



# DHANLAXMI COTEX LIMITED

285, PRINCESS STREET, JHAVAR HOUSE,  
2ND FLOOR, MUMBAI - 400 002. • PHONE : 022-4976 4268  
E-mail : dcotex1987@gmail.com / accounts@dcl.net.in  
Website : www.dcl.net.in  
CIN : L51100MH1987PLC042280

**Date: 29/09/2021**

**To,**  
**The Bombay Stock Exchange Ltd**  
Corporate Relationship Dept,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, Mumbai – 400 001

**BSE Scrip Code: 512485**

**Sub: Submission of adopted Annual Report 2020-21**

Dear Sirs,

Please find enclosed the copy of 35th Annual Report for F.Y. 2020-21 of the Company, adopted by the members at 35<sup>th</sup> Annual General Meeting of the Company held on Wednesday, 29th September, 2021 at 10.30 a.m. in compliance of provision of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**Explanation on Change in Annual Report:**

There was typographical mistake which has been rectified and word consolidated has been deleted from the agenda Item No.1 of the Notice under Ordinary Businesses. the consolidation of accounts is not applicable to Company.

The revised agenda item no.1 is as follows.

To receive consider and adopt the Annual Standalone Financial Statements consisting of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.

We request your office to take this on record.

**Yours faithfully,**  
**For Dhanlaxmi Cotex Limited**

  
**Mahesh S. Jhavar**  
**(Whole Time Director)**  
**DIN: 00002908**



**Encl: a/a**

# **DHANLAXMI COTEX LIMITED**



CIN: L51100MH1987PLC042280

## **35<sup>th</sup> Annual Report**

### **2020-21**



# DHANLAXMI COTEX LIMITED

## **35<sup>th</sup> ANNUAL REPORT**

### **Board of Directors & KMP**

Shri Mahesh Jhawar  
(Whole Time Director)  
Mr. Rahul Jhawar  
(Executive Director w.e.f. 11.08.2021)  
Late Smt. Laxmi Mahesh Jhawar  
(Non-Executive Director, ceased w.e.f 24.07.2021)  
Mr. Natwar Nagarmal Agarwal  
(Independent Director appointed)  
Mrs. Niyati Ketan Shah  
(Independent Director)  
Mr. Arpit Tibrewala  
(Independent Director)  
Mr. Ganesh Jagdishprasad Singh  
(Chief Financial Officer)  
Ms. Khyati Namrut Modi  
(Company Secretary & Compliance Officer)

### **Registered & Administrative Office**

285, Princess Street, 2<sup>nd</sup> Floor,  
Chaturbhuj Jivandas House, Mumbai - 400 002.

### **Bankers**

**HDFC Bank Ltd.**

### **Auditors**

**M/s. Gohel & Associates LLP.**  
Chartered Accountants  
B/104, Sahayog CHS, 1st Floor, Above Central Bank of  
India, S.V.Road, Kandivali (West), Mumbai- 400 067.

### **Registrar and Share Transfer Agents**

**Bigshare Services Pvt. Ltd.**  
1st Floor, Bharat tin works building, opp. vasant oasis,  
makwana road, Marol, Andheri East,  
Mumbai 400059, Maharashtra

### **Listing on Stock Exchange**

Bombay Stock Exchange Ltd.

<b>Contents</b>	<b>Page No.</b>
Notice	1
Notes to the Notice	2
Instructions for Voting	4
Explanatory Statement to the Notice	9
Details of the Directors seeking Appointment/ Re-appointment at the Forthcoming Annual General Meeting	12
Directors' Report	13
Secretarial Audit Report – Annexure – A	20
Details of contracts or arrangements or transactions with Related Party – Form AOC-2 – Annexure – B	23
Extract Of Annual Return – Form MGT-9 - Annexure – C	24
Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo, Etc. – Annexure – D	29
Report on Corporate Governance - Annexure – E	30
Certificate of Compliance with the Corporate Governance	40
CEO/CFO Certification in Compliance Certificate under Regulation 17(8) of SEBI (LODR) Regulation, 2015	40
Certificate for adherence to the Code of Conduct	41
Certificate of Non-Disqualification of Directors	41
Management Discussion And Analysis – Annexure – F	42
Auditors' Report	45
Balance Sheet	50
Profit & Loss Account	51
Cash Flow Statement	52
Schedules to Balance Sheet and Schedules to Profit & Loss Account	53
Notes Forming part of Accounts	58



# DHANLAXMI COTEX LIMITED

**NOTICE IS HEREBY GIVEN THAT THE 35TH ANNUAL GENERAL MEETING OF THE MEMBERS OF DHANLAXMI COTEX LIMITED (CIN: L51100MH1987PLC042280) WILL BE HELD ON WEDNESDAY, 29TH SEPTEMBER, 2021 AT 10.30 A.M. THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS:**

## **ORDINARY BUSINESSES:**

1. To receive consider and adopt the Annual Standalone Financial Statements consisting of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rahul Mahesh Jhawar (DIN: 07590581) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible offers himself for re-appointment.

## **SPECIAL BUSINESSES:**

3. Re-classification of certain members of the Promoters & Promoter group from "Promoters & Promoter Group" category to "Public" category and to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (including any statutory modification or re-enactment thereof) (Listing Regulations), and subject to permission of the Stock Exchanges on which the Company's securities are listed (Stock Exchanges) and such other permissions and approvals that may be required for the purpose, the approval of the members of the Company be and is hereby accorded for re-classification of status of the following persons from "Promoters & Promoter Group" category to "Public" category based on the views of the Board of Directors upon requests received from the said promoter group members and requisite compliance related information contained in the explanatory statement pertaining to this resolution:

<b>Name of applicants classified under Promoter/Promoter Group Category seeking reclassification as "Public" shareholder</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
Ramautar Sohanlal Jhawar	-	-
Kamala Ramautar Jhawar	-	-
Ramautar Jhawar HUF	-	-
Vinit Ramautar Jhawar	-	-
Ramautar S. Jhawar (Jamnadevi Jhawar Family Trust)	-	-
Sohanlal Jhawar Family	-	-
Sohanlal Jhawar HUF	-	-
Dhanlaxmi Export Fabric LLP	-	-
Jasoda Tracon LLP	-	-

**"RESOLVED FURTHER THAT**, in view of the Company being compliant with conditions specified in Regulation 31A(3)(c) of Listing Regulations, the Board of Directors and Company Secretary of the Company, be and are hereby severally authorized to make an application to the Stock Exchanges for its permission for re-classification of status of the said promoters & promoter group members to public shareholders category, and to sign and submit such applications, confirmations, undertakings and such other documents as may be required by the Stock Exchanges or any other regulatory body, in relation to such application and to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution including settling of any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board."

**"RESOLVED FURTHER THAT**, upon receipt of permission from the said Stock Exchanges, the said Promoters & Promoter Group members be classified and treated as members of public for the purposes of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Listing Regulations, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other concerned rules and regulations."

4. To appoint Mr. Rahul Mahesh Jhawar (DIN: 07590581) as an Executive Director of the Company and fix remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 188, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, to the extent if applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Rahul Mahesh Jhawar (DIN: 07590581), who has been appointed as Non-Executive Director of the Company by the Board of Directors and members of the Company with effect from 9<sup>th</sup> August, 2019, be and is hereby appointed as an Executive Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from 11<sup>th</sup> August, 2021 on the terms and conditions of the appointment as set out in the Statement annexed to the Notice at remuneration of Rs.2,50,000/- per month, with authority to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment including the remuneration as it may deem fit."



# DHANLAXMI COTEX LIMITED

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as it deem necessary and authorize executives of the Company for the purpose of giving effect to this resolution and to settle any questions, difficulties and/or doubts that may arise in this regard.”

5. Payment of remuneration to Executive Directors and to consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to Section 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for payment of remuneration to the Executive Directors who are Promoters or members of Promoter Group as under

- Annual remuneration to an Executive Director who is a Promoter or member of Promoter Group, exceeding `5 Crores or 2.5 per cent (2.5%) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 (“Net Profit”), whichever is higher; or
- Aggregate annual remuneration to all Executive Directors who are Promoters or members of Promoter Group, where there is more than one such Executive Director, exceeding 5 per cent (5%) of the Net Profit;

**“RESOLVED FURTHER THAT** the approval hereinabove granted for payment of remuneration to Executive Directors who are Promoters or members of Promoter Group (“such Executive Directors”) shall be effective for the Financial Year commencing from April 1, 2021 and for subsequent years till the expiry of respective term of such Executive Directors,”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for payment of remuneration to the Whole-time Directors including Executive Director exceeding ten per cent of the Net Profits of the Company in any financial year;

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to the above Resolution.”

**By Order of the Board of Directors**

Sd/-

**Mahesh S. Jhavar**  
**(Whole Time Director)**  
**DIN: 0002908**

**Place: Mumbai**

**Date: 11/08/2021**

## **IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause. The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories. The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in Demat form can intimate/update their email address to their respective Depository Participants. Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

### **Notes:**

- Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.
- In view of the COVID-19 pandemic and pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively, and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs (“the MCA Circulars”) read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (the SEBI Circulars), relaxation has been granted for physical attendance of the Members to the AGM and allowed companies to hold General Meetings through Video-Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”). In terms of the same, The AGM will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC/OAVM.
- Pursuant to the provisions of the Companies Act, 2013 (“the Act”), a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting will be held through VC/OAVM, in accordance with the MCA Circulars, physical attendance of Members has



# DHANLAXMI COTEX LIMITED

been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members intending to have their representatives attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting.
5. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.
6. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive).
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.dcl.net.in](http://www.dcl.net.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. The SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Accordingly, Members holding shares in electronic form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agent.
12. Members holding shares in electronic form are required to contact their Depository Participants to register/change their nomination. Members holding shares in physical form are advised to register Nomination in respect of their Shareholding in the Company. Nomination Form (SH-13) is available on the website of the Company at [www.dcl.net.in](http://www.dcl.net.in) or they may Registrar and Share Transfer Agent, for any assistance in this regard.
13. As per Regulation 40 of the SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company/Registrar and Share Transfer Agent, for any assistance in this regard.
14. Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on [accounts@dcl.net.in](mailto:accounts@dcl.net.in) in at least 7 days prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.
15. In case all the joint holders are attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote at the Meeting.
16. In line with the MCA Circulars and the SEBI Circulars, Annual Report for the financial year 2020-21 along with the Notice of 35<sup>th</sup> Annual General Meeting inter alia indicating the process and manner of e-voting, will be sent through electronic mode to the Members whose email addresses are available with the Company/Depositories/Depository Participants. The Members whose e-mail addresses are not registered with the Company are requested the same.
17. Speaker Registration/Questions for the Meeting: Members, who would like to express their views/have questions are requested to send registrations along with the questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [accounts@dcl.net.in](mailto:accounts@dcl.net.in) from Tuesday, September 14, 2021 to Tuesday, September 21,



# DHANLAXMI COTEX LIMITED

2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the Meeting.

18. The facility for remote e-voting shall be provided at the Meeting. Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the Meeting. A Member can participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting
19. The remote e-voting facility will be available during the following voting period :  
**Commencement of remote E-voting:** From 09.00 a.m. (IST) on Sunday, September 26, 2021  
**End of remote e-voting:** Upto 05 p.m. (IST) on Tuesday, September 26, 2021
20. Mr. Pankaj Trivedi, Practicing Company Secretary (Certificate of Practice No. 15301) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner
21. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Wednesday, 22<sup>nd</sup> September, 2021 ("Cut-off date") only shall be entitled to avail the facility of remote e-voting or voting at the Meeting, as the case may be, in proportion to the shares held by them as on the Cut-off date.
22. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com). However, if he/she is already registered user for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
23. The facility of voting will be provided at the Meeting for the Members attending the Meeting and who have not cast their vote earlier by remote e-voting.
24. Once the Member has confirmed his voting on the resolution, he will not be allowed to modify his vote or cast the vote again.
25. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall submit, not later than forty-eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. The Results shall be declared by the Chairman or any other person authorized by him in writing within forty-eight hours from the conclusion of the Meeting. The results declared shall alongwith the consolidated Report of the Scrutinizer be placed on the website of the Company i.e. [www.dcl.net.in](http://www.dcl.net.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.
27. Instructions for e-voting and attending the Annual General Meeting is annexed and forms part of this Notice.
28. Considering the Meeting would be held through VC/ OAVM, the route Map for the venue is not annexed to the Notice. The deemed venue for the AGM shall be the Registered Office of the Company.

## **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on 26.09.2021 and ends on 28.09.2021 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.09.2021 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that participation by the public non-institutional shareholders/retail shareholders is at negligible level.

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

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



# DHANLAXMI COTEX LIMITED

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer/Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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





# DHANLAXMI COTEX LIMITED

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ol style="list-style-type: none"> <li>i. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ol>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ol style="list-style-type: none"> <li>i. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ol>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <DHANLAXMI COTEX LTD> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non- Individual Shareholders and Custodians- For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



# DHANLAXMI COTEX LIMITED

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [accounts@dcl.net.in.in](mailto:accounts@dcl.net.in.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES IS NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.



# DHANLAXMI COTEX LIMITED

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**By Order of the Board of Directors**

**Sd/-**

**Mahesh S. Jhavar**  
**(Whole Time Director)**  
**DIN: 00002908**

**Place: Mumbai**

**Date: 11/08/2021**



## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013, SPECIAL BUSINESS:**

#### **ITEM NO. 3**

**Re-classification of certain members of the Promoters & Promoter group from “Promoters & Promoter Group” category to “Public” category.**

Pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Circular CIR/CFD/CMD/13/2015 dated November 30, 2015, the Company is required to file with the Stock Exchanges on quarterly basis a shareholding pattern, inter alia, including shareholding of promoters and promoter group members in the Company. The “promoter and promoter group” is determined (a) in accordance with definition of these terms in SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018, (SEBI ICDR) and (b) based on the requirement that in case of transmission, succession, inheritance and gift of shares held by a promoter/person belonging to the promoter group, the recipient of such shares shall be classified as promoter/person belonging to the promoter group, as the case may be, as contained in Regulation 31A(6)(a) of Listing Regulations.

However, Regulation 31A of Listing Regulations provides for re-classification of status of promoter/promoter group persons as public on fulfillment of certain conditions including approval of such request by the members of the Company through ordinary resolution and grant of permission for such re-classification by Stock Exchanges on application by the listed entity.

In light of the provisions of the said Regulation 31A, the Company has received request from the following members of the Promoters & Promoter Group of the Company seeking re-classification of their status from ‘Promoters & Promoter Group’ category to ‘Public Category’ (the said promoter group members or the applicants).

<b>Name of applicants classified under Promoter/Promoter Group Category seeking reclassification as “Public” shareholder</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
Ramautar Sohanlal Jhawar	-	-
Kamala Ramautar Jhawar	-	-
Ramautar Jhawar HUF	-	-
Vinit Ramautar Jhawar	-	-
Ramautar S. Jhawar (Jamnadevi Jhawar Family Trust)	-	-
Sohanlal Jhawar Family	-	-
Sohanlal Jhawar HUF	-	-
Dhanlaxmi Export Fabric LLP	-	-
Jasoda Tracon LLP	-	-

#### **Views of the Board of Directors:**

The Board has analysed the above requests and rationale given by the said Promoters & Promoter Group members in support of their request. The rationale given by them is briefly summarized as under:

Mr. Ramautar Sohanlal Jhawar and Mrs. Kamala Ramautar Jhawar, Promoter were ceased to be Director of the Company 2 years back and are not a part of the management of the Company. None of the applicants exercise control, directly or indirectly, over affairs of the Company. Further, they neither have representation on the Board nor they have such a right. Their individual shareholding in the Company along with respective persons related to them [who fall under Regulation 2(1)(pp)(ii) of SEBI ICDR] does not exceed ten percent of the total voting rights in the Company.

Some of them have been included in the promoter group because of receipt of Company’s shares consequent to transfer / transmission of shares from one of the Promoter Group members. They fulfill all the conditions specified in Regulation 31A(3)(b) of the Listing Regulations.

On the basis of the request received by the Company and pursuant to the provisions of Regulation 31A(3)(b) of Listing Regulations, all applicants seeking re-classification confirm that:

- i. Together, hold more than 10% of the voting rights of the Company.
- ii. Exercise control over the affairs of the Company directly or indirectly.
- iii. Have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements.
- iv. be represented on the board of directors (including not having a nominee director) of the Company
- v. Act as a Key Managerial person in the Company.
- vi. Be a ‘willful defaulter’ as per the Reserve Bank of India Guidelines.
- vii. Be a fugitive economic offender.

Further, they have confirmed that subsequent to reclassification, they would continue to comply to comply with the requirements as mentioned in Regulation 31A of Listing Regulations.

Accordingly, the Board is of the view that re-classification of status of the said members of promoter group to public shall not in any way affect the management and control of the Company.



# DHANLAXMI COTEX LIMITED

In light of the above, your Board considered the request for re-classification of status to public received from the said promoter group members / applicants as fit and proper and accordingly is of the view that they could be re-classified as 'Public', subject to approval of the members and permission from the Stock Exchanges.

