2022-23	Audited F.Y. 2021-22
	Standalone	Consolidated *		
Share Capital	1062.03	1062.03	5.00	5.00
Net Worth	8278.16	8967.63	73.99	16.80
Total Revenue	9025.02	17036.76	73.83	7.84
Profit after Tax	(191.83)	142.27	56.00	6.40
Earnings per Share	(1.81)	1.34	1120.08	127.97
Net Asset Value per Equity Share	77.95	84.44	-	-
Total Borrowings (As per Balance Sheet)	1859.00	3581.04	0.30	0.20

* Upon effectiveness of the Scheme i.e. April 01, 2024, Mahalaxmi Exports Private Limited has become the Wholly Owned Subsidiary Company of Mahalaxmi Fabric Mills Limited.

Significant developments after March 31, 2023 that may affect our future results of operations

- Hon'ble NCLT has, vide an Order dated March 04, 2024 (Certified True Copy of the Order was received on March 27, 2024) approved the Scheme of Arrangements involving Demerger between Mahalaxmi Rubtech Limited (MRT) (CIN:- L25190GJ1991PLC016327) ("Demerged Company"); Mahalaxmi Fabric Mills Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MF MPL) (CIN:- U17100GJ1991PTC015345) ("First Resulting Company"); and Globale Tessile Private Limited (GTPL) (CIN:- U17299GJ2017PTC098506) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme") under Sections 230 to 232 of the Companies Act, 2013. Pursuant to the Scheme, Traditional Textile Processing Division located at Narol, Ahmedabad and Wind Power Division of the Demerge company along with existing investment of the demerge company in its wholly owned subsidiary company namely Mahalaxmi Exports Private Limited (as defined in the Scheme) is transferred to and vested into our Company. The Effective Date of the Scheme is April 01, 2024 with the Appointed Date of April 01, 2022. Accordingly, in accordance with the Scheme, our Company has allotted 1,06,20,275 Number of Equity Shares of Rs. 10/- each to the Shareholders of the Demerged Company as on the Record Date in the ratio of 1:1 and the existing share capital of 5,000 Number of Equity Shares Rs. 100/- each of our Company was cancelled.

2. The Board of Directors were reconstituted and Independent Directors & CFO were appointed in the Board Meeting of the Company held on 18th April, 2024. Board Committees were constituted and Company Secretary was appointed in the Board Meeting of the Company held on 29th April, 2024.
3. Our Company was granted an exemption from the application of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the Letter dated 12th August, 2024.
4. Other than the above, after the date of the last Audited Financial Statements i.e. 31st March 2023 and stub period of Nine Months ended on 31st December, 2023, the Directors of our Company confirm that, there have not been any significant developments.

Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk arises on account of financial assets are measured at amortized cost.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

SECTION-VII:- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS:-

In accordance with the provisions of the SEBI ICDR Regulations, our Company is required to disclose in this Information Memorandum (i) all outstanding criminal proceedings; (ii) all outstanding actions by statutory or regulatory authorities; (iii) any disciplinary action including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years (including any outstanding actions); (iv) all outstanding claims related to direct and indirect taxes; and (v) other material pending litigation (in terms of the Materiality Policy), in each case involving our Company, our Directors, our Promoters and Group Companies.

All outstanding litigation, including any litigation involving our Company, its Promoters and Directors, and Group Companies (other than criminal proceedings, actions by Regulatory Authorities and Statutory Authorities, disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years including any outstanding action and tax matters (direct or indirect)), would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 5,00,000, in accordance with the Materiality Policy; or (ii) where monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company.

Our Company did not have any outstanding litigation proceedings prior to the Effective Date. Pursuant to the transfer of the First Demerged Undertaking in accordance with the Scheme, certain litigation proceedings have been transferred to our Company.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Outstanding litigation proceedings involving Our Company

1. Criminal proceedings involving our Company

As on the date of this Information Memorandum, there are no criminal proceedings that have been initiated by or against our Company.

2. Litigation proceedings involving our Company in accordance with the Materiality Policy

Civil proceedings against our Company: Nil
Civil proceedings by our Company: Nil

3. Actions by Statutory or Regulatory Authorities against our Company

As on date of this Information Memorandum, no actions have been taken by statutory or regulatory authorities against our Company.

4. Tax proceedings involving our Company

Nature of Case	Number of Cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

5. Proceedings initiated against our Company for economic offences

As on date of this Information Memorandum, there are no proceedings that have been initiated against our Company for any economic offences.

6. Dues to Creditors

Except as stated below, there are no outstanding dues to creditors as on 31.03.2024 of our Company determined to be material by our Board in accordance with the Materiality Policy: -

(Rupees in Lakhs, unless otherwise stated)

Particulars	No. of Creditors	Aggregate amounts due
MSME	34	300.60
Material creditors	Nil	Nil
Other creditors	315	2833.15
Total	349	3133.75

7. Other material outstanding litigation against our Company

As on the date of this Information Memorandum, there is no other outstanding litigation against our Company, which has been considered material by our Company in accordance with the Materiality Policy.

Outstanding Litigation Proceedings involving Our Directors

1. Criminal proceedings involving our Directors.

The complainant had filed case of intimidation and physical abuse/violence against Shri Rahul Jeetmal Parekh, Promoter and Director of the Company. However, the complainant does not present in all Hearings despites of Court Summons. The matter is pending at Sanand Judicial 1st Class Magistrate.

2. Litigation involving our Directors in accordance with the Materiality Policy.

As on date of this Information Memorandum, no civil proceedings have been initiated by or against our Directors, in accordance with our Materiality Policy.

3. Actions by statutory or regulatory authorities against our Directors

As on date of this Information Memorandum, no actions by Statutory or Regulatory Authorities have been initiated against our Directors.

4. Tax proceedings involving our Directors

As on date of this Information Memorandum, there are no outstanding tax proceedings pending against our Directors.

Outstanding Litigation Proceedings involving Our Promoters

1. Criminal proceedings involving our Promoters

The complainant had filed case of intimidation and physical abuse/violence against Shri Rahul Jeetmal Parekh, Promoter and Director of the Company. However the complainant not present in all Hearings despites of Court Summons. The matter is pending at Sanand Judicial 1st Class Magistrate

2. Litigation involving our Promoters in accordance with the Materiality Policy

As on date of this Information Memorandum, no civil proceedings have been initiated by or against our Promoters.

3. Actions by statutory or regulatory authorities against our Promoters in the last 5 (five) years

There has been no Labour case proceeding initiated against our Promoters as on date of this Information Memorandum.

4. Tax proceedings involving our Promoters

As on date of this Information Memorandum, there has been no tax proceedings pending against our Promoters.

Outstanding litigations proceedings involving Our Group Companies including litigations proceedings transferred to our Company, pursuant to the Scheme:-

B. Tax Litigations						
B(a).Details of Tax Litigation						
Sr. No.	Court/Tribunal/Authority	Dispute Period-Assessment Year	Parties Involved	Brief Summary	Current status	Cases Against/By the Company
1	Assessing Officer of Income Tax .	2016-17	Mahalaxmi Rubtech Limited VS Assessing Officer (Income Tax)	Demand outstanding shown in Income tax portal of Rs 1800 .	Demand already paid and yet not updated on IT portal.	Against the Company

2	Assessing Officer of Income Tax .	2022-23	Mahalaxmi Rubtech Limited VS Assessing Officer (Income Tax)	Demand of Rs 80280 is raised by CPC u/s 143(1) due to wrongly disallowance of expenses.	The company had submitted response against the outstanding demand.	Against the Company
3	Assistant commissioner(Appeals) under SGST	2018-19	Mahalaxmi Rubtech Limited VS State Tax officer (SGST)Ahmedabad	Demand of Rs 50414 is raised by state tax officer for not generating Part-B of Ewaybill.Demand already paid and the company filed appeal for refund.	Appeal is pending before Assistant commissioner(Appeals).	Against the Company
4	High Court of Gujarat at Ahmedabad vide special civil Application No 1984/2019	FY 2019-20	Mahalaxmi Rubtech Limited VS Assistant Commissioner of CGST Ahmedabad	Pending Refund amounting to Rs 267064 of IGST paid by the company against exports	Pending in High Court of Gujarat at Ahmedabad	By the Company

