

To  
The Secretary  
The Bombay Stock exchange limited,  
Phiroze JeeJee Bhai Towers,  
Dalal street,  
Mumbai -400001

Date: 03<sup>rd</sup> September, 2021

Sir,

**Sub:** Submission of Annual Report for the financial year 2020-21 as required under SEBI (Listing Obligations and Disclosure Requirements) 2015

**Ref:** M/s Dhanalaxmi Roto Spinners Limited (Scrip Code: 521216)

In respect to the above captioned subject, we would like to bring to your kind notice that the Annual General Meeting of the members of the M/s Dhanalaxmi Roto Spinners Limited will be held on Thursday the 30<sup>th</sup> day of September, 2021 and in that regard please find enclosed the Copy of Annual Report as required under regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015.

This is for your kind information and record.

Thanking You,

Yours Faithfully

For **DHANALAXMI ROTO SPINNERS LIMITED**

ANAMIKA  
KHARE

Digitally signed by  
ANAMIKA KHARE  
Date: 2021.09.03  
17:55:03 +05'30'

**Anamika Khare**  
**(Compliance officer)**  
**(M.No. A32499)**



# **DHANALAXMI ROTO SPINNERS LIMITED**



**ANNUAL REPORT  
2020-2021**

# Dhanalaxmi Roto Spinners Limited

## **Vision**

***“To be the leading trading house of wood pulp and paper globally and creating a synergetic partnership with our suppliers and customers.”***

Dhanalaxmi has been in existence, consistently performing and achieving its objectives since 1986. In this tenure, the company has grown and expanded exponentially. We have a number of satisfied customers and happy suppliers. We aim at the growth of our firm along with our suppliers and the customers.

## **Mission**

Our company is a leading name in the pulp and paper industry. We have been performing our functions since 1986. DhanRoto's mission of doing business is what makes it unique:

- To build partner relationships with our customers and suppliers.
- To provide personalized solutions by rendering services in sourcing the right product at the right price globally.
- To provide convenience to the customer by providing them with warehousing, logistics, and financial support in accordance with their needs and capability.
- To provide merchandise to customers on call for their contingent stop-gap requirement.
- To provide customer satisfaction enabling the expansion of our business scope and magnitude.

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# Dhanalaxmi Roto Spinners Limited

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Rajkumar Inani	Managing Director	(DIN: 00885466)
Narayan Inani	Executive Director cum CFO	(DIN: 00525403)
Anirudh Inani	Whole Time Director	(DIN: 02253588)
Shyamsundar Jakhotia	Chairman and Independent Director	(DIN: 00562306)
Kasturi Nagendra Prasad	Independent Director	(DIN: 00562599)
Simanth Roy Chowdhury	Independent Director	(DIN: 02479099)
Natasha Inani	Executive Director	(DIN: 02691300)

### COMPANY SECRETARY CUM COMPLIANCE OFFICER AND CHIEF EXECUTIVE OFFICER

Anamika Khare	Compliance Office	(Membership No: A32499)
Keshav Inani	Chief Executive Officer	(PAN No. ACAPEI4720R)

### AUDIT COMMITTEE

K. N. Prasad	Chairman
Shyamsundar Jakhotia	Member
Narayan Inani	Member

### NOMINATION AND REMUNERATION COMMITTEE

Simanth Roy Chowdhury	Chairman
Shyamsundar Jakhotia	Member
K.N. Prasad	Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Shyamsundar Jakhotia	Chairman
K.N. Prasad	Member
Rajkumar Inani	Member

### CORPORATE SOCIAL RESPONSIBLE COMMITTEE

Rajkumar Inani	Chairman
K.N. Prasad	Member
Narayan Inani	Member

### STATUTORY AUDITORS

#### M/s JEEDIGUNTA & CO

Chartered Accountants,  
304, Legend Towers II,  
Barkatpura, Hyderabad-500027,

### REGISTERED OFFICE

#### DHANALAXMI ROTO SPINNERS LIMITED

Sy. No. 114 & 115, Station Road,  
Thimmapur-509325 Ranga Reddy Dist. (Telangana)  
Contact No. 7306608181  
E-mail: dhanlaxmiroto@yahoo.co.in  
dhanroto@gmail.com  
info@dhanroto.com  
investor.relations@dhanroto.com  
CIN: L18100TG1987PLC007769