Accordingly, Board of Directors recommends these requests to the members for approval and commends the resolution set out under item No. 3 for approval of the members.

The Company is also compliant with the conditions specified in Regulation 31A(3)(c) of Listing Regulations and accordingly is competent to make an application to the Stock Exchanges for their permission for re-classification of status of the said promoter group members to public category shareholders.

## **ITEM NO. 4**

### **To appoint Mr. Rahul Mahesh Jhawar (DIN: 07590581) as an Executive Director of the Company and fix remuneration.**

Mr. Rahul Mahesh Jhawar is associated with the Company since 09.08.2019; The Members of the Company at the 33<sup>rd</sup> AGM held on 30th September, 2019 had approved appointment of Mr. Rahul Mahesh Jhawar as Non-Executive Director of the Company w.e.f. 09.08.2019.

As part of the succession planning and re-composition of the Executive Board membership structure of the Company, the Board of Directors of the Company at the meeting held on August 11, 2021, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, approved the appointment and change of designation of Mr. Rahul Mahesh Jhawar as an Executive Director of the Company for a period of five years, i.e., from August 11, 2021 to August 10, 2026, on such remuneration as set out in the resolution.

The terms & conditions of the appointment including the remuneration applicable to Mr. Rahul Mahesh Jhawar are as under:

- a) Period: 5 years w.e.f. 01<sup>st</sup> August, 2021 to 10<sup>th</sup> August, 2026 with the liberty to either party to terminate the appointment on one months' notice in writing to the other.
- b) Salary: Rs 2,50,000 per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs.10,00,000/- (Rupees Ten lakhs only) per month (Inclusive of following perquisites)
  - i. Companies Contribution to Provident Fund and Gratuity as per rules of the Company;
  - ii. Provision for use of Company Car for official duties;
  - iii. Mobile / telephone charges of Local/STD/ISD Calls for business use;
  - iv. Reimbursement of medical expenses incurred for self and family without any ceiling.
  - v. Payment of Club fees/admission fees for two clubs.
  - vi. Leave and encashment of Leave at the end of the tenure in accordance with the rules of the Company
- c) The aggregate remuneration and perquisites as aforesaid, in any financial year shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law. Notwithstanding anything to the contrary herein contained where in any financial year, during the currency of the tenure of Mr. Rahul, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time."
- d) As long as Mr. Rahul Mahesh Jhawar functions as the Executive Director of the Company, his office shall be subject to retirement by rotation.
- e) The Board or the Chairman of the Board may on the recommendation of the Nomination and Remuneration Committee of the Board give annual increases in basic salary/remuneration, various allowances and perquisites, as may be deemed appropriate, so that the payment to Mr. Rahul Mahesh Jhawar in respect of the aforesaid, does not exceed the limits specified above, during the period of his appointment.

Mr. Rahul Mahesh Jhawar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Additional information in respect of Mr. Rahul Mahesh Jhawar, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), Brief profile of Mr. Rahul Mahesh Jhawar is forming part of this Annual Report.

Except Mr. Rahul Mahesh Jhawar and Mr. Mahesh Sohanlal Jhawar or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.



# DHANLAXMI COTEX LIMITED

The Board of Directors recommends the resolution in relation to the appointment of Mr. Rahul Mahesh Jhawar, as Executive Director of the Company as set out in Item No. 4 for approval of the Members by way of an Ordinary Resolution.

## **ITEM NO.5**

### **Payment of remuneration to Executive Directors**

As required under Regulation 17 (6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the fees or compensation payable to Executive Directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if –

- i. Annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or
- ii. Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity. Further, the approval of the shareholders under the said Regulations shall be valid only till the expiry of the term of such director.

In view of the above and in order to have a flexibility for payment of annual remuneration to the Executive Director(s) who are Promoter(s) or Member(s) of Promoter Group in excess of the limits as mentioned in Regulation 17 (6)(e) of the Listing Regulations from Financial Year 2021-22 and for subsequent years, till the expiry of respective term of such Executive Directors, it is necessary to obtain the approval of shareholders by way of Special Resolution.

Further, section 197 and other applicable provisions of the Companies Act, 2013 provide that aggregate annual remuneration to all the Whole-Time Directors including Managing Director exceeding ten per cent of the Net Profits of the Company in any financial year shall require approval of shareholders by means of a special resolution.

In view of the above and in order to have a flexibility for payment of annual remuneration in excess of ten per cent of the net profits of the Company in any financial year, to the Whole-time Directors including Managing Director, it is necessary to obtain the approval of shareholders by way of Special Resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Mr. Rahul Mahesh Jhawar and Mr. Mahesh Sohanlal Jhawar or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

### **By Order of the Board of Directors**

Sd/-  
**Mahesh S. Jhawar**  
**(Whole Time Director)**  
**DIN: 00002908**

**Place: Mumbai**  
**Date: 11/08/2021**

**REGISTERED OFFICE:**  
285, Princess Street, C. J. House, 2<sup>nd</sup> Floor, Mumbai – 400002  
Phone: 022-66228050/55 | Email:dcotex1987@gmail.com  
Website: <http://dcl.net.in>



# DHANLAXMI COTEX LIMITED

## **DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

**(In pursuance of Regulation 36(3) of the LODR Regulation, 2015)**

Name of the Director	Mr. Rahul Mahesh Jhawar
DIN	07590581
Date of Birth	28-01-1992
Academic Qualifications	Graduate
Experience and Expertise	Mr. Rahul Mahesh Jhawar holds a degree in Bachelors of Business Administration (BBA) from Kingston University, London. He has an experience of more than 5 years in Business Management, Administration and majorly in to Marketing.
Date of first appointment on the Board	09.08.2019
Directorship in other companies	1. DFL Fabrics Private Limited
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	Nil
No. of Shares held in the Company	12,91,290
Relation with other Directors or Key Managerial Personnel	Son of Mr. Mahesh Sohanlal Jhawar
Number of Board Meeting attended during the financial year	6
Remuneration and other terms & conditions of appointment/re-appointment	He is entitled to sitting fees & Remuneration for attending Board meetings as approved by the Board of Directors.
Remuneration paid/payable for the F.Y. 2020-21	Nil



## DIRECTORS' REPORT

To  
Dear Members,  
Dhanlaxmi Cotex Limited

Your Directors are pleased to present the 35th Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

### **SUMMARY OF FINANCIAL RESULTS OF THE COMPANY:**

Particulars	(Rs. in Rupees)	
	2020-2021	2019-2020
Revenue from Operation -	4,86,20,521	50,713,324
Revenue from other Income	2,06,39,324	48,131,147
<b>Total Revenue</b>	<b>6,92,59,845</b>	<b>98,844,471</b>
Profit before Depreciation & Interest	47,46,739	36,48,8229
Depreciation	26,296	26,297
Interest	2,06,751	-
Profit after Depreciation & Interest	45,13,692	36,461,932
Less: Exceptional Items	17,29,834	-
Provision for Taxation	4,34,282	3,575,321
Provision for Tax (deferred)	1,092	1,842
MAT Credit Entitlement	(4,34,282)	-
<b>Profit/ Loss after Tax</b>	<b>27,84,950</b>	<b>32,888,454</b>
Other comprehensive income	1,75,23,652	(170,838,757)
<b>Total comprehensive income for the period</b>	<b>2,03,08,602</b>	<b>(137,950,304)</b>

The company is mainly engaged into business of trading in securities. During the year under review, your Company generated total Income of ' 692.59 lacs comprising mainly of sale of shares, interest, dividend and long term and short term investment profit, against this the total expenditure amounted to ' 647.46 lacs and the Company has ended up with a net profit of ' 27.85 lacs at the year end. The management of the Company is very optimistic regarding the performance of the Company in future and taking every steps and making every efforts to turn the Company in to more profitable organization.

### **DIVIDEND:**

During the year, your directors have not recommended any dividend on Equity Shares for the year under review

### **DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 (1) and 74 of the Companies Act, 2013 read together with the companies (Acceptance of Deposits) Rules, 2014. Your Company held no deposit in any form from anyone during the year 31<sup>st</sup> March, 2021, which was overdue or unclaimed by the depositors.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company was not required to transfer any amount to unclaimed dividend to investor education and protection fund.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company during the year.

### **TRANSFER TO RESERVES:**

No fund was transferred to General Reserve.

### **BOARD OF DIRECTORS:**

The Composition of the Board during the year under review was as per the provisions of Regulation 17(1) of listing regulation read with the Companies Act, 2013.

During the period under review, pursuant to Section 152 of the Companies Act, 2013 Mr. Rahul Jhawar, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

There was not appointment or resignation on Board during the year under review. However Board lost its one of the Promoter Director Late Smt. Laxmi Mahesh Jhawar on July 24, 2021 due to her all of sudden demise upon short term sickness. The Board members had conveyed their heart fall condolence on all of sudden sad demise of Ms. Laxmi Mahesh Jhawar and made necessary reporting to the Exchange and Registrar of Companies.





# DHANLAXMI COTEX LIMITED

The Nomination and Remuneration Committee as part of the succession planning and re-composition of the Executive Board membership structure of the Company recommended to the Board to promote Mr. Rahul Jhawar and to redesign him from Non-Executive Director to Executive Director of the Company subject to approval of members at ensuing general meeting and such other necessary approvals from authorities.

None of the Directors are disqualified for appointment/ re-appointment under Section 164 of the Act. As required by law, this position is also reflected in the Auditors' Report.

As required under Regulation 36(3) of the listing Regulations with the stock exchanges, the information on the particulars of Directors proposed for appointment/re-appointment has been given in the notice of annual general meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and based on the information provided by management, your Directors' state that:

- (a) In the preparation of the annual accounts for the financial year ended 31st March, 2021 the applicable accounting standards have been followed.
- (b) Directors have selected such Accounting policies applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the corporation as at the end of 31st March, 2021 and of the profit of the Company for the year ended on that date.
- (c) Director have taken Proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) Directors have prepared the annual accounts on a 'going concern' basis;
- (e) Director have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively; and
- (f) Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **DECLARATION OF INDEPENDENCE BY DIRECTORS:**

The Independent Non-executive Directors of the Company, viz. Mrs. Niyati Ketan Shah (DIN - 02171577), Mr. Natwar Nagarmal Agarwal (DIN - 08170211), and Mr. Arpit Suresh Kumar Tibrewala (DIN: 08679570) have affirmed that they continue to meet all the requirements specified under Regulation 16(1)(b) of the listing regulations in respect of their position as an "Independent Director" of Dhanlaxmi Cotex Limited.

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity.

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Director of the Company under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6) read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## **BOARD EVALUATION:**

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluding the director being evaluated.

The Board as a whole was evaluated on various parameters like Board Composition & Quality, Board Meetings and Procedures, adherence to the Code of Conduct etc. Based on each of the parameter, the Board of Directors formed an opinion that performance of Board as a whole has been outstanding. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a structured questionnaire was prepared. The performance Evaluation of the Independent Directors was completed. Independent Directors Meeting and Nomination and Remuneration Committee considered the performance of Non-Independent Directors and the Committees and Board as whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.



# DHANLAXMI COTEX LIMITED

## **MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors was completed.

The evaluation framework for assessing the performance of directors of your company comprises of contribution at meetings, strategies perspective or inputs regarding the growth and performance of your company among others.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Details of program for familiarization of Independent directors of the company are accessible on your company website at <http://dcl.net.in/familiarisation>.

## **MEETING OF INDEPENDENT DIRECTORS:**

The meeting of Independent Directors was scheduled on 29<sup>th</sup> March, 2021. All the Independent Directors were present in the meeting.

## **STATUTORY AUDITORS:**

M/s. Gohel & Associates LLP, Chartered Accountants, Mumbai (FRN: W100162) has been appointed as a Statutory Auditors of the Company at 34<sup>th</sup> Annual General meeting of the Company for a period of five (5) years, till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company. The Company has confirmed with auditors their eligibility criteria.

The MCA vide its notification dated 7 May 2018 has amended Companies (Audit and Auditors) Rules 2014 by Companies (Audit and Auditors) Amendment Rules 2018, which dispense the requirement of members approval for ratification of appointment of Auditors at every Annual General Meeting. Keeping the same in mind no such agenda item is included in notice for the 35<sup>th</sup> AGM.

## **AUDITORS REPORT:**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134 (1) of the Companies Act, 2013.

## **COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## **SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

During the year, there is no subsidiary, joint venture or associate of the Company.

## **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

There were no such Companies which have become or ceased to be its subsidiaries, Joint Ventures or Associate Companies during the year.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the extent as are applicable to the Company, are given in **Annexure - 'D'** to the Directors' Report.

## **REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

In compliance with Regulation 34 and Schedule V of SEBI (LODR) Regulations 2015, report on the Corporate Governance, along with a certificate from the Secretarial Auditors of the Company on compliance with the provisions is annexed and forms part of the Annual Report. **Annexure-E.**



# DHANLAXMI COTEX LIMITED

## **PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:**

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are as under. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The percentage increase in remuneration of each Director and Chief Financial Officer during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP	Remuneration Received (In Rs. Lakhs)	% increase in Remuneration in the F.Y. 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Mahesh S. Jhawar (Whole Time Director)	49.50	N.A.	32.14
2	Mrs. Laxmi Sohanlal Jhawar (Non- Executive Director)	Nil	Nil	Nil
3	Mrs. Niyati Ketan Shah (Independent Director)	Nil	Nil	Nil
4	Mr. Rahul Mahesh Jhawar (Non-Executive Director)	Nil	Nil	Nil
5	Mr. Natwar Nagarmal Agarwal (Independent Director)	Nil	Nil	Nil
6	Mr. Arpit Tibrewala (Independent Director)	Nil	Nil	Nil
7	Mr. Ganesh Singh (Chief Financial Officer)	4.86	N.A.	3.15
8	Ms. Khyati Modi (Company Secretary)	1.54	N.A.	1

In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee(s) drawing remuneration in excess of limits set out in said rules forms part of the annual report.

- The median remuneration of employees of the Company during the financial year 2020-21 was '1.54 lacs.
- In the financial year 2020-21, there was an increase of NIL% in the median remuneration of employees.
- As on March 31, 2021, there were 5 permanent employees who were on the roll of the Company.
- Relationship between average increase in remuneration and Company performance.
- There was no increase in total remuneration paid to Directors during F.Y. 2020-21 as compared to previous year; whereas Profit after Tax is '27.85 lakhs as compared to a profit of '328.84 lakhs in 2019-20.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company (i.e. Remuneration of KMP for the year is '56.01 lacks as compared to '65.68 lacks in previous year) The overall total remuneration of the Key Managerial Personnel(s) has been lower down by '9.67 lacks in 2020-21; whereas Profit after Tax has been lower down by 300.99 lacs.

## **RISK MANAGEMENT AND INTERNAL CONTROLS:**

The Company has the risk management and internal control framework in place commensurate with the size of the Company. However Company is trying to strengthen the same. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

Details of the Loans, Investments and Guarantee covered under the provisions of Section 186 of the Companies Act, 2013 (Act), has been given under notes forming parts of the Accounts and same will be produced for verification to the members at the registered office of the Company on their request.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The Whistle Blower Policy is hosted on company's website [http://dcl.net.in/investor\\_info](http://dcl.net.in/investor_info).

During the financial year 2020-21, no cases under this mechanism were reported in the Company and any of its subsidiaries.



# DHANLAXMI COTEX LIMITED

## **POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The company has framed policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2020-21, no cases in the nature of sexual harassment were reported at any workplace of the company.

## **COMPANY'S POLICY ON DIRECTORS APPOINTMENT, REMUNERATION ETC.:**

The Nomination and Remuneration Committee recommends to the Board the policy relating to remuneration for the Directors, Key Managerial Personnel and other employees, same has been uploaded on the website of the Company at [http://dcl.net.in/pdf/policies/policy\\_nrc.pdf](http://dcl.net.in/pdf/policies/policy_nrc.pdf).

## **LISTING OF SHARES:**

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2021-22.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (3) read with Schedule Part V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with Stock Exchange in India, is presented in a separate Section forming part of the Annual Report. **Annexure-F**

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to Board.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

## **SECRETARIAL AUDITORS AND THEIR REPORT:**

M/s Pankaj Trivedi & Co, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the financial year 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for financial year 2020-21 is **Annexure-A** to this Board's Report.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India (SEBI), M/s Pankaj Trivedi & Co, Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued there under by the Company.

## **COMMENTS ON REMARKS/OBSERVATION/QUALIFICATION MADE BY SECRETARIAL AUDITORS:**

Mr. Pankaj Trivedi, Company Secretary in Practice, in his Secretarial Audit Report for financial year 2020-21 have drawn the attention of the management on some the non-compliances, which have been marked as qualification in his report. In connection with the same management herewith give the explanation for the same as follows:

The Declaration of non-encumbrance of shares on promoters holding Regulation 31(4) of SEBI (SAST), Regulations, 2011; as on year end The Company has submitted the same on 29th June, 2020, the reason for delay is mainly due to challenges posed by COVID pandemic.