B(b) . Details of Tax Litigation Against/By the Associates of Group Companies

1	Deputy state commissioner of Appeal.	FY 2021-22	Mahalaxmi Exports VS State Tax officer,Mobile Squad,Kutch	Demand of Rs 628442 is raised by state tax officer for not applying the extension of time of ewaybill by company. The demand is already paid company filed appeal for refund	Appeal is pending before Deputy state commissioner of Appeal.	Against the Associates
2	Assistant commissioner(Appeals) under GST	FY 2018-19	Mahalaxmi Exports VS State Tax officer (SGST)Ahmedabad	Demand of Rs 36350 is raised by state tax officer for not generating Part-B of Ewaybill.Demand already paid and the company filed appeal for refund.	Appeal is pending before Assistant commissioner(Appeals).	Against the Associates
3	Deputy Commissioner of SGST Appellate Ahmedabad	FY 2018-19	Mahalaxmi Exports VS State Tax officer, Ahmedabad	The GST Department claimed for reversal of Input tax credit(ITC) amounting to Rs 1365410 against exempted sales of Duty free Scripts like MEIS	Appeal is pending before Deputy Commissioner of SGST Appellate Ahmedabad.	Against the Company

4	Deputy Commissioner of SGST Appellate Ahmedabad	FY 2019-20	Mahalaxmi Exports VS State Tax officer, Ahmedabad	The GST Department claimed for reversal of Input tax credit(ITC) amounting to Rs 3564927 along with interest and penalty against exempted sales of Duty free Scripts like MEIS	Appeal is pending before Deputy Commissioner of SGST Appellate Ahmedabad.	Against the Associates
5	Deputy Commissioner of SGST Appellate Ahmedabad	FY 2020-21	Mahalaxmi Exports VS State Tax officer, Ahmedabad	The GST Department claimed for reversal of Input tax credit(ITC) amounting to Rs 5288248 against exempted sales of Duty free Scripts like MEIS	Appeal is pending before Deputy Commissioner of SGST Appellate Ahmedabad.	Against the Associates
6	High Court of Gujarat at Ahmedabad vide special civil Application No 1988/2019	FY 2019-20	Mahalaxmi Exports V/s Assistant Commissioner of CGST Ahmedabad	Pending Refund amounting to Rs 790540 of IGST paid by the company against exports	Pending in High Court	By the Associates

C. Civil & Criminal Litigations

C(a) . Details of Ongoing Civil & Criminal Litigations

Sr No	Suit No. and Court	Name of the parties	Summary of the Case	Amount Involved Rs	Current Status of the same	Cases Against/By the Company
1	Small Cause Court Ahmedabad No 217/2022(old civil court case No 789/2015)	Ms Pack Art Tubes and Containers V/s Mahalaxmi Fabric Mills A unit of Mahalaxmi Rubtech Limited	The Plaintiff had supplied the goods to the defendant and raised the demand of Rs 890356. The Defendant raised debit note of Rs 537538 against the outstanding due to Quality issue. The Defendant deposited a sum of Rs 225500 in the court.	890356	The matter is Pending with Small cause Court	Against the Company
2	Civil Court, Ichalkaranji No 167/2016	Ms Ankur Textile V/s Mahalaxmi Fabric Mills A unit of Mahalaxmi Rubtech Limited	The Plaintiff had supplied the goods to the defendant. The plaintiff had file a suit claiming an amount of Rs 263415 including interest. The defendant has denied claim of	263415	The matter is Pending with Court of Honourale civil Judge, Senior Division, at Ichalkaranji	Against the Company

			plaintiff in its Written Statement.			
3	Sanand Judicial 1st Class Magistrate No 542/2000	Kamlesh Natubhai Patel C/O Devpreet Engineering Works V/S Rahul Jeetmal Parekh (Managing Director)	The complainant had filed case of intimidation and physical abuse/violence against Rahul Jeetmal Parekh. However the complainant not present in all Hearings despites of Court Summons.	NA	The matter is Pending Sanand Judicial 1st Class Magistrate	Against the Company
C(b) . Details of Ongoing Civil & Criminal Litigations						
1	City Civil Court Ahmedabad No 842/2014	Mahalaxmi Fabric Mills A unit of Mahalaxmi Rubtech Limited V/s. Torrent Power Limited	Torrent Power Limited raised the debit note & Charged the amount of Rs 2147358 in the form of other debits in Electricity Bill.	2147358	The matter is Pending with civil Court	By the Company
2	City Civil Court Ahmedabad No 2043/2007	Maheeka Texttech A unit of Mahalaxmi Rubtech Limited Defendant V/s CRANOIST ENGINEERS- Plaintiff	The Plaintiff had filed claim of Rs 368482 .Counter Claim made by the Defendant of Rs 19,08,753/- in view of delivery and erection of Crane by the Plaintiff was delayed inspite of reminding for several times. The Plaintiff failed to ratify the problem which resulted a production loss to the defendant.	19,08,753	The matter is Pending with City Civil Court	By the Company
3	District Consumer Disputes Redressal Commission Ahmedabad No 1198/2020	Ms Mahalaxmi Exports(Complainant) V/s Bajaj Allianz General Insurance Co. Ltd.(Opponents)	Claim was made by mahalaxmi Exports under Marine Insurance policy against damaged of export consignments.	6442327	The matter is Pending with District Consumer Disputes Redressal Commission Ahmedabad	By the Company
4	City Civil Court Ahmedabad No 133/2022(old civil court case No 194/2011)	Mahalaxmi Exports V/s Radhika Services- Plaintiff	The Plaintiff had supplied the goods to the defendant and raised demand of Rs 1114548/(including interest). The defendant had denied the demand due to quality of goods. The Defendant deposited a sum of Rs 493200 in the court.	1114548	The matter is Pending in City Civil Court	By the Company

Details of Ongoing Adjudication & Recovery Proceedings, Prosecution initiated, and all other enforcement action taken ,if any					
A. LABOUR COURT CASES					
SR. No.	SUIT NO.AND COURT	NAME OF THE PARTIES	SUMMARY OF THE CASE	AMOUNT INVOLVED (RS.IN CASE)	CURRENT STATES OF THE SAME
1	PW/173/12	SURESH BAGRU KORI	CLAIMED MINIMUM WAGES AND BONUS WITH DIFFERENCE	3,24,530	Pending with Labour Court
2	CRI 17 / 12	SANJAY RAJA RAM KORI	WAGES	3,58,274	Pending with Labour Court
3	PW/25/14	ARJUNSING RAMDEVSING	CLAIM UNDERE PAYMENT OF WAGES ACT	93,120	Pending with Labour Court
4	PW/595/13	SHAILENDRA DHARMPAL	CLAIMED MINIMUM WAGES AND BONUS WITH DIFFERENCE	93000	Pending with Labour Court
5	BIR/20/11	SANJAY RAJARAM V/S MFM	HE IS CLAIMING FOR ESI CARD,PAY SLIP,ID CARD	2,79,674	Pending with Labour Court
6	BIR/79/12	SANJAY KORI	ILLEGAL CHANGE BACK TO JOB	2,80,420	Pending with Labour Court
7	CR/28/12	GHANSHYAMBHAI DHULABHAI	ORAL TERMINATION	3,24,635	Pending with Labour Court
8	BIR/66/12	NANJI KARANJI	BADLI WORKER	1,95,788	Pending with Labour Court
9	BIR/10/12	GHANSHYAM DHULABHAI	BADLI WORKER	As May be decided by the Court.	Pending with Labour Court
10	PW 412/19	MUKTESHWAR	WAGES	As May be decided by the Court.	Pending with Labour Court
11	MISC 2 /21	VINOD FULABHAI	WAGES	As May be decided by the Court.	Pending with Labour Court
12	PW 540/ 19	WACHMEN WAGES OT ETC	WAGES	As May be decided by the Court.	Pending with Labour Court
13	CRI 1 /17	VINOD FULABHAI	WAGES	As May be decided by the Court.	Pending with Labour Court
14	ESI 3 /22	ESIC	WAGES	As May be decided by the Court.	Pending with Labour Court

15	ESI 52 /21	ESIC	WAGES	As May be decided by the Court.	Pending with Labour Court
16	ESI 76/18	VINOD FULABHAI	WAGES	As May be decided by the Court.	Pending with Labour Court
17	CASE NO: 260/2019	DASRATH SINGH BANNESINGH	GRATUITY	2,12,885	Pending with Labour Court
18	CASE NO. 211/2019	JASRAM ANARSINGH	GRATUITY	2,04,000	Pending with Labour Court
19	CASE NO: 261/2019	GIRDHARSINGH RATANSINGH	GRATUITY	1,83,808	Pending with Labour Court
20	CASE NO: 259/2019	BABUBHAI DHULBHAI	GRATUITY	68,654	Pending with Labour Court
21	CASE NO: 262/2019	PREMCHAND CHHEDILAL	GRATUITY	58,846	Pending with Labour Court
22	CASE NO: 257/2019	VIRSINGH KUBERSINGH	GRATUITY	49,038	Pending with Labour Court

Note:

In Some of cases of Employee dues pending before labour Courts, the liability is indeterminate. The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Material Developments

For details of material developments, please see the Section titled “Management Discussion and Analysis of Financial Condition and Results of Operations” on Page 193 of this Information Memorandum.