### CORPORATE OFFICE :

The Laxmi, 8-2-686/B/6/D/K & 8-2-686/B/M/K, 4<sup>th</sup> Floor,  
Road No. 12, Banjara Hills, Near Indian Bank,  
Hyderabad-500034, Telangana, India

### BANKERS:

#### TAMILNAD MERCANTILE BANK LIMITED

15-2-696, 1<sup>st</sup> Floor, Kishangunj,  
Siddiamber Bazar, Hyderabad-500012

#### CANBANK FACTORS LIMITED

(A SUBSIDIARY OF CANARA BANK)  
Hyderabad Branch, Road No. 19,  
Himayath Nagar, Hyderabad-500029

### SHARE TRANSFER AGENTS / DEMAT REGISTRARS

#### CIL SECURITIES LIMITED

214, Raghava Ratna Towers, Chirag Ali Lane  
Abids, Hyderabad-500 001  
CIN : L67120TG1989PLC010188  
SEBI Registration No. : INR000002276  
E-Mail: rta@cilsecurities.com  
**Contact:** Mr. VSM Yadav Raju  
**Contact No:** 040-23202465 / 9666375981

# Dhanalaxmi Roto Spinners Limited

## Managing Director's Message

**Dear Shareholders,**

"Tough times don't last, but tough people do", it is my privilege to share the 34<sup>th</sup> Annual Report of your Company. In times of such adversity, I hope and sincerely wish that you & your family are keeping healthy & safe. Governments around the world are constantly pursuing measures to limit the current public health crisis & on the same lines at Dhanalaxmi Roto we also aim to protect our colleagues & their families. Even in such critical times when Businesses & lives are being affected to such extreme extent, I believe it is my duty to constantly find opportunities and embrace the challenge to deliver value to all stakeholders, shareholders, customers, employees & suppliers. We at Dhanalaxmi are truly committed to our mission & vision statement & have thereby created a value system which guides us in achieving our objectives.

Given our value & ethics we were able to overcome the adversities in the past year & half and have started this financial year on a positive note keeping the pains of the past aside. With such strong determination, camaraderie we are poised to achieve our target. We realize the current situation is ever changing hence we have ensured that we keep suitable contingency plans ready. We remain careful and are ready to repurpose our course of action to adapt to such changing circumstances.

### **Performance in this Financial year:**

In FY 2020-21 your company has recorded a total revenue of Rs. 76,25,42,617 as against Rs. 73,54,36,124 in FY 2019-20 which clearly shows our commitment to improve our business performance given the tough outlook for Wood Pulp and Paper industry. Moreover, our PAT has more than doubled compared to the previous financial year, for FY 2020-21 PAT stood at Rs. 4,05,19,751 as against Rs. 1,93,67,468 in FY 2019-20. Owing to the robust performance and outstanding profits our Earning per share for FY 2020-21 grew by almost 200% to Rs. 10.39 as against Rs. 4.97 in the previous year.

### **Outlook and strategy**

Apart from the above key financial metrics there are several other indicators that highlight given our current pace of work, economic & industry outlook we should be able to progress towards a healthy order book & even better financial result. However, the future mandates us that we must be ready for challenges, and adapt to the ever-changing needs of our customer & suppliers.

Your Company has set up a very strong customer & supplier base. Over the last couple of years, we have invested in the creation of new partnerships with suppliers across geographies. We will also be evaluating our plans of business expansion so as to generate additional revenues. We are taking all these steps so as to ensure we contribute to the growth of not only the company but also the Indian economy.

### **Acknowledgement On behalf of the Board of Directors**

Lastly, I would like to appreciate the members of the senior management & all the employees across the company for their valuable contribution in overcoming the pandemic situation and being a part of this success journey. We are grateful to all our shareholders & stakeholders for placing their trust upon us.

**Thank you,**

**Sd/-  
Rajkumar Inani  
Managing Director.**

# Dhanalaxmi Roto Spinners Limited

## NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held through Video Conferencing ("VC") on Thursday, the 30th Day of September, 2021 at 12.30 P.M. to transact the following Business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss Account for the year ended on that date, together with the Cash Flow Statement and the reports of the Board of Directors and Auditor's thereof and
2. To Appoint a Director in place of Mr. Anirudh Inani who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass with or without modification(s) the following resolutions as a **Special Resolution:**

**"RESOLVED THAT** subject to the applicable provisions of the Companies Act, 2013 and in accordance with the rules made thereunder consent of the members be and is hereby given for change in Designation of Mrs. Natasha Inani from Executive Director to Non-Executive Director of the Company with effect from October 1, 2021 whose office shall be liable to determination by retirement of directors by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution."