The Company had taken the Limited Review Report M/s. M/s. Gohel & Associates LLP as the resigning auditor had denied for reviewing the Financials for quarter ended 30.06.2020 and issue Limited Report.

The management has decided to make an application to Bank for seeking registration as required under section 45(IA) of RBI Act, 1934. However due to practical difficulties caused by novel corona virus, no such application was made during the year under review. The Management is seeking opinion of some RBI professionals for making good of said default.



# DHANLAXMI COTEX LIMITED

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The Company has implemented a Related Party Transactions policy for the purposes of identification and monitoring of such transactions. The policy on related party transactions is uploaded on the Company's website at [http://dcl.net.in/pdf/policies/policy\\_rpt.pdf](http://dcl.net.in/pdf/policies/policy_rpt.pdf).

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis which is reviewed and updated on quarterly basis.

Pursuant to the Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 in **Annexure-B** to this Board's Report.

## **POSTAL BALLOT:**

No postal ballot was held during the year 2020-21.

## **EXTRACT OF ANNUAL RETURNS:**

Pursuant to the Section 134(3) (a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is **Annexure- C**.

## **CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with a Certificate from M/s Pankaj Trivedi & Co, regarding compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3), Schedule V of SEBI (LODR) Regulations, 2015 with Stock Exchange read with the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of this Report and **Annexure- E** to this Board's Report.

## **CEO AND CFO CERTIFICATION:**

The Chief Executive Officer and Chief Financial Officer Certification as required under Regulation 17(8) read with Part B of Schedule II of the SEBI(LODR) Regulation, 2015 have been appended to this report.

## **CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS**

Certificate from secretarial auditor regarding none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as per item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015, annexed to this report.

## **CHANGE IN NATURE OF BUSINESS OF THE COMPANY:**

There was no change in the nature of Business of the Company during the year under review.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2020-21, till the date of this report. Further there was no change in the nature of business of the Company.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

However the Company was in receipt of a letter from the exchange dated February 3, 2020, alleging Non-Compliance for Q3-ended December, 2019 pertaining to regulation 17(1) of Listing Regulations Viz. requirement of Composition of Board and appointment of Women Director and advising payment of penalty of Rs.3,65,800/- for such violation against which company had submitted suitable reply to the exchange with proper explanation in support of companies claim of no such violation and in the opinion of Board the matter was closed as no such further Communication was received from the exchange till end of F.Y. 2019-20. However the exchange sent a fresh notice through email dated July 3, 2020 alleging same non-compliance for Q-4 ended March, 2020 and advising payment of penalty of Rs.2,18,300/- for such violation against which Company again had submitted a suitable reply on July 11, 2020 to the exchange with proper explanation in support of companies claim of no such violation and requested to withdraw such letters and waive the penalty so levied as company have complied with Regulation 17(1).

Since then no communication has been sent by the exchange for a year and it was presumed that exchange has admitted our claim and shockingly after a year exchange has sent an email on 2<sup>nd</sup> July, 2021 intimating company that the submission of the Company has rejected by the Company and advised again to pay the penalty, upon which company again replied to the exchange and denied any such violation and requested the personal meeting with the concern officer to understand and close the matter.



# DHANLAXMI COTEX LIMITED

Since then company has been written few reminders mail requesting personal meeting but no one has replied to the emails, upon which Mr. Mahesh Jhavar, Whole Time Director gone to the exchange for personal meeting to close the matter but concerned officer was on leave as informed at reception and other concerned officer to the notice were not ready to meet due their pre-occupancy.

The matter is pending with exchange and if needed company will take legal opinion and will approach higher authority if required.

## **BANK AND FINANCIAL INSTITUTIONS:**

Directors are thankful to their bankers for their continued support to the company.

## **ACKNOWLEDGMENTS:**

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

## **By Order of the Board of Directors**

Sd/-  
Mahesh S. Jhavar  
(Whole Time Director)  
DIN: 00002908  
Place: Mumbai  
Date: 11/08/2021

Sd/-  
Rahul M. Jhavar  
(Director)  
DIN: 07590581



## **ANNEXURE -A**

### **FORM NO. MR-3 SECRETARIAL AUDIT REPORT**

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

**To  
The Members,  
M/s. Dhanlaxmi Cotex Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. Dhanlaxmi Cotex Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, has complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during the Audit Period);
  - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the Company during the Audit Period);
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the Audit Period);
  - (vi) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued. (Not applicable to the Company during the Audit period);
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during the Audit period);
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

The Management has identified and confirmed the following laws as being specifically applicable to the Company:

- i. The Equal Remuneration Act, 1976;
- ii. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As amended).



# DHANLAXMI COTEX LIMITED

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. According to Regulation 31(4) of SEBI (SAST), Regulations, 2011; the company needs to submit Declaration of non-encumbrance of shares on promoters holding as on year end on or before 01st June, 2020. However the same has been submitted on 30<sup>th</sup> June, 2020.
2. Pursuant to SEBI circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019, if the Auditor resigns after 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review report for such quarter as well as the next quarter. However the resigning auditors M/s. R. Soni & Co., had resigned on 31.07.2020 and not issued the Limited review Certificate for quarter ended 30.06.2020 and same has been taken from new Statutory Auditors M/s. Gohel & Associates LLP.
3. The Financial Assets of the Company constitute more than 50% of the total assets and income from it also exceeds 50% of the total income. Since the main activity of the Company is centre around investment and Finance, the Company needs to hold valid registration from RBI as per section 45-IA of the Reserve Bank of India Act, 1934. However till date Company has not applied for registration with RBI.

I further Inform/report that during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

As informed by the management I further want to report that upon resignation of M/s. R. Soni & Co., the Company had appointed M/s. K.R. Sanghavi & Associates, Chartered Accountants, (FRN: 116293W) as a Statutory Auditors of the Company at Board meeting held on 28<sup>th</sup> August, 2020 in place of M/s. R. Soni & Co. The Company then appointed M/s. Gohel & Associates LLP as Statutory Auditors at Board meeting held on 5<sup>th</sup> September, 2020 to rectify the defect made in appointment of M/s. K.R. Sanghavi & Associates, because they did not hold valid peer review certificate as on date of their appointment and fact has been communicated by auditors post to their appointment.

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.
- (iv) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (v) There are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Notes:

1. This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the Secretarial Audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws/ regulations/ guidelines listed in our report of which, the due date has been ended/ expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

**For Pankaj Trivedi & Co.,  
Company Secretary in Practice**

**Sd/-  
Pankaj Trivedi  
(Proprietor)  
CP No. 15301  
Place: Mumbai  
Dated: 11<sup>th</sup> August, 2021**





## **ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT**

To  
The Member,  
Dhanlaxmi Cotex Limited

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

### Management's Responsibility

- 1) It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

### Disclaimer

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

**For Pankaj Trivedi & Co.,  
Company Secretary in Practice**

Sd/-  
Pankaj Trivedi  
(Proprietor)  
CP No. 15301  
Place: Mumbai  
Dated: 11<sup>th</sup> August, 2021



# DHANLAXMI COTEX LIMITED

## **ANNEXURE -B**

### **FORM NO. AOC -2**

#### **(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. – None
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of Related Party and nature of transactions	Nature of contract /arrangement /transactions	Duration of the contract/ arrangement/ transactions	Salient terms of contract /arrangement /transactions, including value, if any	Date(s) of approval by the Board	Amounts paid as advance(s), if any
Laxmi M. Jhawar	Payment of Rent and Office maintenance expenses	2020-21	Lease rent paid for office premises of ' 4.44 lacs for the year 2020-21.  Office maintenance expenses paid of ' 0.80 lacs during the year.	17.07.2020	-
Mahesh S. Jhawar	Remuneration	2020-21	Remuneration paid to Mahesh S. Jhawar as Whole Time Director of the Company of ' 49.50 lacs during the year.	17.07.2020	-

#### **By Order of the Board of Directors**

Sd/-  
Mahesh S. Jhawar  
(Whole Time Director)  
DIN: 00002908  
Place: Mumbai  
Date: 11/08/2021

Sd/-  
Rahul M. Jhawar  
(Director)  
DIN: 07590581



# DHANLAXMI COTEX LIMITED

## ANNEXURE - C

### FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2021**  
pursuant to Section 92(3) of the Companies Act, 2013 And Rule 12(1) of the company  
(Management & Administration) Rules, 2014

<b>I. REGISTRATION AND OTHER DETAILS:</b>		
i	CIN	L51100MH1987PLC042280
ii	Registration Date	19.01.1987
iii	Name of the Company	DHANLAXMI COTEX LIMITED
iv	Category/Sub-category of the Company	Public Company / Limited by Shares
v	Address of the Registered office & Contact details	285, 2nd Floor, C. J. House, Princess Street, Mumbai - 400 002. Tel No: 022-66228050/55 Email: dcotex1987@gmail.com   Website: dcl.net.in
vi	Whether Listed Company	Yes
vii	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd. 1st floor, Bharat tin works building, opp. Vasant oasis, Makwana road, Marol, Andheri East, Mumbai 400059, Maharashtra Tel No: 022 - 40430200 / 62638200 Email: info@bigshareonline.com   Website: www.bigshareonline.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
All the business activities contributing 10% or more of the total turnover of the company shall be stated below:			
Sr. No.	Name and Description of main products/services	NIC Code of the Products/Services	% to total turnover of the company
1	Trading in Shares & Securities	64990	100%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:</b>					
Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	N/A	-	-	-	-

<b>IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)</b>									
i. Category of Shareholder	No. of Shares held at the beginning of the year 31/03/2020				No. of Shares held at the end of the year 31/03/2021				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>(A) Shareholding of Promoter and Promoter Group2</b>									
<b>(1) Indian</b>									
- Individual / HUF	3193955	0	3193955	65.57	3194055	0	3194055	65.57	0.00
- Central / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
- Bodies Corporate	0	0	0	0.00	0	0	0	0.00	(0.00)
- Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
- Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
- Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
- Directors Relatives	0	100	100	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>3193955</b>	<b>100</b>	<b>3194055</b>	<b>65.57</b>	<b>3194055</b>	<b>0</b>	<b>3194055</b>	<b>65.57</b>	<b>0.00</b>
<b>(A) Shareholding of Promoter and Promoter Group2</b>									
<b>(2) Foreign</b>									
- Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
- Individual	0	0	0	0.00	0	0	0	0.00	0.00
- Institutions	0	0	0	0.00	0	0	0	0.00	0.00
- Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	0.00
- Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A1+A2)</b>	<b>3193955</b>	<b>100</b>	<b>3194055</b>	<b>65.57</b>	<b>3194055</b>	<b>0</b>	<b>3194055</b>	<b>65.57</b>	<b>0.00</b>
<b>(B) Public shareholding</b>									
<b>(1) Institutions</b>									
- Central / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
- Financial Institutions / Banks	5000	0	5000	0.10	5000	0	5000	0.10	0.00
- Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
- Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00



# DHANLAXMI COTEX LIMITED

- Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
- FII'S	0	0	0	0.00	0	0	0	0.00	0.00
- Foreign Vent Cap Investors	0	0	0	0.00	0	0	0	0.00	0.00
- Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
- Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
- Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
- Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>5000</b>	<b>0</b>	<b>5000</b>	<b>0.10</b>	<b>5000</b>	<b>0</b>	<b>5000</b>	<b>0.10</b>	<b>0.00</b>
<b>(B) Public shareholding</b>									
<b>(2) Non-institutions</b>									
<b>(a) Bodies Corporate</b>									
- Indian Bodies Corp	769540	0	769540	15.80	769560	0	769560	15.80	0.00
- Overseas Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
<b>(b) Individual</b>									
- Capital upto to Rs. 1 lac	2530	395100	397630	8.16	2510	394500	397010	8.15	(0.01)
- Capital greater than Rs. 1 lac	106200	398050	509250	10.45	106200	319850	426050	8.75	(1.61)
<b>(c) Any others (Specify)</b>									
- Hindu Undivided Family	875	0	875	0.02	79675	0	79675	1.64	1.62
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
- Clearing member	0	0	0	0.00	0	0	0	0.00	0.00
- NRI (Repat)	0	0	0	0.00	0	0	0	0.00	0.00
- NRI (Non Repat)	0	0	0	0.00	0	0	0	0.00	0.00
- Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
- Employee	0	0	0	0.00	0	0	0	0.00	0.00
- Unclaimed Suspense A/c	0	0	0	0.00	0	0	0	0.00	0.00
- IEPF	0	0	0	0.00	0	0	0	0.00	0.00
- Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL</b>	<b>879145</b>	<b>793150</b>	<b>1672295</b>	<b>34.33</b>	<b>957945</b>	<b>714350</b>	<b>1672295</b>	<b>34.33</b>	<b>0.00</b>
<b>Total Public Shareholding (B1+B2) :</b>	<b>888270</b>	<b>793150</b>	<b>1681420</b>	<b>34.53</b>	<b>957945</b>	<b>714350</b>	<b>1672295</b>	<b>34.33</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
Shares held by Custodians	0	0	0	0.00	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>4083100</b>	<b>788250</b>	<b>4871350</b>	<b>100</b>	<b>4152000</b>	<b>719350</b>	<b>4871350</b>	<b>100</b>	<b>0.00</b>

## ii. Shareholding of Promoters & Promoter Group

SL No	Shareholder's Name	Shareholding at beginning of the year 31/03/2020			Shareholding at the end of the year 31/03/2021			% Change
		No of Shares	% of total Shares of the Co.	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Co.	% of Shares pledged/encumbered to total Shares	
1	Mahesh S. Jhawar	1823765	37.44	0.00	1823865	37.44	0.00	0.00
2	Laxmi M. Jhawar	1291290	26.51	0.00	1291290	26.51	0.00	0.00
3	Rahul Mahesh Jhawar	78900	1.62	0.00	78900	1.62	0.00	0.00
4	Mahesh Jhawar Huf	0	0.00	0.00	0	0.00	0.00	0.00
5	Vinod Sohanlal Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
6	Vinod Jhawar Huf	0	0.00	0.00	0	0.00	0.00	0.00
7	Vandana Vinod Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
8	Lalit Vinod Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
9	Mukul Vinod Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
10	Ramautar Sohanlal Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
11	Kamala Ramautar Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
12	Ramautar Jhawar HUF	0	0.00	0.00	0	0.00	0.00	0.00
13	Vinit Ramautar Jhawar	0	0.00	0.00	0	0.00	0.00	0.00
14	Ramautar Jhawar (Jamnadevi Jhawar Family Trust)	0	0.00	0.00	0	0.00	0.00	0.00
15	Sohanlal Jhawar Family	0	0.00	0.00	0	0.00	0.00	0.00
16	Sohanlal Jhawar HUF	0	0.00	0.00	0	0.00	0.00	0.00
17	Dhanlaxmi Export Fabric LLP	100	0.00	0.00	0	0.00	0.00	0.00
18	Jasoda Tracon LLP	0	0.00	0.00	0	0.00	0.00	0.00
<b>TOTAL</b>		<b>3194055</b>	<b>65.57</b>	<b>0.00</b>	<b>3194055</b>	<b>65.57</b>	<b>0.00</b>	<b>0.00</b>



# DHANLAXMI COTEX LIMITED

### iii. Change in Promoters' Shareholding as on the F.Y. Ended on 31-03-2021

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the Beginning 01.04.2020	% total Shares of the Co.				No. of Shares at the end 31.03.2021	% total Shares of the Co.
1	Mahesh S. Jhawar	1823765	37.44	19.03.2021	100	Bought	1823865	37.44
2	Laxmi M. Jhawar	1291290	26.51	-	-	-	1291290	26.51
3	Rahul Mahesh Jhawar	78900	1.62	-	-	-	78900	1.62
4	Mahesh Jhawar Huf	0	0.00	-	-	-	0	0.00
5	Vinod Sohanlal Jhawar	0	0.00	-	-	-	0	0.00
6	Vinod Jhawar Huf	0	0.00	-	-	-	0	0.00
7	Vandana Vinod Jhawar	0	0.00	-	-	-	0	0.00
8	Lalit Vinod Jhawar	0	0.00	-	-	-	0	0.00
9	Mukul Vinod Jhawar	0	0.00	-	-	-	0	0.00
10	Ramautar Sohanlal Jhawar	0	0.00	18.12.2020	(100)	Sell	100	0.00
11	Kamala Ramautar Jhawar	0	0.00	-	-	-	0	0.00
12	Ramautar Jhawar HUF	0	0.00	-	-	-	0	0.00
13	Vinit Ramautar Jhawar	0	0.00	-	-	-	0	0.00
14	Ramautar Jhawar (Jamnadevi Jhawar Family Trust)	0	0.00	-	-	-	0	0.00
15	Sohanlal Jhawar Family	0	0.00	-	-	-	0	0.00
16	Sohanlal Jhawar HUF	0	0.00	-	-	-	0	0.00
17	Dhanlaxmi Export Fabric LLP	100	0.00	-	-	-	0	0.00
18	Jasoda Tracon LLP	0	0.00	-	-	-	0	0.00
<b>TOTAL</b>		<b>3194055</b>	<b>65.57</b>	-	-	-	<b>3194055</b>	<b>65.57</b>

Note: The names mentioned at Sr. No. 10 to 18 of above table have been applied for reclassification of their status from promoter or promoter group to public. The agenda item no.4 of the notice are recommended to the member approval in connection with the same.

### iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRS & ADRS)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2020		Cumulative Shareholding during the year 31/03/2021		Type of Transaction
		No. of Shares	% of Total Shares of the Co.	No. of Shares	% change in shareholding during the year	
1	<b>ESKAY NIRYAT PVT LTD</b>	529540	10.87%	529540	10.87%	N.A.
	Shares Bought during the year	-	-	529540	10.87%	
	Shares Sold During the year	-	-	529540	10.87%	
	Closing balance	529540	10.87%	529540	10.87%	
2	<b>NIDHI AGRO PVT LTD</b>	240000	4.93%	240000	4.93%	N.A.
	Shares Bought during the year	-	-	240000	4.93%	
	Shares Sold During the year	-	-	240000	4.93%	
	Closing balance	240000	4.93%	240000	4.93%	
3	<b>PANKAJ SARDA HUF</b>	220250	4.52%	220250	4.52%	N.A.
	Shares Bought during the year	-	-	220250	4.52%	
	Shares Sold During the year	-	-	220250	4.52%	
	Closing balance	220250	4.52%	220250	4.52%	
4	<b>AMIT R SEHGAL</b>	73200	1.50%	73200	1.50%	N.A.
	Shares Bought during the year	-	-	73200	1.50%	
	Shares Sold During the year	-	-	73200	1.50%	
	Closing balance	73200	1.50%	73200	1.50%	
5	<b>RAMGOPAL SOMANI</b>	35850	0.74%	35850	0.74%	N.A.
	Shares Bought during the year	-	-	35850	0.74%	
	Shares Sold During the year	-	-	35850	0.74%	
	Closing balance	35850	0.74%	35850	0.74%	
6	<b>SHRIVALLABH BHARADIA</b>	33000	0.68%	33000	0.68%	N.A.
	Shares Bought during the year	-	-	33000	0.68%	
	Shares Sold During the year	-	-	33000	0.68%	
	Closing balance	33000	0.68%	33000	0.68%	



# DHANLAXMI COTEX LIMITED

7	<b>MANOJKUMAR ANANDILAL SARDA HUF</b>	17000	0.35%	17000	0.35%	Bought
	Shares Bought during the year 30.09.2020	600	0.01%	17600	0.36%	
	Shares Sold During the year	-	-	17600	0.36%	
	Closing balance	17600	0.36%	17600	0.36%	
8	<b>MAHAVIRPRASAD ANANDILAL SARDA HUF</b>	15550	0.32%	15550	0.32%	N.A.
	Shares Bought during the year	-	-	15550	0.32%	
	Shares Sold During the year	-	-	15550	0.32%	
	Closing balance	15550	0.32%	15550	0.32%	
9	<b>KISHANLAL ANANDILAL SARDA HUF</b>	15500	0.32%	15500	0.32%	N.A.
	Shares Bought during the year	-	-	15500	0.32%	
	Shares Sold During the year	-	-	15500	0.32%	
	Closing balance	15500	0.32%	15500	0.32%	
10	<b>MAHAVIR PRASAD SARDA</b>	14700	0.30%	14700	0.30%	N.A.
	Shares Bought during the year	-	-	14700	0.30%	
	Shares Sold During the year	-	-	14700	0.30%	
	Closing balance	14700	0.30%	14700	0.30%	
11	<b>MANOJ KUMAR SARDA</b>	14700	0.30%	14700	0.30%	N.A.
	Shares Bought during the year	-	-	14700	0.30%	
	Shares Sold During the year	-	-	14700	0.30%	
	Closing balance	14700	0.30%	14700	0.30%	

### v. Shareholding Pattern of Directors and Key Managerial Personnel

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2020		Cumulative Shareholding during the year 31/03/2021	
		No. of Shares	% of Total Shares of the Co.	No. of Shares	% of Total Shares of the Co.
1	Mr. Mahesh S. Jhawar (Whole Time Director)	1823765	37.44	1823765	37.44
2	Mrs. Laxmi Sohanlal Jhawar (Non- Executive Director) (Ceased w.e.f. 24.07.2021)	1291290	26.51	1291290	26.51
3	Mr. Rahul Mahesh Jhawar (Non-Executive Director) (Appt ED w.e.f. 11.08.2021)	78900	1.62	78900	1.62
4	Mrs. Niyati Ketan Shah (Independent Director)	0	0.00	0	0.00
5	Mr. Natwar Nagarmal Agarwal (Independent Director)	0	0.00	0	0.00
6	Mr. Arpit Tibrewala (Independent Director)	0	0.00	0	0.00
7	Mr. Ganesh Singh (Chief Financial Officer)	0	0.00	0	0.00
8	Ms. Khyati Modi (Company Secretary)	0	0.00	0	0.00

### vi. Indebtedness of the company including interest Outstanding / Accrued but not due for Payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	25,00,000	-	25,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	-	25,00,000	-	25,00,000
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	25,00,000	-	25,00,000
Net Change	-	(25,00,000)	-	(25,00,000)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I+II+III)</b>	-	-	-	-

### vii. Remuneration of Directors and Key Managerial Personnel

#### (A) Remuneration to Managing Director, Whole time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mahesh S. Jhawar (Whole Time Director)	Total Amount
1	Gross salary	49,50,000/-	49,50,000/-



# DHANLAXMI COTEX LIMITED

a	Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	49,50,000/-	49,50,000/-
b	Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	-
c	Profits in lieu of salary under section 17(3) of I.T. Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify – Sitting Fee	-	-
	<b>Total (A)</b>	49,50,000/-	49,50,000/-
	Ceiling as per the Act	-	-

<b>(B) Remuneration to Other Directors:</b>						
Sr. No.	Particulars of Remuneration	Rahul Jhawar	Laxmi Jhawar	Natwar Agarwal	Nikita Shah	Arpit Tibrewala
1	Independent Directors					
	Fee for attending Board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2	Other Non-Executive Directors					
	Fee for attending Board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-

<b>(C) Remuneration to Key Managerial Personnel other than MD/ WTD/ Manager</b>				
Sr. No.	Particulars Of Remuneration	Mr. Ganesh Singh (CFO)	Ms. Khyati Modi (CS)	Total Amount
1	Gross salary	4,86,000	1,54,000	6,50,000
a	Salary as per provisions contained in Sec. 17(1) of the I.T. Act, 1961	1,54,000	1,54,000	6,50,000
b	Value of perquisites u/s 17(2) of I.T. Act, 1961	-	-	
c	Profits in lieu of salary under section 17(3) of I.T. Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - Others, specify...	-	-	
5	Others, please specify -	-	-	
	<b>Total</b>	<b>6,50,000</b>	<b>6,50,000</b>	<b>6,50,000</b>

<b>viii. Penalties/Punishments/Compounding of Offences</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalties/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
<b>COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

By Order of the Board of Directors

Sd/-  
Mahesh S. Jhawar  
(Whole Time Director)  
DIN: 00002908

Sd/-  
Rahul M. Jhawar  
(Director)  
DIN: 07590581

Place: Mumbai  
Date: 11/08/2021



# DHANLAXMI COTEX LIMITED

## Annexure - D

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo, Etc.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

<b>(A) Conservation of energy</b>	
(i) The steps taken or impact on conservation of energy	The operations of your company are not energy intensive; however adequate measures have been taken to reduce energy consumption. : NA
(ii) The steps taken by the company for utilizing alternate sources of energy	All efforts are made to use more natural lights in office premises to optimize the consumption of energy. : NA
(iii) The capital investment on energy conservation equipment's	Nil
<b>(B) Technology absorption:</b>	
(i) The efforts made towards technology absorption	N.A
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	N.A
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A
(iv) The expenditure incurred on research and development	Nil
<b>(C) Foreign exchange earnings and outgo.</b>	
	<b>Nil</b> The detail of the same is given in notes of accounts.

By Order of the Board of Directors

Sd/-  
Mahesh S. Jhavar  
(Whole Time Director)  
DIN: 00002908  
Place: Mumbai  
Date: 11/08/2021

Sd/-  
Rahul M. Jhavar  
(Director)  
DIN: 07590581





## **CORPORATE GOVERNANCE REPORT**

The Company's philosophy on corporate governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, lenders and ensuring high degree of regulatory compliances. The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder value in the long term. The Company is in compliance with the Corporate Governance norms stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April, 2020 to 31st March, 2021.

### **BOARD OF DIRECTORS:**

As on 31st March, 2021, the Company's Board of Directors comprised of 6 (Six) directors of which THREE are Non- Executive Independent Directors and TWO is Non-Executive Director and ONE is Executive Director i.e. Mr. Mahesh Jhawar is the Whole Time Director. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

The Board has received confirmation from the Non- Executive and Independent Directors that they qualify to be considered as independent as per the definition of 'Independent Director' stipulated in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 (hereinafter called "the Act").

None of the Directors hold directorships in more than 20 companies. Further, any individual director's directorships in public companies do not exceed 10. None of the Directors is serving as a member of more than ten committees or as the Chairman of more than five committees across all the public companies of which he is a Director.

The number of directorships and committee Chairmanships/Memberships held by the Directors in other public companies as on March 31, 2021 are given below.

### **COMPOSITION OF BOARD AS ON 31ST MARCH, 2021**

Sr. No.	Name of Director	Designation	No. of Other Directorship in Pub Cos.	No. of equity shares held in Co.	Member/ Chairperson of the committee	
					Member	Chairman
1	Mr. Mahesh Jhawar	WTD & Chairman	1	18,23,865	-	-
2	Mr. Rahul Jhawar	Non-Executive Director	0	78,900	2	1
3	Mrs. Laxmi Jhawar	Non-Executive Director	0	12,91,290	-	-
4	Mr. Natwar Nagarmal Agarwal	Independent Director	0	-	2	1
5	Ms. Niyati Ketan Shah	Independent Director	0	-	2	-
6	Mr. Arpit Tibrewala	Independent Director	0	-	2	-

Directorships mentioned as above do not include directorships of Private Limited Companies, Companies under Section 8 of the Act and of companies incorporated outside India.

Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.

None of the Non-Executive Independent Directors has any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees received by them for attending the meetings of the Board and its Committee(s) and professional fees received by the firm in which a Director is a partner.

### **BOARD MEETINGS:**

The Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting.

The Company circulates the agenda along with comprehensive notes well in advance before each meeting which, inter-alia, includes the following:

- Quarterly/Half Yearly/Annual financial results of the Company.
- Minutes of various committees of the Board.
- Regulatory notices/judgment/order being material in nature.
- Approvals on the sale of investments/assets of material nature etc.

During the financial year 2020-21, 6 (Six) Board Meetings were held. The maximum gap between two Board meetings was less than one hundred and twenty days.

The Board Meetings were held on 17/07/2020, 28/08/2020, 05/09/2020, 14/09/2020, 13/11/2020 and 10/02/2021.



# DHANLAXMI COTEX LIMITED

The details of the attendance of the Board of Directors at the Board Meetings and the last Annual General Meeting (AGM) are as detailed herein below:

Name of the Directors	No. of Board Meetings held	Entitlement to attend	No. of Board Meetings attended	Whether last AGM attended
Mr. Mahesh Jhawar	6	6	6	Yes
Mr. Rahul Jhawar	6	6	6	Yes
Mrs. Laxmi Jhawar	6	6	3	No
Mr. Natwar Nagarmal Agarwal	6	6	6	No
Ms. Niyati Ketan Shah	6	6	6	Yes
Mr. Arpit Tibrewala	6	6	6	Yes

## **EVALUATION OF INDEPENDENT DIRECTORS AND BOARDS PERFORMANCE**

The Board evaluated each of Independent Directors participation in the Board and their vast experience, expertise and contribution to the Board and Company. Each and every related party transaction is very well scrutinized and checks were made so that the Company is a beneficiary.

## **SEPARATE MEETING OF INDEPENDENT DIRECTOR**

The meeting of Independent Directors was scheduled on 29<sup>th</sup> March, 2021 and all Independent Directors attended the meeting.

It was noted that the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **FAMILIARIZATION PROGRAM**

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. The detail of such familiarization program has been disclosed on the company's website.

## **DETAILS OF DIRECTOR APPOINTED AND RE-APPOINTED DURING THE YEAR:**

The details of Director re-appointed in the ensuing Annual General Meeting has been given in the 'Notice' calling the 35<sup>th</sup> Annual General Meeting of the Company.

## **CODE OF CONDUCT**

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Regulation 17(5)(a) of SEBI (LODR) Regulations, 2015. The said code, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions. All the Directors and members of the senior management have confirmed their adherence to the provisions of the said code.

## **PRESENT DIRECTORSHIP IN OTHER COMPANIES AND COMMITTEE POSITION INCLUDING DHANLAXMI COTEX LTD**

Name of Director(s)	No. of Directorship held in Public Cos. (Incl. DCL)	Directorship held in Public Listed Companies and Committee Position(s)		
		Name of the Company	Listed or Unlisted	Name of Committee(s) and Designation
Mr. Mahesh Jhawar	2	Dhanlaxmi Cotex Ltd (WTD & Chairman)	Listed	-
		Dhanlaxmi Fabrics Ltd (Director)	Listed	-
Mrs. Laxmi Jhawar	1	Dhanlaxmi Cotex Ltd (Non-Executive Director)	Listed	-
Mr. Rahul Jhawar	1	Dhanlaxmi Cotex Ltd (Non-Executive Director)	Listed	AC - Member SRC - Chairman NRC - Member
Mr. Natwar Nagarmal Agarwal	1	Dhanlaxmi Fabrics Ltd (Independent Director)	Listed	AC - Chairman SRC - Member NRC - Chairman
Ms. Niyati Ketan Shah	1	Dhanlaxmi Fabrics Ltd (Independent Director)	Listed	AC - Member SRC - Member NRC - Member
Mr. Arpit Tibrewala	1	Dhanlaxmi Fabrics Ltd (Independent Director)	Listed	AC - Member SRC - Member NRC - Member



# DHANLAXMI COTEX LIMITED

It does not include Alternate Directorship, Directorship in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

## **SKILL/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS**

The Board comprises qualified members who bring in the required skill, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The table below summarizes the list of core skills/expertise/competencies identified by the Board of Directors desired in the context of the business(es) and sector(s) of the Company for it to function effectively and those actually available with the Board:

Skill area	Description	No. of Directors having particular skills
Financials	Knowledge and understanding in Accounts, Finance, Banking, Auditing and Financial Control System	5
Leadership and Strategic Planning	Ability to understand organization, processes, strategic planning and risk management, experience in developing talent, succession planning and driving change and long term growth.	6
Legal and Governance	Ability to protect shareholders' interests and observe appropriate governance practices. Monitor risk and compliance management system including legal framework.	5
Corporate Governance	Experience in developing good governance practices, serving the best interests of all stakeholders, maintaining board and management accountability building long-term effective stakeholder engagements and driving corporate ethics and values.	6

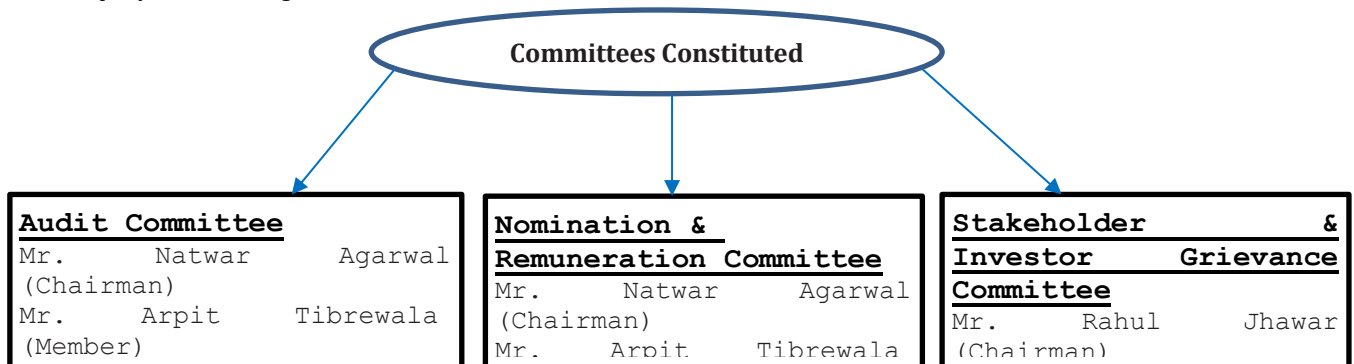
## **COMMITTEES OF THE BOARD AS ON 31.03.2021:**

The Board Committees focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. Each Committee of the Board is guided by its terms of reference. The Committees also make specific recommendations to the Board on various matters required. All observations, recommendations and decisions of the Committees are placed before the Board for its information or approval. All the minutes of committee meetings are placed before the Board for its noting. For better Corporate governance mechanism & robust flow of information between Executive and Independent Directors of the Company It has decided by the Board that only Independent Directors of the Board Member shall become a member of Board Committee/s and Chairman of such Committee/s.