Disclosures pertaining to Wilful Defaulters

Nil

GOVERNMENT AND OTHER STATUTORY APPROVALS:-

Pursuant to the Scheme, all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether Governmental, statutory, regulatory under applicable Law and all rights and benefits that have accrued to MRT pertaining to the First Demerged Undertaking shall be transferred and vested in our Company on and from the Effective Date.

OTHER REGULATORY AND STATUTORY DISCLOSURES:-

Authority for the issue

The NCLT through an order dated March 04, 2024 has approved the Scheme of Arrangements involving Demerger for transfer of the First Demerged Undertaking of MRT to our Company with effect from the Appointed Date 01.04.2022. For more details relating to the Scheme, please refer to Section titled “Objects and Rationale of the Scheme” on Page 30 of this Information Memorandum.

Pursuant to the Scheme, the Equity Shares of Company shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by Company as permitted by BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by Company.

Eligibility Criteria

There being no Initial Public Offering or Rights Issue, the eligibility criteria in terms of the SEBI ICDR Regulations are not applicable. Pursuant to the SEBI Master Circular, our Company has filed an exemption application with the Stock Exchanges for exemption under Rule 19(7) of the SCRR, from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI.

The Company shall publish, an advertisement in one English and one Hindi newspaper each with nationwide circulation and one Gujarati newspaper with wide circulation since the Registered Office of the Company is located in Ahmedabad, Gujarat containing details in accordance with the requirements set out in the SEBI Master Circular. The advertisement shall draw specific reference to the availability of this Information Memorandum on our Company’s website.

Prohibition By SEBI or Other Governmental Authorities

Our Company, Promoters, its Promoter Group and Directors have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in Securities under any order or direction passed by SEBI or any Securities Market Regulator in any other jurisdiction or any other Authority/Court.

None of our Directors or Promoters is a Director or Promoter of any other Company which is currently debarred from accessing the capital markets by SEBI.

Further, none of the Directors are associated with the Securities market in any manner, and SEBI has not initiated any action against any entity, with whom the Directors are associated in the past five years preceding the date of this Information Memorandum.

Compliance With the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

General Disclaimer from Our Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with the requirements set out in the SEBI Master Circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk. All information shall be made available by our Company to the Public and Investors at large and no selective or additional information would be available for a section of the Investors in any manner.

Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent Courts / Authorities in Ahmedabad, India.

Disclaimer Clause of the BSE Limited

BSE has vide its letter dated August 1, 2023 (bearing reference no. DCS/AMAL/TL/R37/2851/2023-24) granted its letter of ‘no adverse observations’ on the Scheme under Regulation 37 of the SEBI LODR Regulations. As per the letter, the listing of the shares of the Company is at the discretion of BSE and subject to SEBI approval, upon fulfillment of the following conditions:

1. To submit the Information Memorandum containing all the information about Mahalaxmi Fabric Mills Private Limited and Globale Tessile Private Limited in line with the disclosure requirements applicable for Public issues with SSE, for making the same available to the Public through the website of the Exchange. Further, the Companies are also advised to make the same available to the Public through its website.
2. To publish an advertisement in the newspapers containing all details of Mahalaxmi Fabric

Mills Private Limited and Globale Tessile Private Limited in line with the details required as per the aforesaid SEBI Circular no. CFD/DJL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the Company as well as BSE.

3. To disclose all the material information about Mahalaxmi Fabric Mills Private Limited Globale Tessile Private Limited on a continuous basis so as to make the same addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - “There shall be no change in the shareholding pattern of Mahalaxmi Fabric Mills Private Limited and Globale Tessile Private Limited between the record date and the listing which may affect the status of this approval.”

As required, the Information Memorandum has been available on the website of the Company and relevant advertisements shall be published in accordance with the requirements of the SEBI Scheme Circular.

Disclaimer Clause of the National Stock Exchange of India Limited

NSE has vide its letter dated August 1, 2023 (bearing reference no. NSE/LIST/34595_I) granted its letter of ‘no adverse observations’ on the Scheme under Regulation 37 of the SEBI LODR Regulations. As per the letter, the listing of the shares of the Company is at the discretion of BSE and subject to SEBI approval, upon fulfillment of the following conditions:

1. To submit the Information Memorandum containing all the information about Resulting Companies and its group companies in line with the disclosure requirements applicable for Public issues with National Stock Exchange of India Limited (“NSE”) for making the same available to the Public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

“The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its Management etc.”
2. To publish an advertisement in the newspapers containing all the information about the Resulting Companies in line with the details required as per SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Resulting Companies to NSE on the continuous basis so as to make the same Public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - a. “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - b. “There shall be no change in the shareholding pattern or control in Resulting Companies between the record date and the listing which may affect the status of this approval.”

As required, the Information Memorandum has been available on the website of the Company and relevant advertisements shall be published in accordance with the requirements of the SEBI Master Circular.

Listing

An application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. The Demerged Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

Eligibility for this issue

There being no Initial Public Offering or Rights Issue, the eligibility criteria in terms of the SEBI ICDR Regulations, as amended does not become applicable. Our Company submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for Public issues, as applicable to BSE and NSE. The Information Memorandum, once finalized, shall be made publicly available through the respective websites of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com and through our website on www.mahalaxmigroup.net/MFML. Our Company will publish an advertisement in the newspapers containing its details as per the SEBI Master Circular.

Filing

This Information Memorandum has been filed with BSE and NSE.

Certificate

Our Company has received Certificate from Bhanwar Jain & Co in relation to the ‘Statement of Possible Tax Benefits’ included in

this Information Memorandum on Page 31.

Expert Opinions

We have not obtained any expert opinions for the purpose of this Information Memorandum.

Public Issues or Rights Issues of Our Company

Our Company was incorporated on April 04, 1991 and has not made any Public issue or rights issue since incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the Public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its incorporation.

Capital Issue by Our Group Companies / Subsidiaries / Associates

There is no any new capital issue undertaken by Group Companies, Subsidiaries and Associates of the Company in the last 3 years.

Performance vis-à-vis Objects

Since incorporation, our Company has not issued any Equity Shares to Public. The Equity Shares of our Company will be listed on the Stock Exchanges pursuant to the Scheme.

Stock Market Data for Equity Shares of the Company

Equity Shares of the Company are not listed on any Stock Exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by Our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Disposal of Investor Grievances

Our Company has the following platforms for addressing Investors' grievances:

1. E-mail: cs@mahalaxmiGroup.net;
2. Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (Common Portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary.

Company Secretary

Mr. Naresh Vasudevhai Kanzariya (ICSI Registration No.:- A60683) is the Company Secretary of our Company.

His Contact details are as follows: -

Address: Shreeji Nivash, Nr post office, Halvad, Ranjitgadh, Morbi, Gujarat-363351.

Tel. No.:- 079 4000 8000

Email:- cs@mahalaxmigroup.net

Table F

ARTICLES OF ASSOCIATION OF
A COMPANY LIMITED BY SHARES

MAHALAXMI FABRIC MILLS LIMITED *

1. In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context:

“Act” means the Companies Act,2013 or any Statutory modification or re-enactment thereof, for the time being in force and the term shall be deemed to refer to the applicable section thereof, which is relatable to the relevant article in which the said tem appear in these Article and any previous Company Law, so far as may be applicable.

“Annual General Meeting “means a general meeting of the Members held in accordance with the provisions of section 96 of the Act and any adjournment thereof.

“Articles” means these Articles of Association of the Company or any alteration from time to time.

“Board” or “Board of Directors” means the Board of Directors of the Company or Directors present at a duly convened meeting at which a quorum is present.

“Company” or “the Company” means Mahalaxmi Rubtech Ltd.

“Director” means any Director of the Company for the time being

“Extraordinary General Meeting” means an extraordinary general meeting of the Members duly called and constituted in accordance with the provisions of the Act any adjournment thereof.

“General meeting” means Annual General Meeting or Extra Ordinary General Meeting or any adjournment thereof, as the case may be.

“Member” means a member as defined in section 2(55) of the Act and rules made there under.

“Rules” mean the applicable rules for the time being in force as prescribed under relevant section of the Act.

“Shareholder” means any person(s), who is a holder of any class of shares.