By Order of the Board  
For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-  
**RAJKUMAR INANI**  
Managing Director  
(DIN: 00885466)

Place: Thimmapur  
Date : 30.08.2021

### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository Participants. Members who hold shares in physical form are requested to register their email address with Company's Registrar and Transfer Agents i.e., M/s. CIL SECURITIES LTD., 214, RAGHAVA RATNA TOWERS, CHIRAG ALI LANE, ABIDS, HYDERABAD-500 001.

### **NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. 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/EGM. 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 EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/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 EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.

## Dhanalaxmi Roto Spinners Limited

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 EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. 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 <https://dhanroto.com/>. 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).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of the Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
9. **Instructions for shareholders for remote e-Voting and e-Voting during AGM and joining meeting through VC/OAVM are as under:**

- (i) The voting period begins on 27/09/2021 from 09:30 AM and ends on 29/09/2021 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23/09/2021 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 the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

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

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

- (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** is given below:



## Dhanalaxmi Roto Spinners Limited

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) 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></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <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 able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <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.</p> <p>2) 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></p> <p>3). 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.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

## Dhanalaxmi Roto Spinners Limited

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 <b>NSDL</b>	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 meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 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:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. • 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 as mentioned in instruction (v).

- 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 <Company Name> 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.

## Dhanalaxmi Roto Spinners Limited

### (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- 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).
- 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; [dhanlaxmiroto@yahoo.co.in](mailto:dhanlaxmiroto@yahoo.co.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/EGM is same as the instructions mentioned above for Remote 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 Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not 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 at least 10 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 10 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/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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 WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

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 update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

## Dhanalaxmi Roto Spinners Limited

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.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### **Documents and Registers for inspection:**

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

By Order of the Board  
For **DHANALAXMI ROTO SPINNERS LIMITED**

Place : Thimmapur  
Date : 30.08.2021

Sd/-  
**RAJKUMAR INANI**  
Managing Director  
(DIN: 00885466)

## Dhanalaxmi Roto Spinners Limited

### **Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 of the accompanying Notice:

#### **Item No. 3: Change in Designation of Mrs. Natasha Inani from Executive Director to Non- Executive Director.**

Mrs. Natasha Inani has been appointed as Non-Executive Director of the Company on March 10, 2015. Further Nomination and Remuneration committee keeping in view her vast and rich experience and expertise recommended the Board for Change in her Designation from Non-Executive Director to Executive Director and consequently she was appointed as Executive Director w.e.f. 01/10/2020 for a period of 3 years for a remuneration of Rs. 1,50,000 per month by way of passing of special resolution at the Annual General Meeting of the members held on 30/09/2020.

However, after taking into consideration the results for the first quarter ending 30th June, 2021 declared on 09th day of August, 2021 the Networth of the Company is exceeding Rupees Twenty Five Crores whereby the regulations relating to Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became applicable to the Company. As per regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company shall have not less than fifty per cent of the Board of Directors as non-executive directors.

In this regard the Board of Directors of the Company has proposed to change designation of Mrs. Natasha Inani from Executive Director to Non- Executive Director of the Company to meet the criteria of the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mrs. Natasha Inani, being an appointee, and Mr. Raj Kumar Inani, Mr. Anirudh Inani, Mr. Narayan Inani and Mr. Keshav Inani being relatives of the proposed appointee none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

In compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder change in Designation of Mrs. Natasha Inani from Executive Director to Non- Executive Director w.e.f. 01/10/2021 is now being placed before the Members for their approval by way of passing a Special Resolution.

By Order of the Board  
For **DHANALAXMI ROTO SPINNERS LIMITED**

Place: Thimmapur  
Date : 30/08/2021

Sd/-  
**RAJKUMAR INANI**  
Managing Director  
(DIN: 00885466)

# Dhanalaxmi Roto Spinners Limited

## BOARD'S REPORT

To The Members,

Your Directors have pleasure to present their 34<sup>th</sup> Annual Report on the business and operations of the Company together with the audited statements of accounts for the financial year ended 31st March, 2021.