The Company has following Committees of the Board namely Audit committee, Nomination and Remuneration committee, Stakeholder's Relationship Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their responsibilities. The Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

The terms of reference for each committee have been clearly defined by the Board. The minutes of the meetings and the recommendation, if any, of the committees are submitted to the Board for their consideration and approval.

The Company has following Committees of Board of the Board.



In order to align with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulation with the Stock Exchanges. The terms of reference of the Audit Committee includes the following:

### **SCOPE AND FUNCTION:**

#### **The Broad terms of reference of the Audit Committee, inter alia, include:**

The terms of reference of the Committee are aligned with the terms of reference provided under Section 177 of the Companies Act, 2013 and Para B of Part D of Schedule II of the Listing Regulations. Viz:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;



# DHANLAXMI COTEX LIMITED

- b) Recommending the appointment and removal of the external Auditors, fixation of Audit fee and approval for payment of any other services;
- c) Reviewing with management the Annual financial Statements before submission to the Board;
- d) Reviewing with the management and external Auditors, the adequacy of internal control systems;
- e) Reviewing the adequacy of Cost Audit function;
- f) Discussing with Cost Auditors any significant findings and follow up on such issues; vii. discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- g) Reviewing the Company's financial and risk management policies; and
- h) Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any
- i) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores 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.

## **COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Mr. Natwar Nagarmal Agarwal	6	6	6
Ms. Niyati Ketan Shah	6	6	6
Mr. Arpit Tibrewala	6	6	6
Mr. Rahul Jhavar	6	6	6

Total (6) Six Audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: The Board Meetings were held on 17/07/2020, 28/08/2020, 05/09/2020, 14/09/2020, 13/11/2020 and 10/02/2021. The necessary quorum was present for all the meetings.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE AT GLANCE:**

### **TERMS OF REFERENCE:**

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-named the then "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee". The remit of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The Stakeholders' Relationship Committee met 4 times during the financial year on 17/07/2020, 28/08/2020, 13/11/2020 and 10/02/2021. The necessary quorum was present for all the meetings.

## **COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Mr. Natwar Nagarmal Agarwal	6	6	6
Ms. Niyati Ketan Shah	6	6	6
Mr. Arpit Tibrewala	6	6	6
Mr. Rahul Jhavar	6	6	6

## **Details of investor complaints received and redressed during the year 2020-21 are as follows:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

## **NOMINATION AND REMUNERATION COMMITTEE AT GLANCE:**

During the year under review, the terms of reference of Nomination and Remuneration Committee were expanded in order to align them with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 Para- A of Part D of Schedule II of the Listing Regulations and Regulation 19 of the Listing Regulations.

- 1 To formulate criteria for evaluation and evaluate the performance of every director, including the Independent Directors;
- 2 To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/reappointment/removal of the Executive /Non- Executive Directors and the senior management of the Company;
- 3 Recommend to the board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- 4 Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.



# DHANLAXMI COTEX LIMITED

- 5 This shall include “formulation of criteria for evaluation of independent directors and the Board”
- 6 On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- 7 To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 or any amendments thereof;
- 8 Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.
- 9 Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- 10 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

## **COMPOSITION**

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Mr. Natwar Nagarmal Agarwal	1	1	1
Ms. Niyati Ketan Shah	1	1	1
Mr. Arpit Tibrewala	1	1	1
Mr. Rahul Jhawar	1	1	1

nomination and remuneration met 1 time during the financial year on 17/07/2020. The necessary quorum was present for the meeting.

## **REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2021:**

Name of Directors	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
Mr. Mahesh Jhawar	49,50,000	-	-	-	49,50,000/-
Mrs. Laxmi Jhawar	-	-	-	-	-
Mr. Rahul Jhawar	-	-	-	-	-
Mr. Natwar Nagarmal Agarwal	-	-	-	-	-
Ms. Niyati Ketan Shah	-	-	-	-	-
Mr. Arpit Tibrewala	-	-	-	-	-

## **DISCLOSURES:**

During the period, there were no transactions materially significant with Company’s promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.

## **DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY STATUTORY AUTHORITIES, ON ANY MATTER RELATED TO CAPITAL MARKETS DURING LAST THREE YEARS: NIL**

## **LISTING:**

The Company’s Shares are listed during the year on Bombay Stock Exchange; the Company has paid the Listing Fees for F.Y. 2021-22.

## **DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company does not has Subsidiary and Associates Company.

## **PREVENTION OF INSIDER TRADING:**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prevention of Insider Trading) Regulation, 2015 and the same is available on the Company’s website [http://dcl.net.in/pdf/policies/insider\\_trading.pdf](http://dcl.net.in/pdf/policies/insider_trading.pdf). This policy also includes practices and procedures for fair disclosures of unpublished price-sensitive information, initial and continual disclosures.

## **RELATED PARTY TRANSACTIONS & MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or Relatives, etc. that may have potential conflict with the interests of the Company at large:

The Audit Committee and the Board consider periodically the statement of related party transactions in detail together with the basis at their meetings and grant their approval. However, these transactions are not likely to have any conflict with the interest of the Company and are not materially significant.



# DHANLAXMI COTEX LIMITED

As required by the IND AS-24, the details of related party transactions are given in Note to the notes on financial statements for the Financial Year 2020-21, forming part of Accounts.

## **CEO AND CFO CERTIFICATION:**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

## **OTHER DISCLOSURES:**

Particulars	Legal requirement	Details	Website link for details/policy
Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There were no material significant related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company. (Related Party Transaction Policy).	<a href="http://dcl.net.in/pdf/policies/Related%20Party%20Transactions.pdf">http://dcl.net.in/pdf/policies/Related%20Party%20Transactions.pdf</a>
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company (Whistle Blower Policy).	<a href="http://dcl.net.in/pdf/policies/Whistle%20Blower%20Policy.pdf">http://dcl.net.in/pdf/policies/Whistle%20Blower%20Policy.pdf</a>
Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	The Audit Committee reviews the quarterly financial statements of the Company. The Company does not have any material unlisted Indian subsidiary company. The Company has a policy for determining material subsidiaries which is disclosed on its website (Material Subsidiary).	<a href="http://dcl.net.in/pdf/policies/Material%20Subsidiary.pdf">http://dcl.net.in/pdf/policies/Material%20Subsidiary.pdf</a>
Policy on determination of materiality for disclosures	Regulation 23 of SEBI Listing Regulations	The Company has adopted a policy on determination of materiality of events for disclosures (Determining Materiality of Events).	<a href="http://dcl.net.in/pdf/policies/policy_dms.pdf">http://dcl.net.in/pdf/policies/policy_dms.pdf</a>
Policy on archival and preservation of documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a policy on archival and preservation of documents (Preservation of Documents).	<a href="http://dcl.net.in/pdf/policies/Preservation%20of%20Documents%20&amp;%20Archival%20Policy.pdf">http://dcl.net.in/pdf/policies/Preservation%20of%20Documents%20&amp;%20Archival%20Policy.pdf</a>
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Directors and Senior Management (EIL Code of Conduct & Ethics).	<a href="http://dcl.net.in/pdf/policies/code_dir2.pdf">http://dcl.net.in/pdf/policies/code_dir2.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment of Independent Directors are available on the Company's website. (Terms of appointment of Independent Director).	<a href="http://dcl.net.in/pdf/policies/Terms%20and%20Conditions.pdf">http://dcl.net.in/pdf/policies/Terms%20and%20Conditions.pdf</a>

## **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company is committed to provide all its employees an environment free of gender based discrimination. In furtherance of this commitment, the Company strives to provide all its employees with equal opportunity and conditions of employment, free from gender based coercion, intimidation or exploitation. The Company is dedicated to ensure enactment, observance and adherence to guidelines and best practices that prevent and prosecute commission of acts of sexual harassment.

- Number of complaints filed during the financial year 2020-21- NIL
- Number of complaints disposed of during the financial year 2020-21- NIL
- Number of complaints pending as on end of the financial year 2020-21- NIL



# DHANLAXMI COTEX LIMITED

## **MANAGEMENT DISCLOSURES:**

The Senior Management personnel have made disclosures to the Board relating to all material financial and commercial transactions, if any, where they may have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management personnel has entered into any such transactions during the year.

## **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENT UNDER THIS CLAUSE**

The Company is in Compliance with all mandatory requirements of Listing Regulations. In addition Company has also adopted the following Non-mandatory requirements to the extent mentioned below:

Certificate as required under Part C of Schedule V of Listing Regulations, have been received from M/s. Pankaj Trivedi & Co., Practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

## **PARTICULARS OF STATUTORY AUDITOR:**

Total Fees for all services paid by the listed entity to the statutory auditor:

Total fees for financial Year 2020-21, for all services as mentioned below, was paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

<b>PAYMENT TO AUDITORS</b>	<b>Total</b>
Statutory Audit Fees	60,000/-
Internal Auditor Fees	1,00,000/-
Tax Audit Fees	-
Other Fees	-
<b>Total</b>	<b>1,60,000</b>

Total fees for all services paid by the Company to the statutory auditor are provided in the Notes to Standalone Financial Statements forming part of this Annual Report. The Statutory Auditors have not provided any services to the subsidiaries of the Company.

## **COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS.**

Your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause (b) to (i) of sub-regulation (2) of Regulation 46 The discretionary requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance

## **COMPLIANCE CERTIFICATE FROM AUDITORS ON CORPORATE GOVERNANCE**

Certificate from Secretary Auditors M/s. Pankaj Trivedi & Co., Company Secretary in Practice confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

## **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT (FORMERLY KNOWN AS SECRETARIAL AUDIT REPORT) AND CERTIFICATE OF COMPLIANCE WITH REGULATION 40(9) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The SEBI vide Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 has modified the terminology of Secretarial Audit, as Reconciliation of Share Capital Audit. A qualified Practicing Company Secretary has carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit (formerly known as Secretarial Audit Report) confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL. The audit is carried out by M/s. Pankaj Trivedi & Co., Practicing Company Secretaries every quarter and report thereon is submitted to the Stock Exchanges along with half yearly Compliance Certificate as per Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and placed before the Board of Directors.

## **DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT (UNCLAIMED SHARES): NIL**



# DHANLAXMI COTEX LIMITED

## **MANAGING DIRECTORS DECLARATION ON CODE OF CONDUCT AND ETHICS:**

The Board of Directors of the Company has laid down Code of Conduct and Ethics (The Code) for the Company's Directors and Senior Executives. All the Directors and the Senior Executives covered by the code have affirmed compliance with the code on an annual basis.

## **GENERAL BODY MEETING:**

(ix) Location, date and time of the Annual General Meetings held during the last three years held during the last year are given below:

Financial Year	Type of Meeting	Location	Meeting Date and Time
2019-2020	34 <sup>th</sup> AGM	Through VC/OAVM at 285, 2nd Floor, C.J. House, Princess Street, Mumbai-400 002	30/09/2020 01.00 p.m.
2018-2019	33 <sup>rd</sup> AGM	285, 2nd Floor, C.J. House, Princess Street, Mumbai-400 002	30/09/2019 11.30 a.m.
2017-2018	32 <sup>nd</sup> AGM	285, 2nd Floor, C.J. House, Princess Street, Mumbai-400 002	28/09/2018 11.30 a.m.

(ii) No Extra Ordinary General Meeting was held during the year.

(iii) No Postal Ballot was conducted by during the year.

## **MEANS OF COMMUNICATION:**

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of communication such as results announcement, annual reports, media releases, and Company's website and through green initiatives.

## **GENERAL INFORMATION FOR MEMBERS**

### **A. 35<sup>th</sup> Annual General Meeting**

Day & Date	Time	Venue
Wednesday, 29 <sup>th</sup> September, 2021	10.30 a.m.	(Via Video- Conferencing / OAVM) 285, 2nd Floor, C.J. House, Princess Street, Mumbai-400 002

### **B. Financial Calendar (2021-22)**

Particulars	Period
Financial Year	April 1, 2021 to March 31, 2022
<b>For consideration of Unaudited/Audited Financial Results</b>	
Results for quarter ending June 30, 2021	On or before August 14, 2021
Results for quarter ending September 30, 2021	On or before November 14, 2021
Results for quarter ending December 31, 2021	On or before February 14, 2022
Results for quarter ending March 31, 2022	On or before May 30, 2022
AGM for the year ending March 31, 2022	On or before September 30, 2022

### **C. Book Closure Date**

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 23.09.2021 to 29.09.2021. (Both days inclusive)

### **D. Share Transfer System**

Share transfers in physical form are processed by the Registrar and Transfer Agents, Bigshare Services Private Limited and are approved by the Stakeholders Relationship Committee of the Company or the authorized signatories of the Company. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects. The depository system handles share transfers in dematerialized form.

E. **Dividend Payment Date:** Not Applicable.

F. a. Listing of Equity Shares: Bombay Stock Exchange  
b. Listing fee is paid to the Bombay stock exchange Limited.

G. a. BSE Script Code: **512485**  
b. Demat ISIN Numbers in NSDL & CDSL **INE977F01010** for Equity Shares.

### **H. Dematerialization of Shares**





# DHANLAXMI COTEX LIMITED

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on 31st March, 2021 are as follows:

Mode	No. of Shares	% Shares
Physical Form	7,19,350	14.77%
With NSDL	74,562	01.53%
With CDSL	40,77,438	83.70%
<b>Total</b>	<b>48,71,350</b>	<b>100%</b>

## I. Market Price Sensitive Information:

The monthly 'high' and 'low' closing prices of the shares traded during the period from April 2020 to March 2021 on BSE are given below:

Month	High Price	Low Price	Close Price	No. of Shares
Apr-20	21.40	21.40	21.40	Apr-20
May-20	20.35	19.35	19.35	May-20
Jun-20	18.45	16.70	16.70	Jun-20
Jul-20	15.90	15.20	15.20	Jul-20
Aug-20	14.60	14.50	14.60	Aug-20
Sep-20	13.87	13.87	13.87	Sep-20
Oct-20	13.20	12.02	12.02	Oct-20
Nov-20	11.45	11.45	11.45	Nov-20
Dec-20	-	-	-	-
Jan-21	-	-	-	-
Feb-21	-	-	-	-
Mar-21	13.76	10.88	13.08	399

## J. Shareholding Pattern Of The Company As On 31st March, 2021

Category	No. of Shares held	% of Shareholding
<b>A. Promoter's Holding</b>		
<b>1. Promoters</b>		
- Indian Promoters	31,94,055	65.57%
- Foreign Promoters	0	0.00%
<b>2. Persons acting in concert</b>	0	0.00%
<b>Sub - Total</b>	<b>31,94,055</b>	<b>65.57%</b>
<b>B. Non-Promoter's Holding</b>		
<b>3. Institutional Investors</b>	0	0.00%
a) Mutual Funds and UTI	0	0.00%
b) Banks, Financial Institutions, Insurance Cos.	5000	0.10%
c) Central/State Govt. Institutions / Non-Government Institutions)	0	0.00%
<b>C. FI's</b>		
<b>Sub - Total</b>	<b>5000</b>	<b>0.10%</b>
<b>4. Others</b>		
a) Private Corporate Bodies	7,69,560	15.80%
b) Indian Public & Huf	9,02,735	18.53%
c) NRI's	0	0.00%
d) OCB's	0	0.00%
e) Cl. member	0	0.00%
<b>Sub-Total</b>	<b>16,72,295</b>	<b>34.33%</b>
<b>Grand Total</b>	<b>48,71,350</b>	<b>100.00%</b>

## K. Distribution of shareholding as on 31st March, 2021

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
Up to 500	1505	96.78%	342245	7.02%
501 - 1000	12	0.77%	8910	0.18%
1001-2000	14	0.90%	24250	0.49%
2001-3000	1	0.06%	2500	0.05%
3001-5000	3	0.19%	15000	0.30%
5001-10000	1	0.06%	10000	0.20%
10,000 and above	19	1.22%	4468445	91.72%
<b>TOTAL</b>	<b>1555</b>	<b>100%</b>	<b>4871350</b>	<b>100%</b>



# DHANLAXMI COTEX LIMITED

## SHARE CAPITAL AUDIT

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and is also placed before the Stakeholder Relationship Committee on a quarterly basis.

## SHARE TRANSFER / TRANSMISSION SYSTEM & PROCESS

Transfer of shares in physical form is processed by the Company's Registrars & Transfer Agents (RTA) generally within fifteen days from the date of receipt, provided the transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for the necessary approval.

The Chairman transfer/transmission requests received in physical form from time to time. Investors may kindly take note that SEBI has mandated that in case of securities market transactions and off market/private transactions involving transfer of shares of a listed company in physical mode, it shall be compulsory for the transferee(s) to furnish a copy of the PAN card to the Company/RTA, together with the transfer documents for registering transfer of such shares.

## MEANS OF COMMUNICATION

At Dhanlaxmi Fabrics Limited effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of communication such as results announcement, annual reports, media releases, and Company's website and through green initiatives.

Intimation to Stock Exchange -Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of listing agreement.