“Shares and shares in the company” includes all classes of shares in the capital of the company or any class thereof, as the case may be and includes any and all the rights conferred on a person by the ownership of such shares.

2. Reference to the plural, shall includes the singular and vice-versa; reference to one gender shall include other genders; reference to company shall include foreign companies, corporations, and bodies registered; references to persons shall include bodies registered and unincorporated.
3. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force.

4. Share capital and Alteration of Capital

a) Authorized Share Capital:- The Authorized Share Capital of the Company is as stated in the Memorandum of Association of the Company. Subject to provisions of the Act and Articles, the Shares in the capital of the company shall be under the control of the Board of Directors who may issues, allot or otherwise dispose of the same or any of them to such proportion and/or on such terms and conditions and either at premium or at par, or otherwise and at such time as they may from time to time thinks fit.

b) Power to alter Share Capital:-Subject to the provisions of the Act, the Company may, by an ordinary resolution-

* New set of Articles of Association adopted through a Scheme of Arrangement sanctioned by the National Company Law Tribunal, Ahmedabad Bench, vide Order dated March 04, 2024.

- i. Increase the Share capital by such sum, to be divided into shares of such amount as it thinks expedient,
 - ii. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of the members shall require applicable approval under the Act,
 - iii. Convert all or any of its fully paid-up shares into stock into fully paid-up shares of any denomination,
 - iv. Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.
- e) Reduction of Capital:- The Company may by a resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, reduce its Share capital and/or any capital redemption reserve amount and/or any securities premium account and/or any capital redemption reserve in the nature of share capital.

5. Issue of Redeemable Preference shares

- (a) The Company may issue from time to time Redeemable Preference Shares as may be permissible to be issued as per the provisions of the Act and rules made there under and for the time being in force and applicable to the Company.
- (b) Subject to the provision of the Article, the Company shall have power to issues preference Shares and the board may, subject to the provision of the Act and Articles, exercise such powers as it thinks fit.

Provided that the term "Preference Shares" in the Article, has the same meaning as defined in the explanation (ii) to section 43 of the Act.

6. Issue of Warrants

Subject to the provision of the Act and the approval of the company in General Meeting the company may issue with respect to any fully paid shares, warrants stating that the bearer of the warrants is entitled to the shares specified therein and may provide coupons or otherwise, for payment of future dividends on the shares specified in the warrants and may provide conditions for registering membership.

Subject to the provisions of the Act and the approval of the Company in general Meeting, the Company may from time to time issue warrants naked or otherwise or issue coupons or other instruments and/or any combination of equity shares, Debenture Preference Shares or any other instruments to such class of persons as the board may deem fit with a right attached to the holders of such warrants or coupons or other instruments within such time and at such price as the board may decide as per the rules applicable from time to time.

7. Shares at the disposal of the Board of Directors:

Subjects to the provisions of section 61 of the Act, where at the time it is proposed to increase the subscribed capital of the Company by Allotment of further shares whether out of the unissued capital of the increased share capital either at par or at premium as permissible by law, then;

- (a) Such, further shares may be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- (b) Such offer shall be made by notice specifying the number of shares offered and shall remain open for the period as may be prescribed under the law and the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other persons and the notice referred to in sub clause (b) hereof shall contain a statement of the right. Provided that the board of Directors may decline, without assigning any reason to allot any shares to any person in whose favor any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or in receipt of earlier intimation from person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may allot or dispose off them in such manner, on such terms and conditions at such times, either at par or at premium, and for such consideration and to such person(s) as the Board of Directors may in their sole discretion, think fit.

Nothing in sub-clause (c) shall be deemed:

- (a) To extend the time within which the offer should be accepted: or
- (b) To authorize any person to exercise the right of renunciation was first made has ground that the person in whose favor the renunciation was first made has declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company :

(i) To convert such debenture or loans into shares in the company; or

(ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debenture or loans containing such option have been approved before the issue of such debenture or raising of loan by a special Resolution passed by the company in General Meeting.

8. Notwithstanding anything contained in Article 9 hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of Article 9 hereof) in compliance with the applicable provisions of sections 42 and 62 of the Act, read with Rule prescribed by the central Government and as amended from time to time.

9. Issue of Shares for consideration other than Cash:

Subject to the provisions of section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be the control of the Board of Directors, who may issue, allot or otherwise dispose of the Same or any of them to such persons, in such proportion and on such terms and conditions and either at a par or premium during such time and for such time and for such consideration as the Board of Directors thinks fit, and may issue and allot shares in the capital of the company and payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares and if so issued, shall which may so be allotted, may be issued as fully paid up shares. Provided that option or right to call of shares shall not be given to any persons or persons without the sanction of the company in the General Meeting.

10. Sub-division or consolidation of capital.

The shares of the Company may be split up/consolidated in the following circumstances:

(i) At the request of the member/s for split up of shares in marketable lot.

(ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

11. Option for investors to hold the security with a Depository:

Definition:

I) For the purpose of this Article:

“Beneficial Owner” means a person whose name is recorded as such with a depository;

“SEBI” means the security & exchange Board of India;

“Depository” means a Company formed and registered under the Companies Act,1956 and the Companies Act, 2013 which has been granted a certificate of registration to act as a depository under the securities & Exchange Board of India Act,1992; and

‘Security’ means such security as may be specified by SEBI from time to time.

II) Dematerialization of Security:

Notwithstanding anything contained in Article, the Company shall be entitled to dematerialize its security and to offer securities in a dematerialization from pursuant to the Depositories Act, 1996.

III) Options for investors:

Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository, Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the depositories act, and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee(s) as the beneficial owner of the security.

IV) Securities in depository to be in fungible form:

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 89 of the

Act pertaining to declaration in respect of beneficial interest in any security shall apply to a depository in respect of the securities held by it on behalf of the beneficial in respect of the securities held by it on the beneficial owners.

V) Rights of depository and beneficial owners:

- (a) Notwithstanding anything to the contrary contained in the Act or Article, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting right or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the liabilities in respect of his securities which are held by a depository.

VI) Service of documents :

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or extended strong media.

VII) Transfer of Security:

Nothing contained in section 56 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.

VIII) Allotment of Securities dealt with in a depository:

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

IX) Distinctive number of securities held in a depository:

Nothing contained in the Act or these articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held with a depository.

X) Register and index of beneficial owners:

The Register and index of beneficial owner by a depository under the Depositories Act, 1996 shall be deemed to be the Register and index of Members and Security holders for the purpose of these Articles.

12. Board may accept surrender of shares:-

Subject to provision of section 66 of the Act, the Board of Directors may accept from any member on such terms and conditions as shall be agreed a surrender of all or any of his shares.

13. Buy Back of Shares:-

Notwithstanding anything contained in these Article, pursuant to the provisions of section 68 of the Act, rules prescribed and made applicable and read with securities and exchange Board of India (Buy Back of securities) (Amendment) Regulation, 1998, as Amended from time to time, the Company may purchase its own shares or other specified securities.

14. Issue of Shares with differential rights:-

The Company may issue shares with differential rights as to voting, dividend or otherwise, attached to them in pursuance of the provisions of the Act and rule made there under. The Board of Director may issue such shares subject to such limits and upon such terms and condition and with such rights and privileges attached thereto as though fit and as may be permitted by law.

15. Company's lien on Shares/ Debenture:-

The Company shall have a First and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debenture or no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and Bonus from time to time declared in respect of such shares/debentures shall operate as a waiver of the company's lien if any shares/debenture wholly or in parts to be exempt from the provisions of this article.

16. Limitation of time for issue of Certificate:

Every member shall be entitled without payment to one or more certificate in marketable lots, if any, for all the shares of

each class or denomination registered in his name, or if the Board of Director so approve (upon paying such fees as the Board of Director may from time to time determine) to several certificate, each for one or more of such share and the Company shall complete and have ready for delivery such certificates within prescribed time from the date of allotment, unless the condition of issue thereof otherwise provide, or within prescribed time to time the date of receipt of application or registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up there on and shall be in such a form as the Director may prescribed or approve, provided that in respect of shares or shares held jointly by several persons, the company shall be under the seal of the company shall not be bound to issue more than one certificate and delivery to all such holders. Provided that notwithstanding what is stated above the Director shall comply with such rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, rules applicable in this behalf.

17. Issue of new Certificate in place of one defaced, lost or destroyed:

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate.

The company shall not charge any fees for the following:

- (a) For registration of transfer, transmission, probate, succession certificate and letter administration, Certificate of Death or marriage, Power of attorney or similar other document.
- (b) For sub-division and/or consolidation of shares and/or debenture certificate and/or sub-division of letters of allotment and split, consolidation, renewal and Pucca transfer receipts into denominations corresponding to the market units, if any;
- (c) For sub-division of renounceable letters of right;
- (d) For issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on reverse for recording transfers have been fully utilized.