### 1. FINANCIAL HIGHLIGHTS

The Company's financial results for the year under review along with previous year's figures are given hereunder:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	728,395,435	714,540,799
Other Income	34,147,182	20,895,324
<b>Total Income</b>	<b>762,542,617</b>	<b>735,436,124</b>
Expenses	703,165,785	710,931,218
<b>Profits before exceptional and extraordinary items and tax</b>	<b>59,376,832</b>	<b>24,504,906</b>
Exceptional Items/Prior Period Items	(202,521)	1,404,355
<b>Profit Before Tax</b>	<b>59,174,311</b>	<b>25,909,261</b>
Less: Tax Expenses	18,654,560	6,541,793
<b>Net Profit After Tax</b>	<b>40,519,751</b>	<b>19,367,468</b>

### 2. REVIEW OF OPERATIONS:

During the year under review, your Company has earned a Net Profit of Rs. 4,05,19,751 when compared to Net Profit of Rs. 1,93,67,468 in the previous year. Net profit before taxation earned during the year under review amounted to Rs. 5,91,74,311 as against Rs. 2,59,09,261 in the previous year.

### 3. DIVIDEND

To conserve the reserves of the Company, the Company has not proposed any dividend during the year.

### 4. RESERVES:

The Company proposes to transfer Rs. 4,05,19,751 to retained earnings for the Financial Year 2020-21. With this addition, the total Reserves & Surplus (including Capital Reserve, Central Subsidy, Investment Allowance Reserve, Revaluation surplus & Retained Earnings) as on March 31, 2021 is Rs. 18,87,14,159 as against the Paid up Capital of Rs. 3,90,03,000.

### 5. DIRECTORS

Mr. Anirudh Inani, Director of the company retires at this Annual General Meeting and being eligible, seeks reappointment. The Board recommended his appointment.

Designation of Mrs. Natasha Inani was changed from Non-Executive Director to Executive Director w.e.f. 01/10/2020 during the year under review. Further members of the company at their Annual General Meeting held on 30/09/2020 re-appointed Mr. Rajkumar Inani as Managing Director of the company for a term of three years w.e.f. 01/04/2021. Members also re-appointed Mr. Narayan Inani and Mr. Anirudh Inani as Executive Director and Whole Time Directors respectively for a term of three years w.e.f. 01/07/2021.

Further there were no changes in the composition of the board during the year under review.

### 6. INDEPENDENT DIRECTORS (DECLARATION OF INDEPENDENT DIRECTOR)

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013.

### 7. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The names of the Directors on the Board, their attendance at Board Meetings held during the year is given below:

Name of the Director	Dates of Meeting					
	30/06/20	30/08/20	14/09/20	10/11/20	04/01/21	10/02/21
Rajkumar Inani	Yes	Yes	Yes	Yes	Yes	Yes
Narayan Inani	Yes	Yes	Yes	Yes	Yes	Yes
Anirudh Inani	Yes	Yes	Yes	Yes	Yes	Yes
Shyamsundar Jakhotia	Yes	Yes	Yes	Yes	Yes	Yes
Kasturi Nagendra Prasad	Yes	Yes	Yes	Yes	Yes	Yes
Simanth Roy Chowdhury	Yes	Yes	Yes	Yes	Yes	Yes
Natasha Inani	Yes	Yes	Yes	Yes	Yes	Yes

# Dhanalaxmi Roto Spinners Limited

## 8. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 9. STATUTORY AUDITORS

M/s. Jeedigunta & Co, Chartered Accountants, are appointed as Statutory Auditors of the Company at the Annual General Meeting held on 29/09/2017 to hold office for a period of 5 years until the conclusion of Annual General Meeting to be held for financial year ending 2022.

Further The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this annual report.

## 10. SECRETARIAL AUDITOR:

M/s. Baheti Gupta & Co., Company Secretaries, are appointed at the Board Meeting held on 30<sup>th</sup> June, 2020 to conduct the secretarial audit of the Company for financial year 2020-21, as required under section 205 of the Companies Act, 2013 and rules made thereunder. The Secretarial audit report for financial year 2020-21 forms part of the Annual Report as 'ANNEXURE-B' to the Boards Report. Further the Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 11. INTERNAL AUDITORS:

M/s. Vinay Surana & Co., Chartered Accountants, performs the duties of Internal Auditors of the company and their report is reviewed by the Audit Committee from time to time.

## 12. COST AUDIT

The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the goods dealt in by the Company.

## 13. ANNUAL RETURN

The copy of the Annual Return as on 31<sup>st</sup> March, 2021 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the company and the same can be accessed at <https://www.dhanroto.com>.