**Company's Website** - The Financial Results was also displayed on the Company's website [www.dcl.net.in](http://www.dcl.net.in) the Company also keeps on updating its website with other relevant information, as and when required. The company did not make any official news releases nor made any presentations to the institutional investors or analysts, during the period under review.

**Newspapers Publications** - The Financial Results and other Communications of the Company were normally published in 2 papers i.e. English 'Free Press Journal' and Marathi 'Navshakti'.

**Annual Report**- Annual Report containing, inter alia, the Standalone Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format.

**M/s Big Share services Pvt Ltd**  
CIN: U99999MH1994PTC076534  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Mumbai, Maharashtra, 400002  
Board No. 022 40430200  
Direct: 022-40430295  
Mobile No. 7045454392  
Email id: investor@bigshareonline.com

**M/s. Dhanlaxmi Cotex Limited**  
CIN: L51100MH1987PLC042280  
Regd. Off: 285, Chatrabhuj Jivandas House,  
2nd Floor, Princess Street, Maharashtra  
Tel No. 022-49764268 / 23 / 22 / 21,  
Email: dcotex1987@gmail.com

**By Order of the Board of Directors**

Sd/-  
**Mahesh S. Jhavar**  
(Whole Time Director)  
DIN: 00002908  
Place: Mumbai  
Date: 11/08/2021

Sd/-  
**Rahul M. Jhavar**  
(Director)  
DIN: 07590581



# DHANLAXMI COTEX LIMITED

## **CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

To,  
The Members of  
Dhanlaxmi Cotex Limited

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Cotex Limited ("the Company") for the financial year ended March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2021, except as mentioned in Secretarial Audit Report for the year.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pankaj Trivedi & Co.,  
Practicing Company Secretary  
C P No.: 15301

Sd/-  
Pankaj Trivedi  
Proprietor  
ACS No.: 30512  
Place: Mumbai  
Date: 11.08.2021

### **CEO/CFO Certification**

#### **Compliance Certificate under Regulation 17(8) of SEBI (LODR) Regulation, 2015**

I, Mahesh Jhawar, Whole Time Director of the Company & Ganesh Singh, Chief Financial Officer of Company, have reviewed the financial statements and the cash flow statement for the year ended 31.03.2021 and that to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee

- (a) Significant changes in internal control over financial reporting during the year;
- (b) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
- (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For and on behalf of the Board

Sd/-  
Mahesh S. Jhawar  
(Whole Time Director)

Sd/-  
Ganesh Singh  
(Chief Financial Officer)

Place: Mumbai  
Date: 26.06.2021



# DHANLAXMI COTEX LIMITED

## **CERTIFICATE FOR ADHERENCE TO THE CODE OF CONDUCT (PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015)**

Declaration by the Director

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2021.

**For and on behalf of the Board**

Sd/-  
**Mahesh S. Jhawar**  
**(Whole Time Director)**  
**Place: Mumbai**  
**Date: 26.06.2021**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members**  
**Dhanlaxmi Cotex Limited**  
285, Chatrabhuj Jivandas House,  
2nd Floor, Princess Street, Mumbai - 400002,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Dhanlaxmi Fabrics Limited having CIN L51100MH1987PLC042280 and having registered office at 285, Chatrabhuj Jivandas House, 2nd Floor, Princess Street, Mumbai - 400002 and (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officer, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	DIN	Name of Director(s)	Date of Appointment in Company
1	00002908	Mahesh Sohanlal Jhawar	19/01/1987
2	00299699	Laxmi Jhawar Mahesh	14/11/2019
3	02171577	Niyati Ketan Shah	09/08/2019
4	07590581	Rahul Mahesh Jhawar	09/08/2019
5	08170211	Natwar Nagarmal Agarwal	09/07/2018
6	08679570	Arpit Tibrewala	07/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Pankaj Trivedi & Co.,  
Company Secretary in Practice**

Sd/-  
**Pankaj Trivedi**  
**(Proprietor)**  
**CP No. 15301**  
**Place: Mumbai**  
**Dated: 11/08/2021**



## ANNEXURE-F

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

#### INVESTMENT AND TRADING DIVISION (SECURITIES)

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2021

The Management Discussion and Analysis have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

The World Health Organization has declared the novel coronavirus (COVI 0- 19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced Unlock 1.0 till June 30, 2020. During the unlock 1.0 period private offices are allowed to operate with 10% of the staff with certain conditions initially and restricted the movement as a preventive/precautionary measures to avoid the spread of COVID- 19.

The Company remains fully compliance with the guidelines and direction of both Central and State Government. The situation has caused uncertainty and impacted the collection and other operations of the Company. However with various remote working measures, the Company has been able to restore its normal operations except certain functions which require physical movement e.g. field level visits.

Due to (COVID-19) as a pandemic, financial market was downwards with reason to believe due to liquidity measure. Management have no liquidity shortage and reason to believe that valuation of stock down is temporary nature and it will likely to be raised soon due to fundamentals of stock are very good. Hence Valuation of stock had taken at Cost value. However corresponding effects of cost and market value have taken in OCI (other comprehensive income).

The Company has sufficient working capital limits to meet financial requirements. Though the cash position was challenging, with our limits and tight control over expenditure, the company will be able to serve its debt and other financing arrangement.

The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review accounts receivables and measures.

#### 1) Industry Structure & Development

The COVID 19 break down in the business of our company since Last year March affected the numbers adversely and all markets have literally been stopped across the globe. It has led to lockdown and shrinkage in all economies world-wide very sharply. The above has put a lot of pressure on Stock Market and Textile industry in India. However the Company's strategy of long term holding do not affect the position of the Company.

#### 2) Opportunities & threats

With the globalization and electronic age, Indian stock market has changed over the past decade. The developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading avenues offering diverse pools of liquidity.

The opportunities for the Company are high purchasing power and people looking to more investment opportunities, growing rural market, earning urban youth, educating people about the benefits of investments to increase target audience, more penetration into the growing cities.

The threats are stringent economic measures by Government and RBI, entry of foreign finance firms in Indian market, increased competition to keep market share and margins under pressure, increased regulatory compliances affect margins and functioning.

For fiscal 2021, we will continue to execute our strategy along the same dimensions. The retail market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the economy. In our strategy, we will enable us to advise and help our clients as they tackle these market conditions. Especially in the areas of digitization of processes, migration to cloud based technologies, workplace transformation, and business model transformation.



First half of FY 21 is expected to be very tough and the second half is expected to give some relief to the business and the society in general if all the countries especially India is able to control the COVID- 19 Pandemic.

### 3) Outlook

The Outlook of the Company for the year ahead is to diversify risk and stabilize its asset quality .The Company is proactively responding to the changing business environment and is confident of sustaining its market share by improving competitive position in the market. The overall business outlook for the company is promising with improvement in overall economic environment. Efforts towards higher operational efficiencies shall continue. The company continues to examine the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

For F.Y. 2020-21, the immediate focus shall be on the recovery of the outstanding and ensuring tighter control on the working capital and reigning in fixed costs to conserve cash. Overall, F.Y. 2020-21, is expected to be a tough year major focus shall be on cost cutting measures. Once we are through from the lock-down and the market reopens, the market is expected to bounce back.

### 4) Risks and concerns

The Company is now concentrating on investment and trading in Securities. Competition in the market continues to have an impact on the Company's operational performance and also exerts pressure on the margins.

### 5) Internal Control Systems and their adequacy

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

### 6) Human Resource Development

The Company believes that the human resources are vital resource in giving the company a competitive edge in the current business environment. The company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past, the company enjoyed cordial relations with the employees at all levels.

The Company continues to accord the highest priority to health and safety of its employees and communities it operates in. The Company has been fully committed to comply with all applicable laws and regulations and maintains the highest standard of Occupational Health and Safety and ensures safer plants. We believe in good health of our employees.

Further, to prevent the spread of pandemic Covid-19, the Company has taken all precautionary measures required, such as social distancing, use of masks and sanitizers etc., at all its plant and construction sites as well as at office locations. Your Company is in full compliance of all Government directives issued in this behalf.

### 7) Subsidiary Company:

As there are no subsidiaries of the Company, Investment made in Subsidiaries is NIL.

### 8) Segment-Wise Performance:

The Company operates in single reported segment with main business of Finance and Share Trading activity.

### 9) Performance of the board and committees:

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

- (a) Most of the Directors attended the Board meeting;
- (b) The remunerations paid to executive Directors are strictly as per the company and industry policy.
- (c) The Independent Directors only received sitting fees.
- (d) The Independent Directors contributed a lot in the Board and committee deliberation and business and operation of the company and subsidiaries based on their experience and knowledge and Independent views.
- (e) Risk Management Policy was implemented at all critical levels and monitored by the Internal Audit team who places report with the Board and Audit committee.

### 10) Key Financial Ratios:

In accordance with the amended SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:

The Company has identified following ratios as key financial ratios:



# DHANLAXMI COTEX LIMITED

Particulars	F.Y. 2020-21	F.Y. 2019-20	% of Change
Debtors T/o	0.00	0.00	-100%
Inventory T/o	2.12	0.63	239%
Interest Coverage	22.96	0.00	2296%
Current Ratio	501.88	27.36	1735%
Debt Equity Ratio	0.00	0.00	
Operating Margin (%)	6.85	36.89	-221%
Net Profit (%)	4.02	33.27	-81%
Return on Net worth (%)	0.78	14.74	-95%

By Order of the Board of Directors

Sd/-  
Mahesh S. Jhavar  
(Whole Time Director)  
DIN: 00002908  
Place: Mumbai  
Date: 11.08.2021

Sd/-  
Rahul M. Jhavar  
(Director)  
DIN: 07590581



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Dhanlaxmi Cotex Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Statement of quarterly and year to date financial results of Dhanlaxmi Cotex Limited ("the Company") for the year ended March 31, 2021 and the year to date results for the period from 1st April 2020 to 31st March 2021 attached herewith by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the NBFC criteria referred to in the Basis for qualified opinion paragraph, the standalone financial results:

- a. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

#### **Basis for Qualified opinion:**

During the course of our audit, we have examined that the Company's principal business activity is buying and selling of Quoted shares in an active market. In our opinion, the Company fulfills the criteria for qualifying to be registered as Investment NBFC as its Financial assets constitutes more than 50% of its total assets and income from such financial assets constitutes more than 50% of gross income.

#### **Management's Responsibility for the Standalone Financial Statements**

These standalone annual financial results have been prepared on the basis of the standalone financial statements which is the responsibility of the Management and the Board of Directors

The Company's Management and Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.





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

- Identify and assess the risks of material misstatement of the standalone annual financial results whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 appropriateness of this assumption. 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 annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 standalone balance sheet, the standalone statement of profit and loss (including comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement 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 rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For M/s. Gohel and Associates LLP.**  
**Chartered Accountants**  
**FRN: W100162**

**Sd/-**  
**Abhay M. Gohel**  
**Partner**  
**Membership Number: 152864**  
**UDIN: 21152864AAAACZ1421**  
**Place: Mumbai**  
**Date: 26/06/2021**

## **ANNEXURE A TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Fortune Integrated Finance Limited of even date)

- In respect of the Company's fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- The Company is a Non-Banking Finance Company, primarily engaged in the business of finance against security of vehicles on short, medium and long-term basis. Accordingly, Paragraph 3(ii) of the order is not applicable.
- The Company has granted unsecured loans to Companies covered under in the register maintained under section 189 of the Act.
  - In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - In the case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - There are no overdue amounts in respect of the loans granted to the Companies listed in the register maintained under section 189 of the Act.
- The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by any parties covered under section 185 of the Act. In our opinion and according to information and explanation given to us, the Company has complied with the provisions of section 186 of the Act with respect to grant of loans, making investments and providing guarantees and securities, as applicable.
- In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
- The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- In respect of statutory dues:
  - According to the information and explanations given to us and on the basis of our examination of the records of the



# DHANLAXMI COTEX LIMITED

Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable

- b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to the bank and has not issued any debentures. The Company did not have any outstanding dues to financial institutions.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the required approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the Company is required to be register under section 45-IA of the Reserve Bank of India Act 1934 and the registration for the same has not been obtained.

**For M/s. Gohel and Associates LLP.**  
**Chartered Accountants**  
**FRN: W100162**

**Sd/-**  
**Abhay M. Gohel**  
**Partner**  
**Membership Number: 152864**  
**UDIN: 21152864AAAACZ1421**  
**Place: Mumbai**  
**Date: 26/06/2021**

## **ANNEXURE B TO THE AUDITORS' REPORT**

Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Fortune Integrated Finance Limited 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 Fortune Integrated Finance Limited ("the Company") as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**



The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing 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 were 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 judgement, including the assessment of the risks of material misstatement in the 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 control system over financial reporting.

## **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. Gohel and Associates LLP.**  
**Chartered Accountants**  
**FRN: W100162**

**Sd/-**  
**Abhay M. Gohel**  
**Partner**  
**Membership Number: 152864**  
**UDIN: 21152864AAAACZ1421**  
**Place: Mumbai**  
**Date: 26/06/2021**



# DHANLAXMI COTEX LIMITED

## DHANLAXMI COTEX LIMITED

### Balance Sheet as at 31st March, 2021

(Amount in Rupees)

PARTICULARS		Note	As at 31.03.2021		As at 31.03.2020	
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
1	a.	Property, Plants & Equipment	1	5,171		31,467
	b.	<u>Financial Assets</u>				
		i) Non-Current Investments	2	116,389,544		68,516,893
		ii) Loans	3	61,181,155		62,998,663
	c.	Other Tax Assets(Net)	4	388,860		527,631
	d.	Other Non-Current Assets	5	1,524,260	179,488,990	1,524,260
						133,598,913
<b>Current Assets</b>						
2	a.	Inventories	6	146,852,864		61,807,042
	b.	<u>Financial Assets</u>				
		i) Current Investments	7	9,424,978		30,953,082
		ii) Cash and Bank Balances	8	17,964,570		865,112
		iii) Other financial Assets	9	133,855		-
	c.	Current Tax Assets(Net)	10	5,227,696		-
	d.	Other Current Assets	11	58,000	179,661,963	-
						93,625,236
<b>TOTAL ASSETS</b>				<b>359,150,953</b>		<b>227,224,149</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
1	a.	Equity Share Capital	12	48,713,500		48,713,500
	b.	Other Equity	13	309,846,805	358,560,305	174,420,290
						223,133,790
<b>Non-Current Liabilities</b>						
	c.	Deferred Tax Liability	14		232,671	668,045
<b>Current Liabilities</b>						
	d.	<u>Financial Liabilities</u>				
		i) Borrowings	15	-		2,500,000
		ii) Trade Payable	16	215		60,418
		iii) Other financial Liabilities	17	357,762	357,977	861,896
						3,422,314
<b>TOTAL EQUITY &amp; LAIBILITIES</b>				<b>359,150,953</b>		<b>227,224,149</b>

As per our attached report of even date  
For M/s. Gohel and Associates LLP  
Chartered Accountants  
(FRN: W100162)  
UDIN: 21152864AAAACZ1421

Sd/-  
Abhay M. Gohel  
(Partner)  
(Mem No. 152864)

Place: Mumbai  
Dated: 26<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-  
Mahesh S. Jhawar  
(Whole Time Director)  
DIN: 00002908

Sd/-  
Ganesh Singh  
(Chief Financial Officer)

Sd/-  
Rahul M. Jhawar  
(Director)  
DIN: 07590581

Sd/-  
Khyati Modi  
(Company Secretary)

Sd/-  
Natwar Agarwal  
(Director)  
DIN: 08170211



# DHANLAXMI COTEX LIMITED

## DHANLAXMI COTEX LIMITED

### Statement of Profit and Loss for the year ended 31st March, 2021

	PARTICULARS	Note	(Amount in Rupees)	
			Year Ended 31.03.2021	Year Ended 31.03.2020
A	<b>Continuing Operations:</b>			
1	Revenue from operations	18	48,620,521	50,713,324
2	Other Income	19	20,639,324	48,131,147
	<b>Total Revenue</b>		<b>69,259,845</b>	<b>98,844,471</b>
3	<b>Expenses</b>			
	(a) Purchases of Stock in Trade	20	61,447,794	65,790,650
	(b) Changes in Inventories	21	(5,588,013)	(15,028,240)
	(c) Employees Benefit Expenses	22	6,397,370	8,383,264
	(d) Depreciation	1	26,296	26,297
	(e) Finance Cost	23	206,751	-
	(e) Other Expenses	24	2,255,955	3,210,567
	<b>Total Expenses</b>		<b>64,746,153</b>	<b>62,382,539</b>
4	<b>Profit Before Exceptional Items &amp; Taxes</b>		<b>4,513,692</b>	<b>36,461,932</b>
	Exceptional Items		1,729,834	-
	<b>Profit/(Loss) Before Taxes</b>		<b>2,783,858</b>	<b>36,461,932</b>
	<b>Tax Expenses</b>			
	(a) Current Tax		434,282	3,575,321
	(-) MAT Credit Entitlement		(434,282)	-
	(b) Earlier Tax		-	-
	(c) Deferred Tax		1,092	1,842
	<b>Net Tax Expenses</b>		<b>(1,092)</b>	<b>3,573,479</b>
	<b>Profit/(Loss) for the period</b>	A	<b>2,784,950</b>	<b>32,888,453</b>
	<b>Other comprehensive income</b>			
	- Items that will not be reclassified to profit or loss		17,523,652	(170,838,757)
	- Income tax relating to items that will not be reclassified to profit or loss		-	-
	- Items that will be reclassified to profit or loss		-	-
	- Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Total comprehensive income for the period</b>	B (A+B)	<b>17,523,652</b>	<b>(170,838,757)</b>
	<i>(Profit/ loss + other comprehensive income)</i>		<b>20,308,602</b>	<b>(137,950,304)</b>
	<b>Earnings per Equity share</b> (Face Value of Rs. 10/- each)			
	a) Basic		0.57	6.75
	b) Diluted		0.57	6.75
	Significant Accounting Policies Notes of Financial Statements	1-31		