Provide that notwithstanding what is stated hereinabove the Board of Directors shall comply with such Rules or Regulations or requirements of Securities Exchange Board of India, any Stock Exchange, where the securities are listed or the Rules made under the Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

18. Underwriting and Brokerage

Commission may be paid subject to the provisions of sections 40, 188 of the Act and Rule (13) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as modified and amended from time to time, the Company may at any time pay a Commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares of or debentures in the Company or as consideration for any service related thereto.

19. Brokerage:

The Company may pay a reasonable sum for brokerage within the prescribed limit under the Act or Rules made there under and in accordance with other applicable law.

20. Transfer of Shares / Debentures

Transfer not to be registered except on production of instrument of transfer:- The Company shall not register transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and the transferee, has been delivered to the Company at its office, along with the certificate of the shares to be transferred and such other evidence as the Board of Directors may require to prove the title of the transferor or his rights to transfer the shares. If no such share certificate is in existence, the transferee shall produce the original letter of allotment of the shares to the Company, if any.

The instrument of transfer shall be in writing and all provision of section 56 of the Act and statutory modification thereof for the time being in force shall be duly complied with in respect of all transfer of shares and registration thereof.

Provided that where, on an application in writing made to the company by the Transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of Transfer signed by or on behalf of the transferor and the transferee has been lost, the company may register the transfer on such term as to indemnify as the Board may think fit'.

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Provided that nothing contained in this Articles shall apply to the transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

21. The Board may refuse to request transfer:

- a) Subject to the provisions of sections 58 and 59 of the Act, the Board may, at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares.
- b) In particular, the Board may so decline in any case in which the Company has a lien upon the shares or any of them or whilst any money in respect of shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board or which fails to comply with the provision of the Act or these Articles or any other Act, statute or Order promulgated by the Government and such refusal shall not be affected by the fact that the proposed transferee is already a member.

Provided that the registration of transfer shall not be refused on the ground that the transferor being alone or jointly with any other person or persons indebted to the Company in any account whatsoever except as stated herein above.

- c) The registration of transfer shall be a conclusive evidence of the approval by the Board of Directors of the transferee, so far only as the shares transferred are concerned but not further or otherwise or so as to incapacitate the Board of Directors from declining to register any subsequent transfer applied for.
- d) Nothing contained in section 58 of the Act shall prejudice the power of the Board of Directors to refuse to register the transfer of or the transmission by operation of law of the right to, any shares or interest of a member in or debenture of the Company.

The Provision of this Articles shall mutatis mutandis apply to debentures of the Company.

22. Custody of transfer instrument

- a) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in Register of Members) or the prejudice of persons having claiming any equitable right, title or interest in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company.
- b) The Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest to or in the same shares not withstanding that the Company may have had notice of such equitable right, title or interest or have entered such notice referred thereto in any books of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it or any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some books of the Company but the company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if Board of Directors shall so think fit.

23. Notice of refusal to be given to Transferor and Transferee:

If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within the time prescribed under the law from the date on which the instrument of transfer of intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission , as the case may be, thereupon the provisions of section 58 and 59 of the Act or any statutory modification thereof for the time being in force shall apply.

24. No transfer of less than market lot shares:

The Board of Directors may not accept application for transfer of shares less than market lot, if any, provided, however, that this restriction shall not apply to:

- a) the transfer of equity shares made in pursuance of a statutory provision or an order of a Court of Law:
- b) the transfer of the entire equity shares by an existing equity shareholders of the Company holding less than market lot equity shares by a single transfer to a single or joint names
- c) the transfer of shares more than market lot of equity shares in the aggregate in favour of the same transferee under two or more transfer deeds, out of which, one or more relate(s) to the transfer of less than market lot of equity shares:
Provided that where a person is holding shares in lots higher than the market trading unit and sell the market trading unit, the remaining shares even though less than market lot in number shall be permitted to stand in his own name.

Provided further that when the Company issues bonus or right shares at a subsequent date or converts any of debentures into shares, there shall be no restriction on transfer by any member of whole or part of the shares acquired by him in pursuance of such right or bonus issue or conversion, so long as the number of shares desired to be transferred are in exact multiples of number which has been arrived at with reference to market lot of shares after applying the ratio of bonus or right shares or conversion.

25. Registration of persons entitled to shares otherwise than by transfer:

Subject to the provisions of the Act, any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board(which it shall not be under any obligation to give);upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles or of such title as the Board of Directors thing sufficient, either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board of Directors registered as such holder:

Provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

26. Board may require evidence of transmission:

Every transmission of a share shall be verified in such manner as the Board of Directors may require and the Company may refuse to register any such transmission until the same is so verified or until or unless an indemnity is given to the Company with regard to such registration which the Board at their discretion shall consider sufficient. Provided nevertheless, that there shall not be any obligation on the Company or the Board of Directors, to accept any indemnity.

27. Refusal to register nominee:

The Board shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as it would have had as if such person or nominee were a transferee named in any ordinary transfer for registration. The Company shall not be bound to register a transmission unless the intimation of such transmission has been delivered to the Company under a proper transmission form, if any, prescribed by the Board, duly executed by the person entitled by transmission. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such intimation of transmission or any notice of transfer as if the circumstances entitling such person to the shares by transmission had not occurred and as if the person entitled by transmission or his nominee was the transferee named in ordinary transfer presented for registration.

28. Transfer to Legal Representative:

A transfer of shares or other interest in the Company of a deceased member shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

29. Person entitled may receive dividends without being registered as Members:

Person entitled to shares by transmission shall, subject to the right of the Board of Director to retain such dividends or moneys as hereinafter provided, be entitled to receive; any may give a discharge for any dividends or other moneys payable in respect of the shares.

30. Title to shares of deceased holder:

The executor or administer of a deceased member or a holder of a succession certificate in respect of shares of a deceased member where he was the sole or only surviving holder shall be the only person entitled to be recognized by the Company as having any title to the shares standing in the name of such member and the Company shall not be bound to recognize such executor or administrator unless such executor or administrator shall have first obtained probate or letter of administration or other legal representation as the case may be from duly constituted court in India; provided that in any case where the Board of Director in its absolute discretion think fit may dispense with the production of probate or letter of administration or succession certificate upon such terms as to indemnity or otherwise as the Board may deem fit, and under Article No. 30 register the name of a deceased member as a member.

31. Branch Register or Foreign Register:

The Board of Directors of the Company may if deem fit, arrange to keep in any state or Country outside India branch register of members and or debenture holders resident in that state or Country and that the Board of Director may make regulations in that behalf, modify or cancel the same as may be deemed fit and permissible as per the Rules applicable from time to time.

32. Joint Holder:

Where two or more persons are registered as the holders of any shares, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivors subjects to the following and other provisions contained in these Articles:

- a) The Company shall not be bound to register more that three persons as the holders of any shares.

b) The joint holders of any shares shall be liable severally as well as jointly for and respect of all installments, calls and other payments which ought to be made in respect of partly paid –up shares.

c) On the death of any of such joint holder the survive or survivors shall be the only person or persons recognized by the Company as having any title to the shares but the Board of Directors may require such evidence of death as they may deem fit and nothing therein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

d) Any one of such joint holder may give effectual receipts of any dividends or other moneys payable in respect of such shares.

e) Only the person whose name stands first in the Register of Members as one of the joint holders of any Shares, unless otherwise directed by all of them in writing, shall be entitled to delivery of certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in these Article or other Act or other statutes) from the Company and any documents served on or sent to such person shall be deemed as service on all the joint holders.

f) Any One of the two or more joint holders vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by attorney or by proxy then that one of such persons so present whose name stands first or higher (as the case may be) on the register of members in respect of such shares shall alone be entitled to vote in respect thereto but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by any attorney or by proxy although the name of such joint holder present by any attorney or by proxy stands first or higher (as the case may be) in the register of members in respect of such shares. Several executors or administrators of a deceased member in whose (deceased Member's) sole name share stands shall for the purpose of this Article be deemed as joint holders

g) Subject as stated in this Article, the persons first named in the register of members as one of the joint holders of a shares shall always be deemed as the sole holders thereof for any communication by the Company to the members.

The provisions of these Articles shall mutatis apply to the Debentures/all securities of the Company.

Provided that notwithstanding what is stated under Article 21 to 34 hereinabove the Company shall comply with such Rule or Regulation or requirement of Securities Exchange Board of India, any Stock Exchanges, where the securities of the company are listed or the Rules made under the Act or the rules made under securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

33. Calls

The Board may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively. The members shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors. A call may be made payable by installments. A call may extend to whole of the nominal value of the shares and any premium thereon.

34. Extension of time for payment of calls:

The Board may, from time to time at its discretion extended the time fixed for the payment of any call and may extend such time as to call to any of the members whose residence is at distance or for other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

35. Call to carry interest:

If any member fails to pay any call, due from him on the day appointed for payment thereof, or any such extension thereof as afore said, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to deemed or recover any interest from any such member and the Board of Directors shall be at liberty to waive payment of such interest wholly or in part.

36. Calls may be revoked or postponed:

A call may be revoked or postponed at the discretion of the Board of Directors.

37. Proof on trial of suit for money due on shares:

On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money acclaimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name appears on the Register of Members as the holder, at or subsequently to the date at which the money sought to be

recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered: that the resolution making the calls is duly recorded in the minutes book and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles: and that it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board Meeting at which any call was made, nor that the meeting at which any call was made was duly convened or constituted not any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

38. Payment of calls in advance:

The Board may, if it thinks fit, subject to the provisions of section 50 of the Act, agree to and receive from any member willing to advance called money or any part of the moneys due upon the share held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made upon the shares in respect of which such advance has been made, the Company may pay interest at the rate as the Board may decide from time to time. Moneys as paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Board may at any time and at their absolute discretion repay the amount so advanced upon giving to such member one week's notice in writing.

The provisions of these Articles shall mastitis mutandis apply to the Debentures/ all securities of the Company.

Forfeiture, Surrender and Lien

39. If call or installment not paid notice may be given:

If any member fails to pay any call or installment of a call in respect of any Share on or before the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on such members or on the person(if any) entitled t the shares by transmission, requiring him to pay the same, together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

40. Form of notice:

The notice shall name a day (not being earlier than the expiry of thirty days from the date of service of the notice) and a place or places, on and at which such call or installment and such interest an expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment on or before the time and at the place appointed the share in respect of which the call was made or installment is payable will be liable to be forfeited.

41. If notice not complied with shares may be forfeited:

If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect, Such forfeiture shall included all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

42. Notice after forfeiture:

When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the for forfeiture, with the date thereof, shall forthwith be made in the Register of Member, provided however that the failure to give the notice will not in any way invalidate the forfeiture.

43. Forfeited shares to become property of the Company

Any Board of Directors may, at any time before any shares forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favor but not as of right upon such terms and conditions as it may think fit.

44. Arrears to be paid notwithstanding forfeiture:

Any Member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company all Calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at the rate of interest as the Board of Directors may decide and the Board of Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation to do so.

45. Effect of forfeiture:

The forfeiture of a share would result in the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share so forfeited.

46. Certificate of forfeiture:

A Certificate in writing under the hands of Director or the Secretary of the Company, that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made and that the forfeiture of the shares was made by resolution of the Board of Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

47. Title of purchaser and allottee(s) of forfeited shares:

The Company may receive the consideration, if any, given for the share on any sale, or other disposal thereof and may execute a transfer of the share in favor of the persons to whom the share is sold or disposed off and the persons to whom such share is sold, or disposed off may be registered as the holder of the share, Any such purchase shall not (unless by an express agreement) be liable to pay any calls, amounts, installments interest and expensed owing to the Company prior to such purchase or allotment nor shall be entitled (unless by an express agreement) to any of the dividends interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase. Such purchaser shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

48. Partial payment not be preclude forfeiture:

Neither judgments nor a decree in favor of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein a provided.

The Provisions of these Articles as to forfeiture to apply in case of non-payment of any sum:

49. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of share become payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of call duly made and notified.

50. Forfeiter of debentures/ other securities:

The provision of these Articles shall mutatis mutandis apply to the forfeiture of debentures/other securities also in case of non-payment of any sums payable on debenture/other securities.

Capitalization of Profits

51. Capitalization:

Subject to the provisions of the Act:

- (1) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company including profits or surplus moneys arising from the realization of any capital asset of the Company) standing to the credit of the Reserve Fund or any other Fund of the Company or in hands of the Company and available for dividend or representing the premiums received on the issue of share, and standing the credit of the share premium account be capitalized :

(a) by the distribution among the holders of the shares of the Company or any of them on the footing that they become entitled thereto as capital in accordance with the respective rights and interests and in proportion to the amount paid or credited as paid, thereon, of paid up Shares, debentures or debenture-stock, bonds or other obligations of the Company, or by crediting shares of the Company which may have been issued and are not fully paid up in proportion to the amount paid or credited as paid thereon respectively

(b) by the distribution among the holders of the shares of the Company or any of them in proportion to the amount paid or credited as paid respectively, with the whole or any part of the sums remaining unpaid thereon, and the Board of Directors shall give effect to such resolution and apply such portion of profits or Reserve Fund or any other Fund as may be required for the purpose of making payment in full or part of the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed or (as the case may be) for the purpose of paying in whole or in the part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up, provided that no such distribution or payment shall be made unless recommended by the Board and if so recommended such distribution and payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(c) the Board of Directors shall have power to carry out bonafide revolution of the fixed assets of the Company from time to time on the basis of the report of approved valuer(s). The Board has the powers to transfer the surplus arising out of difference between the revalued amount of fixed assets and book value of those assets as on date of revaluation to a separate account as may be decided by the Board of Directors. Such surplus may be utilized by Board to set off accumulated

Depreciation, accumulated loss and intangible assets. However, utilization of such surplus for the purpose of issue of Bonus Shares by capitalizing the same and declare and distribute the same by way of dividend will be subject to relevant provisions of the Act and necessary permission from the appropriate authorities, if required.

- (2) For the purpose of giving effect to any such resolution, the Board of Directors shall make all appropriations and applications of the amounts resolved to be capitalized thereby and all other allotments and issues of fully paid shares or other securities, if any, and generally to do all such acts and things required.
- (3) The Board shall have power to make such provisions, by the issue of fractional certificate/coupons or by payment in cash or otherwise as it things fit, for the case of shares or other securities becoming distributable in fractional and to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.

52. Special powers relating to distribution of specific assets:

The company in General Meeting may, subject to the provisions of the Act, resolve that any profits or surplus moneys arising from the realization and when permitted by law any appreciation in value of the capital assets of the Company be utilized wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the Company or of any other company or by paying up any amount for the time being unpaid on any shares of the Company or in any one or more of such ways and the Board of Directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular, may issue fraction certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of valued so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon trust for the persons entitled thereto as may deem expedient to the Board of Directors. Where required, the Board of Directors shall comply with Section 39 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled.

Meeting of members

53. Omission to give notice not to invalidate resolution(s) passed:

The accidental omission to give any notice to any of the members or the non-receipts thereof shall not invalidate any resolution(s) passed at any meeting of members or a class thereof.

54. No other business except shown in notice can be transacted:

No General Meeting, Annual or Extra Ordinary, Shall be Competent to enter upon, discuss or transact any business which has not been specially mentioned in the notice upon which the said General Meeting was convened.

55. Meetings of Members

The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extraordinary General Meeting.

Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.

Every Annual General Meeting shall be called for a time during business hours i.e. between 9 am and 6 p.m., on a day that is not a National Holiday, and shall be held at he registered Office of the Company or at some other place within the city, town and village in which the Registered Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meting shall specify it as the Annual General Meeting.

Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot Whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right o attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right o attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.

At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting,

and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

56. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made. Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisiteness and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisiteness.
57. Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lesser period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lesser period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisiteness, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.
58. Any meeting called under the foregoing Articles by the requisiteness shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.
59. At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon, (ii) the declaration of dividend, (iii) appointment of directors in place of those retiring, (iv) the appointment of, and fixing the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.
60. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt hereof shall not invalidate any resolution passed at any such meeting.
61. No general meeting, whether annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
62. Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.
63. A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.
64. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for Which the meeting was called.
65. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for Holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

66. No business shall be discussed at any general meeting, except the election of a Chairman, whilst his Chair is vacant.

Chairman with consent may adjourn meeting:

67. The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

68. Chairman:

The Board shall appoint one of them to be the chairman of the company. The chairman shall preside over the meeting of the Board of Director and Member of the Company.

The Chairman may, at the same time, be appointed as Managing Director, Joint Managing director or Deputy Managing Director or Whole Time Director or Chief Executive Officer of the Company.

69. Demand for poll not to prevent transaction of other business:

The Demand for a poll except on the question of election of the Chairman an adjournment shall not prevent the Condition of a General Meeting for the transition of any business other than the question on which the poll has been demanded.