As per our attached report of even date

For M/s. Gohel and Associates LLP

Chartered Accountants

(FRN: W100162)

UDIN: 21152864AAAACZ1421

Sd/-

Abhay M. Gohel

(Partner)

(Mem No. 152864)

Place: Mumbai

Dated: 26<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-

Mahesh S. Jhawar  
(Whole Time Director)  
DIN: 00002908

Sd/-

Ganesh Singh  
(Chief Financial Officer)

Sd/-

Rahul M. Jhawar  
(Director)  
DIN: 07590581

Sd/-

Khyati Modi  
(Company Secretary)

Sd/-

Natwar Agarwal  
(Director)  
DIN: 08170211



## DHANLAXMI COTEX LIMITED

### Cash Flow Statement for the Year Ended 31 March, 2021

(Amount in Rupees)

Particulars	For the year ended		For the year ended	
	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		2,783,858		36,461,932
<b>Adjustments for:</b>				
Depreciation and amortization	26,296		26,297	
(Profit) (-) Loss (+) on sale of Investment	(9,855,534)		(45,065,914)	
Dividend received	(1,863,793)		(2,543,877)	
Finance Cost	206,751		-	
Interest income	(8,483,954)		(5,753,241)	
Operating profit / (loss) before working capital changes		(17,186,376)		(16,874,803)
<b>Changes in working capital:</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
(Increase) / Decrease in Inventories	(5,588,013)		(15,028,240)	
(Increase) / Decrease in Trade and other receivables	-		1,324,606	
(Increase) / Decrease in Other Financial assets	(133,855)			
(Increase) / Decrease in Other current assets	(58,000)		(3,412,081)	
(Increase) / Decrease in Other non-current assets	138,771		(61,317,507)	
Increase / (Decrease) in Trade and other Payables	(60,203)		60,416	
Increase / (Decrease) in Unsecured Loan	(2,500,000)		2,500,000	
Increase / (Decrease) in Other Current Liabilities	(504,134)		686,659	
Increase / (Decrease) in Provision	434,282			
Cash generated from operations		(8,271,153)		(75,186,146)
Net income tax (paid) / refunds		(25,457,528)		(92,060,950)
		5,661,978		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(31,119,507)</b>		<b>(92,060,950)</b>
<b>B. Cash flow from investing activities</b>				
(Purchase)/Sales of Investment	26,404,925		34,197,319	
Long Term and Short Capital Gains	9,855,534		45,065,914	
Interest received	8,483,954		5,753,241	
Dividend Received	1,863,793		2,543,877	
Loan received back	1,817,508		-	
Purchase of FA	-		(47,200)	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>48,425,713</b>		<b>87,513,152</b>
<b>C. Cash flow from financing activities</b>				
Interest Paid	(206,751)		-	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(206,751)</b>		<b>-</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>17,099,456</b>		<b>(4,547,798)</b>
Cash and cash equivalents at the beginning of the year		865,112		5,412,910
<b>Cash and cash equivalents at the end of the year</b>		<b>17,964,568</b>		<b>865,112</b>

As per our attached report of even date

For M/s. Gohel and Associates LLP

Chartered Accountants

(FRN: W100162)

UDIN: 21152864AAAACZ1421

Sd/-

Abhay M. Gohel

(Partner)

(Mem No. 152864)

Place: Mumbai

Dated: 26<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-

Mahesh S. Jhawar

(Whole Time Director)

DIN: 00002908

Sd/-

Ganesh Singh

(Chief Financial Officer)

Sd/-

Rahul M. Jhawar

(Director)

DIN: 07590581

Sd/-

Khyati Modi

(Company Secretary)

Sd/-

Natwar Agarwal

(Director)

DIN: 08170211



# DHANLAXMI COTEX LIMITED

## DHANLAXMI COTEX LIMITED

Notes on Financial Statements for the year ended 31st March, 2021

(Amount in Rupees)

Note - 1												
(Amount in Rupees)												
Particulars	Gross Block					Depreciation/ Amortization/ Impairment Losses					Net Block	
	As at 01.04.20	Through purchase	Through business combination	Deduction During The year	As at March 21	Up To March 20	Dep. for the year	Impairment Losses	Deduction during the year	As at 31.03.21	As at 31.03.21	As at 31.03.20
Computer	1,29,750	-	-	-	129,750	98,283	26,297	-	-	1,24,579	5,171	31,467
<b>Total</b>	<b>1,29,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,750</b>	<b>98,283</b>	<b>26,297</b>	<b>-</b>	<b>-</b>	<b>1,24,579</b>	<b>5,171</b>	<b>31,467</b>
P.Y	82,550	47,200	-	-	129,750	71,986	26,297	-	-	98,283	31,476	10,564

Note - 2										
(Amount in Rupees)										
Sr. No.	Non-Current Investments (At fair market value)	As at 31.03.2021				As at 31.03.2020				
		Face value	Qty	Rate	Amount	Face value	Qty	Rate	Amount	
1	Aditya Birla Faishon & Retail Ltd	10	23,423	201.25	4,713,879	10	23,423	152.90	3,581,377	
2	Aditya Birla Capital Ltd	10	3,150	119.30	375,795	10	3,150	42.20	132,930	
3	Aftek Info Ltd. (Bonus)	10	7,564	1.63	12,329	10	7,564	1.63	12,329	
4	Ajay Multi Projects Ltd	10	56,800	0.00	0	10	56,800	0.00	0	
5	Ankur Drugs & Phar (Bonus)	10	8,000	3.65	29,200	0	0	0.00	0	
6	Alok Industries	10	2,000	20.15	40,300	10	2,000	3.92	7,840	
7	Bank of Baroda	2	10,000	74.10	741,000	2	10,000	53.55	535,500	
8	Biria Tyre	10	2,000	22.75	45,500	10	2,000	2.95	5,900	
9	Central Bank of India	10	25,000	16.30	407,500	10	25,000	12.20	305,000	
10	Chennai Super Kings- Bonus	10	2,000	0.00	0	0	0	0.00	0	
11	Compuage Infocom	10	320	18.45	5,904	10	320	8.34	2,669	
12	Crest Animation Com Ltd	10	7,315	1.05	7,681	10	7,315	1.05	7,681	
13	Dalmia Bharat	10	9,129	1589.00	14,505,981	10	10,129	490.60	4,969,287	
14	DCM Nouvelle	10	14,807	84.95	1,257,855	10	14,807	27.15	402,010	
15	DIVIS Laboratories Ltd.	2	4,150	3,622.80	15,034,620	2	4,150	1,989.05	8,254,558	
16	DSQ Software Ltd. (Bonus)	10	25	6.60	165	10	25	6.60	165	
17	DLF Limited	10	500	2870.05	1,435,025	10	500	137.50	68,750	
18	Elecon Engineering Co. Ltd.	2	0	0.00	0	2	0	0.00	0	
19	Future Ent	10	5,000	7.95	39,750	10	5,000	8.65	43,250	
20	Gas Authority of India Ltd	10	5,000	135.50	677,500	10	5,000	76.45	382,250	
21	Gas Authority of India - Bonus	10	21,664	135.50	2,935,472	10	21,664	76.45	1,656,213	
22	Garden Silk Ind. Ltd.	10	14,389	13.07	188,064	10	14,389	5.25	75,542	
23	Grasim Ind. Ltd.	2	2,250	1450.55	3,263,738	2	2,250	475.40	1,069,650	
24	Glenmark Pharmaceuti Ltd	1	17,000	464.70	7,899,900	1	18,000	205.85	3,705,300	
25	GPI Textiles	10	3,060	0.00	0	10	3,060	0.00	0	
26	GTN Textiles Ltd.	10	5,000	4.86	24,300	10	5,000	7.54	37,700	
27	Hathway Bhawani	10	3,180	16.35	51,993	10	3,180	9.36	29,765	
28	Hindustan Motors	10	5,000	6.65	33,250	10	5,000	3.04	15,200	
29	Hindustan Deve Crop Ltd	10	3,500	0.00	0	10	3,500	0.00	0	
30	Hemisphere Proper(Bonus)	10	500	137.20	68,600	0	0	0.00	0	
31	Indian Oil Ltd.	10	0	0.00	0	0	0	0.00	0	
32	Indian Oil Ltd. (Bonus)	10	0	0.00	0	0	0	0.00	0	
33	IDFC Ltd.	10	2,000	47.35	94,700	10	2,000	14.85	29,700	
34	IDFC Bank Ltd.	10	2,000	55.70	111,400	10	2,000	21.10	42,200	
35	ISMT	10	5,000	10.80	54,000	10	5,000	2.61	13,050	
36	Intense Technology	10	1,000	31.75	31,750	10	1,000	14.10	14,100	
37	Jaiprakash Associates (Bonus)	2	5,500	6.90	37,950	2	5,500	1.07	5,885	
38	JCT Ltd.	2.50	0	0.00	0	2.50	0	0.00	0	
39	Karnataka Bank Ltd	10	100,000	61.10	6,110,000	10	100,000	42.05	4,205,000	
40	Karnataka Bank Ltd (Bonus)	10	10,000	61.10	611,000	10	10,000	42.05	420,500	





# DHANLAXMI COTEX LIMITED

41	KCP Sugar	10	15,308	14.70	225,028	10	15,308	13.11	200,688
42	Kotak Mahindra Bank Ltd	5	1,000	1753.00	1,753,000	5	1,000	1296.05	1,296,050
43	Kotak Mahindra Bank (Bonus)	5	1,000	1753.00	1,753,000	5	1,000	1296.05	1,296,050
44	Laurus Labs Ltd.	10	0	0.00	0	10	0	0.00	0
45	Larsen & Turbo	10	450	1418.90	638,505	10	450	806.85	363,083
46	Maars Software (Bonus)	10	24,850	0.26	6,461	10	24,850	0.26	6,461
47	Magnum Ventures	10	23,125	4.90	113,313	10	23,125	2.71	62,669
48	MMTC Limited	10	1,500	42.35	63,525	10	1,500	12.35	18,525
49	Nagarjuna Ferti	10	2,750	6.30	17,325	10	2,750	3.12	8,580
50	Nagarjuna Oil	10	2,500	0.25	625	10	2,500	0.25	625
51	NCC Ltd	2	36,747	79.00	2,903,013	2	36,747	18.80	690,844
52	Nahar Polyfilm	5	0	0.00	0	5	14,065	26.05	366,393
53	Nahar Spg. Ltd.	5	34,500	104.05	3,589,725	5	34,500	26.00	897,000
54	Nahar Capital Ltd.	5	3,288	104.50	343,596	5	3,288	51.45	169,168
55	Nahar Industry Enterprises	10	13,787	44.10	608,007	10	13,787	17.65	243,341
56	Network -18 Media	5	53,821	36.40	1,959,084	5	53,821	18.40	990,306
57	Nextgen	10	800	1.78	1,424	10	800	1.78	1,424
58	Orient Paper	2	1,000	24.60	24,600	2	1,000	14.60	14,600
59	Peninsula Land Ltd.	2	15,000	8.10	121,500	2	15,000	2.34	35,100
60	Pennar Ind	10	5,000	16.30	81,500	10	5,000	14.00	70,000
61	Prakash Pipes	10	0	0.00	0	10	1,912	23.40	44,741
62	Prime Proper	10	675	8.00	5,400	10	675	9.57	6,460
63	Punj Lloyd Ltd.	2	25,000	1.50	37,500	2	25,000	0.85	21,250
64	Rana Sugars	10	25,000	9.65	241,250	10	25,000	3.30	82,500
65	Reliance Industries Ltd.	10	1,587	2003.10	3,178,920	10	1,587	1113.75	1,767,521
66	Reliance Industries (Bonus)	10	5,306	2003.10	10,628,449	10	5,333	1113.75	5,939,629
67	Sail	10	2,000	78.80	157,600	10	2,000	23.05	46,100
68	Sanpada Chem	10	20,000	10.60	212,000	10	20,000	10.60	212,000
69	Sarla Perform	10	2,000	24.10	48,200	10	2,000	12.75	25,500
70	Sun Pharmaceutical (Ranbaxy)	1	7,800	597.80	4,662,840	1	7,800	352.20	2,747,160
71	Shilpa Medicare Ltd.	1	176	333.80	58,749	1	176	244.65	43,058
72	Sistema Shyam Teleserv Ltd.	10	9,170	0.00	-	10	9,170	0.00	-
73	Siti Network Ltd	10	250	0.85	213	10	250	0.55	138
74	Sobha Limited	10	149	436.95	65,106	10	149	135.40	20,175
75	Subex Limited	10	0	0.00	0	10	10,000	3.07	30,700
76	Tata Comm	10	0	0.00	0	10	500	233.20	116,600
77	Tata Steel	10	0	0.00	0	10	119	269.75	32,100
78	TIL	10	100	151.80	15,180	10	100	100.95	10,095
79	TV-18 Broadcast Ltd.	2	100,454	28.75	2,888,053	2	100,454	15.50	1,557,037
80	3I Infotech	10	40,000	7.45	298,000	10	40,000	1.32	52,800
81	Vedanta Limited	10	0	0.00	0	10	720	64.75	46,620
<b>Sub Total - A</b>			-	-	<b>97,546,788</b>	-	-	-	<b>49,579,589</b>

## ASSOCIATE COMPANY SHARES

1	Dhanlaxmi Fabrics Ltd	10	347,079	15.90	5,518,556	347,079	1.46	508,124
2	Dhanlaxmi Fabrics Ltd	10	838,000	15.90	13,324,200	838,000	22.01	18,444,380
<b>Sub Total - C</b>			-	-	<b>18,842,756</b>	-	-	<b>18,952,504</b>
<b>Grand Total (A+B+C)</b>					<b>116,389,544</b>			<b>68,516,893</b>

## Note - 3

### LOANS

#### Other Loans:

Unsecured, considered good

#### Total

### Year Ended

31.03.2021

61,181,155

61,181,155

### Year Ended

31.03.2020

62,998,663

62,998,663

## Note - 4

### Other Tax Assets (Net)

TDS Receivable F Y 2019-20

Advance Tax 2019-20

IT Refund Due AY 2014-15

IT Refund Due AY 2015-16

IT Refund Due AY 2018-19

Less: Provision for Tax F Y 2019-20

#### Total

### Year Ended

31.03.2021

436,550

3,000,000

182,353

341,465

3,813

(3,575,321)

388,860

### Year Ended

31.03.2020

-

-

182,353

341,465

3,813

-

527,631



# DHANLAXMI COTEX LIMITED

Note - 5 OTHER NON-CURRENT ASSETS	Year Ended 31.03.2021	Year Ended 31.03.2020
Deposits -Long Term	1,524,260	1,524,260
<b>Total</b>	<b>1,524,260</b>	<b>1,524,260</b>

Note - 6 INVENTORIES	Year Ended 31.03.2021	Year Ended 31.03.2020
Stock -in -Trade (Shares)	146,852,864	61,807,042
<b>Total</b>	<b>146,852,864</b>	<b>61,807,042</b>

Note - 7									
Sr. No.	CURRENT INVESTMENTS	As at 31.03.2021				As at 31.03.2020			
	Fair Market Value	Face value	Qty	Rate	Amount	Face value	Qty	Rate	Amount
	<b>QUOTED SHARES</b>								
1	Chennai Super Kings- Bonus	10	-	-	-	10	2,000	-	-
2	ABSL Liquid Fund	-	-	-	-	-	-	-	5,080,740
3	Aditya Birla Faison & Retail Ltd(RI)	-	2,737	168.90	462,279	-	-	-	-
4	Sundaram BNP PSU Fund	10	-	-	-	10	76,470	65.38	5,000,000
5	Motilaloswal Select Opportunity Fund	10	-	-	-	10	1,009,333	0.00	10,000,000
6	Edelweiss Crossover Opportunity Fund	-	5,31,608	16.86	8,962,698	-	-	0.00	10,872,342
<b>Grand Total</b>		<b>Market Fare Value - B</b>			<b>9,424,978</b>	<b>Market Fare Value - B</b>			<b>30,953,082</b>

Note - 8 CASH AND CASH EQUIVALENTS	Year Ended 31.03.2021	Year Ended 31.03.2020
Cash in Hand	113,587	88,387
Balance with Bank	17,850,981	776,725
<b>Total</b>	<b>17,964,568</b>	<b>865,112</b>

Note - 9 OTHER FINANCIAL ASSETS	Year Ended 31.03.2021	Year Ended 31.03.2020
FD Interest Receivable	133,855	-
<b>Total</b>	<b>133,855</b>	<b>-</b>

Note - 10 CURRENT TAX ASSETS (NET)	Year Ended 31.03.2021	Year Ended 31.03.2020
Advance Tax & TDS Receivable	1,609,932	3,575,321
Self-Assessment Tax Paid	4,052,046	-
Provision for Income Tax	(434,282)	(3,575,321)
<b>Total</b>	<b>5,227,696</b>	<b>-</b>

Note - 11 OTHER CURRENT ASSETS	Year Ended 31.03.2021	Year Ended 31.03.2020
Advances to Staff	58,000	-
<b>Total</b>	<b>58,000</b>	<b>-</b>

Note - 12 EQUITY SHARE CAPITAL	As at 31.03.2021	As at 31.03.2020
<b>Authorised :</b> 55,00,000 Equity Shares of Rs.10/- each (Previous Year 55,00,000 Equity Shares of Rs.10/- each per value)	55,000,000	55,000,000
<b>Issued, Subscribed &amp; Paid-up :</b> 48,71,350 Equity Shares of Rs.10/- each fully paid-up in cash (Previous Year 48,71,350 Equity Shares of Rs.10/- each per value)	48,713,500	48,713,500
<b>TOTAL</b>	<b>48,713,500</b>	<b>48,713,500</b>



# DHANLAXMI COTEX LIMITED

## Note No 12.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting Period 31-03-2021

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,871,350	48,713,500	4,871,350	48,713,500
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>4,871,350</b>	<b>48,713,500</b>	<b>4,871,350</b>	<b>48,713,500</b>

## Note No 12.2: Terms/rights attached to equity shares

- (a) The company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share.
- (b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Note No 12.3: Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date:

No Bonus Shares Issued and Sub-Division of shares during the period of five years.