70. Chairman of the Meeting to be the judge of validity:

The Chairman of any General Meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present, while taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.

Directors

71. The first Directors of the company are:

- (1) Shri Rahul J. Parekh
- (2) Shri Lalit G. Kothari
- (3) Shri Rajendra R. Mehta

72. Number of Directors:

The number of Directors on the Board shall not be less than three and shall not be more than fifteen.

73. Retirement by Rotation:

Subject to Provision in section 152 and other Applicable provisions of the Act, not less than Two third of the total number of Directors of the Company shall be the persons whose period of office shall be liable to determination by retirement by rotation and one third of such of the Director of the Company for the time being as are liable to retire by rotation or if their number is not three or multiple of three then the number nearest to one third shall retire from office. The Director to retire by rotation at every Annual General Meeting shall be those who have been longest in the office from the last appointment.

74. Appointment of Additional Director:

The Board may, in accordance with and subject to the provisions of section 161 of the Act, appoint, at any time and from time to time, any person, whether citizen of India or not and whether permanently residing in India or Otherwise, as Additional Director to act as Director (hereinafter called as "Additional Director"). An Additional Director so appointed under this Article shall hold office up to the meeting of the committee of which the Nominee Director(s) is/ are members as also the minutes of such meetings. In addition to the Nominee Director(s), the Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director(s), sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, Commission, moneys and remuneration in relation to such Nominee Director(S) shall accrue to the Corporation and same shall accordingly be paid by the Company Directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(S) in their Connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(S).

Provided that if any such Nominee Director(s) is/are an officer(s) of the Corporation the sitting fees in relation to such Nominee Director(S) shall also accrue to the Corporation and the same shall, accordingly be paid by the Company directly to the Corporation. Unless the same has been specifically instructed to the Company to pay such fees, remuneration, etc. to the Nominee Director(S).

Provided also that in the event of the Nominee Director(s) being appointed as whole time Director(S) such Nominee Director(s) shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the borrower, such Nominee Director(s) shall be entitled to receive such remuneration, fees, commission and money as may be approved by the lenders , Till the Date of the next Annual General Meeting of the Company and shall have the same rights as other Directors of the Company.

75. Appointment of Alternate Director:

The Board may, in accordance with and subject to the provision of section 161 of the Act, appoint an Alternate Director to act for a Director (here in after called “The Original Director”) during his absence for a period of not less than three months from India in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the original Director retires to India. If the term of office of the original Director is determined before he so returns to India any provisions in the Act or in these Articles for the automatic reappointment of a retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act and rules made hereunder.

76. Power of Board to fill casual vacancy:

If any Director other than a Managing Director/Joint Managing Director /whole Time Director vacates his office, before the expiry of his term of office in the normal course (Original Director), the Board of Directors shall have power to appoint any other person to be a Director to fill resulting casual vacancy and that such vacancy be filled by the Board at any time till the Annual General Meeting at which the Original Director would have retired by rotation or otherwise in normal course.

77. Debenture Director;

The Board of Directors may empower debenture holders or any Finance or Credit Corporation or any Collaborator or Central or any State Government to appoint one or more Directors of the company, but so that the number of such Directors shall not exceed in the aggregate 1/3rd of the total number of Directors for the time being in force .Such Directors may not be liable to retire by rotation.

78. Nominee Directors:

- (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any financial institution or to any other Finance Corporation of Credit Corporation or to any other Financing Company or Body or any Bank for any loans granted by them to the Company or so long as any Financing Company or body or any Bank (each of Finance Corporation or Credit Corporation or any other Financing Company or Body or any Bank is hereinafter in this Article referred to as “the Corporation”) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of guarantee furnished by the Corporation on behalf of Company remains outstanding ,the Corporation, if has right to appoint from time to time any person or persons as a Director, Whole Time or Non whole Time,9which Director or Directors is/are hereinafter referred to as “ Nominee Director(s)”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or there place(s).
- (b) At the option of the Corporation such Nominee Director(s) shall not be required to hold any qualification shares in the Company. Also at the option of the Corporation, such Nominee Director(s) shall not be liable to retire by rotation. Subject as aforesaid, Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- (c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
- (d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the Committee of which the Nominee Director(s) is/ are members as also the minutes of such meetings. In addition to the Nominee Director(s), the Corporation shall also be entitled to receive all such notices and minutes.
- (e) The company shall pay to the nominee Director(s), sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, moneys or remuneration in any form is payable to the Director of the Company.

79. Directors may act notwithstanding vacancies:

When the number of Directors in office falls below the minimum hereinabove fixed the Directors shall not except in emergencies or for the purpose of filing of vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum and they may so act notwithstanding the absence of the requisite quorum.

80. Qualification Shares:

A Director shall not be required to hold any shares in the capital of the Company as qualified for being appointed as a Director.

81. General Power of the Company vested in Directors:

Subject to the provision of the Act, the management of the business of the Company shall be vested in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorized to exercise and so and are not hereby or by the provisions of the Act, or any other law or otherwise directed to be exercised or done by the Company in General Meeting.

Borrowing Power of the Board

82. Powers to borrow funds:

Subject to the provision of section 179 and 180 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members, Directors either in advance of calls, otherwise and generally from any source raise, for the purpose of the Company, borrow or secure the payment of such sums as it thinks fit, create such charges mortgages and hypothecation in Addition to the existing charges, mortgages and hypothecation created by the company, on such movable and immovable properties of the company where so ever situate, both present and future, on such terms, at such time, in such form in such manner as the board may deem fit, together with power to take over the management and the business and concern of the of the company in certain events in favour of all or any of the following, namely: banks, financial institution, insurance companies, investment institution, other investing agencies, bodies corporate incorporated under any statute and trustees for the holder of debentures/secured premium notes/bonds/other securities /debt instruments, and other secured lenders (hereinafter referred to as “the lender”) to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the lenders by the company, and/or to secure redemption of debentures (whether partly/fully convertible or non-convertible)/secured premium/Notes/bonds/other securities / debt instruments and/or bond with share warrants attached, already issued or that may hereafter, be issued by the company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees remuneration costs, charges, expenses and all other monies including revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the company to the lenders concerned, in term of their respective loan agreements/ heads of agreements /hypothecation/agreements/ trustees agreements/letters of sanction/ memorandum of terms and conditions/debenture certificates entered into/to be entered into/issued/to be issued by the company, provided that the total borrowings of the company (exclusive of interest)

Whether by way of loans and/or any other financial assistance and/or guarantee / Letter of Credit facilities and/or issue of debenture/secure premium notes/ other securities/debt instruments to be secured as aforesaid(apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) shall however, where the money to be borrowed together with the moneys already borrowed by the Company(apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose, the Board shall not borrow or raise such moneys without the consent of the Company in General Meeting.

83. Payment or repayment of money borrowed:

Subject to the provisions of Article 81 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects, as the Company in General Meeting shall prescribe including money borrowed by way of the issue of bonds, debentures, debenture stock of the Company, charge upon all or any part of property of the Company (bother present and future),including its uncalled capital for the time being and the bonds, debenture stock other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

84. Terms of issue of Bonds, Debentures:

Subject to the provisions of the Act, any bonds, debentures, debenture-stock or other securities may be issued, whether on rights basis or on private placement, at par, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at the General Meetings, appointment of Directors and otherwise. However, the bonds or Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

85. Proceeding of the Board

Quorum of the Board Meeting and adjournment of Meeting for want of quorum:

- A. The quorum for a Board Meeting shall be as provided in the Act. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned to such date and at such time as may be decided by the Chairman.
- B. The participation of Director(s) in meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

86. Chairman not to vacate Chair and shall have casting vote:

- (a). The Chairman of a meeting shall not be required to vacate the Chair unless at the time of transaction of any business in which he is or might be deemed to be interested including his own election or appointment.
- (b). In case of any equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.

87. Resolution by Circular:

Save as expressly otherwise provided in Section 175 of the Act, a resolution in writing approved by a majority of the Directors or members of any committee thereof who are thin in India shall be valid and effectual as if it had been passed at a meeting of the Board or Committee duly convened and held.

Management

88. Managerial Personnel:

Subject to the provisions of the Act, the Company may appoint Managing Director(s), Jt. Managing Director, Deputy Managing Director(s) or Manager or Whole Time Director and entrust the whole or in part management of the Company to him or them, but in doing so the Company shall duly observe the provision of the Act.

89. Appointment of Managing Director(s)/Jt. Managing director(s) or Whole Time Director(s):

Subject to the provisions of the Act, the Directors may from time to time appoint one or more of them to be Managing Director(s)/Jt Managing Director/Deputy Director(s) or Whole Time Director(s) (hereinafter referred to as Managing Director(s) or Whole Time Director(s) of the Company, for fixed term not exceeding five years for which he is or they are to hold such office and may from time to time (subject to the provisions of any contract between him or them and Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

90. Managing Director/s may be liable to retire by rotation:

A Managing Director/Jt. Managing Director or Whole Time Director may be subject to retirement by rotation, unless otherwise decided by the Board of Directors.

91. Key Managerial Personnel and their appointment:

The Managing Director, Jt. Managing Director, Deputy Manager Director or any Whole Time Director, the Chief Financial Officer, the Company Secretary or such other person as may be specified in the Act shall be the Key Managerial Personnel.

92. Power of Managing Director(s):

The Directors may from time to time entrust to and confer upon a Managing Director(s), or the Deputy/ Jt Managing Managing Director(s) for the time being such of the powers exercisable by them may thin fit and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think fit and they may confer such powers either collaterally with or to the exclusion of , and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke , withdraw, alter, or vary all or any of such powers.

93. Compensation for loss of office:

Payment may be made by the Company to the Managing Director or Directors by way of compensation for loss of office of as consideration for retirement from office or in connection with such loss or retirement only as permitted by section 191 and 202 of the Act, or other relevant provisions of law from the time being in force.

94. Re-appointment of Managing Director(s).

The Board of Directors of the Company may subject to the provisions of the Act and these Articles, from time to time re-appoint re employ, or extend the term of office of al or any of the Managing Director(s) or Jt. Managing Director or Deputy Director(s) for such period not exceeding the maximum term permitted under the Act.

95. Dividend:

Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is under Article 32 entitled to become a Member or which any person under that Articles is entitled to transfer, until such person shall become a Member of such shares or shall duly transfer the same.

96. Declaration of dividends:

The Company in General Meeting may declare dividends but no dividend shall exceed the recommended by the Board.

97. What to be deemed net profits:

The declarations of the Board as to the amount of the net profits of the Company shall be conclusive.

98. Interim Dividend:

The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

99. Dividends to be paid out of profits only:

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

100. Method of payment of dividend:

Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

101. No Member to receive dividend whilst indebted to the Company and Company's right of reimbursement there from.

No member shall be entitled to receive payment of any interest or dividend in respect of his share(s), whistle any money may be due or owing from him to the Company in respect of such share(s), or otherwise, however, either alone or jointly with any other person(s), and the board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

102. Transfer of shares must be registered:

Subject to the provision of the Act, a transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

103. Unpaid or unclaimed dividend:

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days or such period as may be prescribed from time to time, from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Mahalaxmi Rubtech Limited" or such other name as the Board of Directors may decide and transfer to said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account to the Company which remains unpaid or unclaimed for a period of seven years or such other term as may be prescribed by the Act, from the date of such transfer, shall be transferred by the Company to the investor education and protection fund established by the Central Government/ Committee appointed by the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes debarred by law.

The Company shall comply with the provision of section 124 of the Act in respect of dividend.

(a) Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that he call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set of against the calls.

Miscellaneous

104. The seal, its Custody and use:

The Director shall provide a Common seal for the purpose of the Company and shall have power from time to time to destroy the same, and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being. Unless otherwise determined, the common seal of the Company shall be affixed to any instrument or document in presence of at least one director or secretary of the company or such other person as may be authorized in that behalf by the Board or committee of the Board, who shall sign the instrument or document to which the seal is affixed, provided nevertheless that certificates of shares may be under the signature of such person as provided by Act or rules made there under and enforce from time to time.

105. Directors, officers, etc. bound by Secrecy Clause

The managing Director and every Director, Manager Auditor, Member of a committee, KMP, Officer, Servant, Accountant or other person employed in the business of the Company shall pledge himself to observe strict secrecy respecting all transactions of the Company with the customer or stat of accounts with individual and in matters relating there to and shall always to bound not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Director or by any meeting or by any court of law or by the person to whom such matters relate and except in so far as may be necessary in order to comply with any of the provisions in these Article contained.

106. Director and other right to indemnity:

Subject to the provision of the Act, the Managing Director/Jt. Managing Director/Deputy Managing Director/Whole time Director and every Director and KMP of the Company and every employee of the Company shall be identified by the Company against, and it shall be the duty of the Directors out of the fund of Company to pay all cots expenses, losses (including travelling expenses) which they may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director/Jt. Managing director/Deputy Managing Director/Whole time Director and every Director and KMP, officer or employee or in the discharge of his duties and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members o9ver all other claims.

107. Directors and other Officers not responsible for acts of others:

Subject to the provisions of the Act, no Director, Managing Director, Deputy Managing Director, Key Managerial Personnel or other Officer of the Company shall be liable for the Acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for community or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors in or upon which any of the moneys of the company shall be invested or for any loss or Damage arising from the Bankruptcy, insolvency or tortuous act of any person, Company or corporation with whom any moneys, securities or effects shall be interested or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or Misfortune whatsoever, which shall happen in the execution of the Duties of his office or in relation thereto, unless the same happens to his own dishonesty.

108. General Authority:

Wherever in the Act it has been provided that the Company shall have right, Privilege or Authority or that the company cannot carry out any transaction unless the Company is so Authorize by its Articles then in that case, Articles hereby authorize and empower the Company to have such right, Privilege or Authority & to carry out such transactions as have been permitted by the Act.

109. Accounts

(a) The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with applicable provisions of the Act and the Rules.

(b) No member (not being a Director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board.

110. Audit

The appointment, qualifications, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with the Act and Rules made there under.

111. Winding Up

Subject to the provisions of the Act and rules made there under-

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

112. The Board shall have power to appoint a secretary, a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The secretary shall have such powers and duties as May, from time to time, be delegated or entrusted to him by the board.

113. Powers as to commencement of business

Subject to the provisions of the act, any branch or kind of business which the memorandum of Association of the company or those present is expressly or by implication authorized to be undertaken by the company , may be undertaken by the Board at such time or times as it shall deem fit and further may be suffered by it to be in abeyance whether such branch or kind of Business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

114. Minutes

The company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General meeting and every meeting of the Board or any Committee of the Board.

The Chairman of the meeting shall exclude at his absolute discretion, such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to interests of the company.

SECTION-IX:- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION:-

Copies of the following documents will be available for inspection at the Registered Office of our Company between 11:00 a.m. to 1:00 p.m. on any day (except Saturday, Sunday and Public holidays) from the date of filing of the Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges.

1. Memorandum and Articles of Association of the Company, as amended till date.
2. Certificate of Incorporation of our Company dated April 04, 1991.
3. Scheme of Arrangement involving Demerger between Mahalaxmi Rubtech Limited (MRT) (CIN:- L25190GJ1991PLC016327) ("Demerged Company"); Mahalaxmi Fabric Mills Private Limited (Formerly known as "Sonnet Colours Pvt Ltd") (MFMPPL) (CIN:- U17100GJ1991PTC015345) ("First Resulting Company"); and Globale Tessile Private Limited (GTPL) (CIN:- U17299GJ2017PTC098506) ("Second Resulting Company") and their respective Shareholders and Creditors ("Scheme "), sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1, by an Order dated 04th March, 2024.
4. Certified copy of the Order dated March 4, 2024, sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad, Special Bench, Court-1 in Company Petition (CAA) No. 57 of 2023 connected with Company Application (CAA) No. 47 of 2023.
5. Letters issued by BSE and NSE under Regulation 37 of the SEBI Listing Regulations, bearing reference no. DCS/AMAL/TL/R37/2851/2023-2024 dated August 1, 2023, and NSE/LIST/34595_I dated August 1, 2023, respectively, according 'no-objection' to the Scheme.
6. Tripartite Agreement with NSDL, Registrar and Transfer Agent and the Company dated April 10, 2024.
7. Tripartite Agreement with CDSL, Registrar and Transfer Agent and the Company dated March 29, 2024.
8. Statement of possible Special Tax Benefits dated April 18, 2024, issued by Bhanwar Jain & Co.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION:-

We hereby declare that all relevant provisions of the Companies Act, 2013 and the Guidelines/Regulations issued by the Government of India or the Guidelines/Regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or Rules made or Guidelines or Regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

DATE:- AUGUST 16, 2024

PLACE:- AHMEDABAD

FOR, MAHALAXMI FABRIC MILLS LIMITED

JEETMAL BHOORCHAND PAREKH
DIRECTOR
(DIN:- 00512415)