Name of Share Holders	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares	% held	No of Shares	% held
Eskay Niryat Pvt. Ltd.	529540	10.87%	529540	10.87%
Laxmi Mahesh Jhawar	1291290	26.51%	1291290	26.51%
Mahesh Sohanlal Jhawar	1823765	37.44%	1823865	37.44%

Note - 13 OTHER EQUITY	As at 31.03.2021	As at 31.03.2020
<b>Capital Reserve</b>		
At the beginning and at the end of the year	<b>1,185,603</b>	<b>1,185,603</b>
<b>General Reserve</b>		
At the beginning and at the end of the year	-	-
<b>Security Premium</b>		
Opening Balance	89,827,000	89,827,000
Add: during the year	-	-
Closing Balance	-	-
Surplus Closing Balance	<b>89,827,000</b>	<b>89,827,000</b>
<b>Other Comprehensive Income</b>		
Opening Balance	(134,418,088)	36,420,669
Add: during the year	132,641,564	(170,838,757)
Closing Balance	<b>(1,776,524)</b>	<b>(134,418,088)</b>
<b>Surplus</b>		
Opening Balance (As per the last Balance sheet)	217,825,776	184,937,322
Add: Transferred from surplus	2,784,950	3,668,875
<b>Sub Total - B</b>	<b>220,610,726</b>	<b>217,825,776</b>
<b>Grand Total (A+B)</b>	<b>309,846,805</b>	<b>174,420,291</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 ST MARCH, 2021

A. Equity Share Capital						
Particulars	Amount					
Balance at 31st March, 2020	48,713,500					
Changes in equity share capital during the year	-					
<b>Balance at 31st March, 2021</b>	<b>48,713,500</b>					
B. Other Equity						
Particulars	Reserves and Surplus				Other items of Other	Total
	Securities	Other	General	Retained		



# DHANLAXMI COTEX LIMITED

	premium Reserve	Reserves & Incentives	Reserves	Earnings	comprehensive income	
<b>Balance at 31.03.2020</b>	<b>89,827,000</b>	<b>1,185,603</b>	-	<b>217,825,776</b>	<b>134,418,088</b>	<b>174,420,290</b>
Profit for the year	-	-	-	2,784,950	-	2,784,950
Final Dividend	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-
Trf to General Reserve	-	-	-	-	-	-
Fair Value effect of Investments of shares	-	-	-	-	132,641,564	132,641,564
<b>Balance at 31.03.2021</b>	<b>89,827,000</b>	<b>1,185,603</b>	-	<b>220,610,726</b>	<b>(1,776,524)</b>	<b>309,846,805</b>

<b>Note - 14 DEFERRED TAX ASSETS/LIABILITIES (NET)</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Deferred Tax Liabilities		
Property, Plant and Equipment	666,953	668,045
	666,953	668,045
Deferred Tax Assets		
MAT Credit Entitlement	434,282	-
	434,282	-
<b>Total</b>	<b>232,671</b>	<b>668,045</b>

<b>Note - 15 BORROWINGS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Loan From Director	-	2,500,000
<b>Total</b>	<b>-</b>	<b>2,500,000</b>

<b>Note - 16 TRADE PAYABLE</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Trade Payable	215	60,418
<b>Total</b>	<b>215</b>	<b>60,418</b>

<b>Note - 17 OTHER FINANCIAL LIABILITIES</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Creditors for Expenses	15,960	101,700
Outstanding Expenses	121,614	599,367
Outstanding Statutory Liabilities	220,188	160,829
<b>Total</b>	<b>357,762</b>	<b>861,896</b>

<b>Note - 18 SALES</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Sale of Shares	47,095,583	50,713,324
<b>Total</b>	<b>47,095,583</b>	<b>50,713,324</b>

<b>Note - 18 DIRECT INCOME</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Profit & Loss on Futures & Options	1,386,916	(5,231,886)
Profit on Speculative Business	138,022	-
<b>Total</b>	<b>1,524,938</b>	<b>(5,231,886)</b>

<b>Note - 19 OTHER INCOME</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Interest Income	8,483,954	5,753,241
Dividend Income	1,863,793	2,543,877
Bad Debts Recovered	185,970	-
Other Income	250,073	-
Long Term Investment Profit	8,607,988	44,439,215
Short Term Investment Profit	1,247,546	626,699
<b>Total</b>	<b>20,639,324</b>	<b>53,363,033</b>

<b>Note - 20 Purchases</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Purchase of Shares	61,447,794	65,790,650
<b>Total</b>	<b>61,447,794</b>	<b>65,790,650</b>



# DHANLAXMI COTEX LIMITED

<b>Note - 21</b>	<b>As at</b>	<b>As at</b>
<b>CHANGES IN INVENTORIES</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Opening Stock : (Shares)	192,403,944	177,375,704
Closing Stock : (Shares)	197,991,957	192,403,944
<b>Total</b>	<b>(5,588,013)</b>	<b>(15,028,240)</b>

<b>Note - 22</b>	<b>As at</b>	<b>As at</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Directors Remuneration	4,950,000	6,000,000
Directors Sitting Fees	-	18,000
Company's Contribution to Provident Fund	302,975	344,575
Staff Salary & Bonus	1,121,525	2,343,912
Staff Welfare	22,870	21,352
<b>Total</b>	<b>6,397,370</b>	<b>8,727,839</b>

<b>Note - 23</b>	<b>As at</b>	<b>As at</b>
<b>FINANCE COST</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Interest Paid	206,751	-
<b>Total</b>	<b>206,751</b>	<b>-</b>

<b>Note - 24</b>	<b>As at</b>	<b>As at</b>
<b>OTHER EXPENSES</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Audit Fees (See Notes)	160,000	47,200
Advertisement & Exhibition Expenses	40,740	119,705
Bank & Demat Charges	13,757	13,338
Bad-Debts	-	236
Conveyance Expenses	34,329	7,618
Director Exam Fees	-	53,100
E-Voting	23,000	-
Electricity Expenses	93,470	62,526
Filing Fees	7,938	9,850
GST	5,760	54,815
Legal & Professional	426,046	445,672
Listing Fees & Depository Expenses	373,620	380,708
Medical Expenses	3,500	10,743
Office Expenses	38,065	110,760
Office Rent	480,000	160,000
Printing & Stationery	13,364	95,372
Postage, Courier & Telegram	347	7,701
Profession Tax	5,000	7,500
Repair & Maintenance	216,004	176,021
Service Charges & STT	219,794	771,339
Telephone Expenses	4,979	17,485
Travelling Expenses	20,716	209,409
Vehicle Expenses	75,526	104,894
<b>Total</b>	<b>2,255,955</b>	<b>2,865,992</b>

## 25. RELATED PARTY DISCLOSURE

### a) Name of the related party and description of relationship.

<b>Sr. No.</b>	<b>Related Parties</b>	<b>Nature of Relationship</b>
(i)	Mahesh Jhawar	Promoter, Whole Time Director
(ii)	Laxmi Jhawar	Promoter, Non-Executive Director
(iii)	Rahul Mahesh Jhawar	Promoter, Non-Executive Director
(iv)	Natwar Agarwal	Independent Director
(v)	Arpit Tibrewala	Independent Director
(vi)	Niyati Ketan Shah	Independent Director
(vii)	Khyati Modi	Company Secretary & Compliance Officer
(viii)	Ganesh Singh	Chief Financial Officer



# DHANLAXMI COTEX LIMITED

## b) Details of Transactions and Balances during the year with related parties at the year end.

Sr. No.	Related parties	Nature of Transactions during the year	2020-21 Rs.	2019-20 Rs.
(i)	Ramautar Jhawar	Director Remuneration	-	1,000,000
(ii)	Laxmi Jhawar	Office Security Deposit	-	1,000,000
		Rent paid	4,44,000	-
		Office Maintenance Charges	80,750	-
(iii)	Mahesh Jhawar	Director Remuneration	49,50,000	5,000,000
(iv)	Mahesh Jhawar	Interest free loan to Company	-	2,500,000
(v)	M R Share Broking Private Limited	Sale of Shares	-	91,595
(vi)	VRM Share Broking Private Limited	Sale of Shares	-	44,487,388
(vii)	M R Share Broking Private Limited	Purchase of Shares	-	24,136,454
(viii)	VRM Share Broking Private Limited	Purchase of Shares	-	18,335,195
(viii)	Jhawar Trade and Investments	Sale of Shares	-	30,884,000
(ix)	Konika Nirmal Shah	CS Remuneration	-	112,500
(x)	Ganesh Singh	CFO Remuneration	4,86,000	180,000
(xi)	Chandra Kishore Bohra	CFO Remuneration	-	154,000
(xii)	Khyati Modi	CS Remuneration	1,54,000	-

## 26. Financial instruments - Fair values and risk management

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31st March 2021					
Particulars	Carrying amount			Fair value	
	Through OCI	Amortized Cost	Total	Level 1	Total
<b>Financial assets</b>					
Investments	125,814,522	-	125,814,522	125,814,522	125,814,522
Trade Receivables	-	-	-	-	-
Other Non-Current Assets	-	1,524,260	1,524,260	-	-
Cash and cash equivalents	-	17,964,568	17,964,568	-	-
	<b>125,814,522</b>	<b>19,488,828</b>	<b>145,303,350</b>	<b>125,814,522</b>	<b>125,814,522</b>
<b>Financial liabilities</b>					
Trade Payables	-	357,762	357,762	-	-
	-	<b>357,762</b>	<b>357,762</b>	-	-

As at 31st March 2020					
Particulars	Carrying amount			Fair value	
	Through OCI	Amortized Cost	Total	Level 1	Total
<b>Financial assets</b>					
Investments	99,469,974	-	99,469,974	99,469,974	99,469,974
Trade Receivables	-	-	-	-	-
Other Non-Current Assets	-	64,522,923	64,522,923	-	-
Cash and cash equivalents	-	865,112	865,112	-	-
	<b>99,469,974</b>	<b>65,388,035</b>	<b>164,858,009</b>	<b>99,469,974</b>	<b>99,469,974</b>
<b>Financial liabilities</b>					
Trade Payables	-	861,896	861,896	-	-
	-	<b>861,896</b>	<b>861,896</b>	-	-

### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### C. Financial Risk Management

#### C. i. Risk management framework



A wide range of risks may affect the Company's business and operational or financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

## C. ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

### (a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, when recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2020
0 - 6 months	-	-
Beyond 6 months	-	-
<b>Total</b>	-	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

### (b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances as stated in Note No. 07. The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

## C. iii. 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.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## C. iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk, interest rate risk.



## C. iv.a Currency risk

The Company is not exposed to any currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposures are mainly denominated in INR's Only. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

## C. iv.b 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 is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

## 27. COMPANY OVERVIEW

The Company ("M/S. DHANLAXMI COTEX LIMITED") is an existing public limited company incorporated on 19th January, 1989 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 285, Princess Street, C J House, Mumbai - 400002. The Company's main activity is cornered with trading in Shares & Securities, investment in Shares & Securities & Financing Activities. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (Rs.).

## 28. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (A) Basis Of Preparation Of Financial Statement

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 24 on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows which is separately presented in the annual report.

The Financial Statements were authorized for issue by the Company's Board of Directors on 26.06.2021.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

### (i) Investments are measured at fair value.

### (B) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

### (I) Sales

(i) Domestic sales are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.

(ii) The Company recognises income from sale of shares & securities on accrual basis.

### (II) Other Income

### (i) Interest Income

Interest is recognised on a time proportionate basis, taking into account the amount outstanding and the coupon rate applicable.





## **(ii) Dividends**

Income from dividend is accounted when such dividend has been received and the Company's right to receive payment is established.

## **(iii) Gains on Investment**

The Profit/Loss on investments having a material bearing on the financial statements have been recognized on accrual basis through OCI. Actual Gain/Loss on Sale of Investment is recognised in Profit and Loss statement through corresponding debits in OCI.

## **(C) Property, plant and equipment**

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

(i) All items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Depreciation

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) The depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

## **(D) Inventories Valuation**

(i) Inventories of Shares & Securities are valued at Fair Market Value, with value changes recognised in Other Comprehensive Income

## **(E) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **(F) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## **(G) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **(H) Borrowing Cost**

(i) Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

"(ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach."

## **(I) Foreign Currency Transaction**

(i) In respect of foreign exchange transaction, the transaction in foreign currency is recorded in rupees by applying the exchange rate prevailing at the time of the transaction. Amount short or excess realized/incurred is transferred to Statement of Profit and Loss.



(ii) All foreign currency liabilities / assets not covered by forward contracts are restated at the rates prevailing at the year end and any exchange differences are debited / credited to the Statement of Profit & Loss.

## **(J) Investments**

All equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income.

## **(K) Employee Benefit**

(i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss for the year in which the related service is rendered.

## **(L) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share are the net profit for the period. The weighted average number equity shares outstanding during the period and all periods 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.

## **(M) Taxation**

"(i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income."

(ii) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

(iii) Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(iv) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the no tax has been recognised in the books of Accounts.

## **(N) Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **(O) Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **(P) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## **(Q) Financial Instruments**

### **(I) Financial Assets**

#### **(i) Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

#### **(ii) Subsequent measurement**

(a) Financial assets carried at amortised cost (AC): A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### **(iii) Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

(a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

(b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **(II) Financial Liabilities**

#### **(i) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### **(ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **28. FIRST TIME ADOPTION OF IND AS**

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

### **Explanation 1 - Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.



## (I) Ind AS Optional exemptions

### Deemed Cost - Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values.

## (II) Ind AS mandatory exemptions

### (i) Estimates

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

### (ii) Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

### (iii) De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the DE recognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

29. Due to (COVID-19) as a pandemic, financial market was downwards with reason to believe due to liquidity measure. Management have no liquidity shortage and reason to believe that valuation of stock down is temporary nature and it will likely to be raised soon due to fundamentals of stock are very good. Hence Valuation of stock had taken at Cost value. However a corresponding effect of cost and market value have taken in OCI (other comprehensive income)

30. "The World Health Organization has declared the novel coronavirus (COVI 0- 19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced Unlock 1.0 till June 30, 2020. During the unlock 1.0 period private offices are allowed to operate with 10% of the staff with certain conditions initially and restricted the movement as a preventive/ precautionary measures to avoid the spread of COVID- 19. The Company remains fully compliance with the guidelines and direction of both Central and State Government. The situation has caused uncertainty and impacted the collection and other operations of the Company. However with various remote working measures, the Company has been able to restore its normal operations except certain functions which require physical movement e.g. field level visits."

31. The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

As per our attached report of even date  
For M/s. Gohel and Associates LLP  
Chartered Accountants  
(FRN: W100162)  
UDIN: 21152864AAAACZ1421

Sd/-  
Abhay M. Gohel  
(Partner)  
(Mem No. 152864)

Place: Mumbai  
Dated: 26<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-  
Mahesh S. Jhawar  
(Whole Time Director)  
DIN: 00002908

Sd/-  
Ganesh Singh  
(Chief Financial Officer)

Sd/-  
Rahul M. Jhawar  
(Director)  
DIN: 07590581

Sd/-  
Khyati Modi  
(Company Secretary)

Sd/-  
Natwar Agarwal  
(Director)  
DIN: 08170211