## 14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

## 15. LOANS, GUARANTEES, INVESTMENTS MADE OR SECURITIES PROVIDED

The Company has complied with the provisions of investments made under Section 186 of the Companies Act, 2013. However, there were no Loans, guarantees or securities provided under Section 186 of the Companies Act, 2013 during the year under review.

## 16. RELATED PARTY TRANSACTIONS

All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and also

## Dhanalaxmi Roto Spinners Limited

the Board for approval. Detailed information about the related party transactions is enclosed in form AOC-2 as Annexure-A

### 17. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

### 18. LISTING ARRANGEMENTS:

Company's shares are presently listed on The Bombay Stock Exchange Limited & other details are listed below:

<b>Stock Exchange Name</b>	The BSE Limited
<b>Scrip Code</b>	521216
<b>Scrip Name</b>	DHANROTO
<b>ISIN</b>	INE220C01012

### 19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the provisions of Companies Act, 2013, the relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given under:

#### A. Conservation of Energy:

Adequate measures have been taken to reduce energy consumption, wherever possible. There were no additional investments made for the conservation of energy during the period under review.

#### B. I) Research and Development (R&D):

- |   |     |
|---|-----|
| a) Specific areas in which R&D has been carried out by the company: | NIL |
| b) Benefits derived as a result of the above R&D:                   | NIL |
| c) Future plans of action:  | NIL |
| d) Expenditure on R&D:  | NIL |

#### II) Technology Absorption, Adaptation and Innovation:

- |  |     |
|--|-----|
| a) Technology Imported:                    | NIL |
| b) Year of Import:                         | NIL |
| c) Has the technology been fully absorbed: | NIL |
| d) Technical collaborator:                 | NIL |

#### C. Foreign Exchange Earnings and Outgo:

Particulars	Amount Rs.	
	2020-21	2019-20
Earnings:	1,54,95,149	NIL
Outgo:	56,14,58,321	61,73,77,297

### 20. PARTICULARS OF EMPLOYEES

There is no employee who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakhs rupees or if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh and Fifty thousand rupees per month or if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company and thus consequently no information is required to be provided in this regard in accordance with the provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.

### 21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has effective 'internal financial controls' that ensure an orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

There are adequate controls relating to strategic, operational, environmental and quality related aspects too.



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While these controls have been effective through-out the year, these are reviewed on a periodic basis for any changes/modifications to align to business needs.

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

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

### **23. TRANSFER OF UNCLAIMED DIVIDEND FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### **24. MATERIAL CHANGES AND COMMITMENT IF ANY**

There were no material changes and commitments affecting financial position of the company during the year under review.

### **25. IMPACT OF COVID-19**

The outbreak of corona virus (COVID-19) pandemic globally and in India and with strict lockdown imposed in the beginning of the Financial Year 2020-21, is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the lockdown period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements. The Company has put in place "Standard Operating Procedure" (SOP), as per the guidelines and directives of the Ministry of Home Affairs and the Ministry of Health, to safeguard against spread of COVID-19. The Company has organized campaigns to bring awareness amongst all employees and workers on safeguards against COVID-19. Thermal temperature measurements at the gates, mandatory use of face masks, hand washing and sanitizing facilities at entry and exit have been put in place along with strict ban on non-essential visitors. Safeguards for social distancing at work place are also being implemented. Meetings, gatherings, travelling etc., are being avoided with focus on video conferencing and other digital modes.

The Company ensured utmost safety of employees and business partners at factories by following safeguard measures such as usage of masks/gloves, regular temperature screening, setting up disinfectant tunnels, maintaining social distancing, allowing limited workforce and regularly conducting comprehensive factory sanitization. Your Company efficiently leveraged technology for seamless interactions.

Further the Company believes that it can manage the extreme event with its existing financial position.

### **26. BUSINESS RISK MANAGEMENT POLICY**

Global events have challenged nearly every company, leading to a rethink of assumptions and adaption of strategies to a new operating environment that involves managing major risks with a renewed focus on the safety of people.

The Company has adopted a Risk Management Plan for implementation of Enterprise Risk Management (ERM) framework. As per the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board shall establish a Risk Management Plan/ Policy and the Audit Committee shall evaluate the Risk Management systems periodically.

In line with this requirement, the Board is responsible for initiating and instituting the ERM framework and setting the requisite tone at the top for implementation of the ERM framework. Further, the Board shall be responsible for overseeing measures for managing risk. The Plan also envisages a key role for the Audit Committee which shall periodically (at least annually) review the adequacy of Risk Management Systems, recommend improvements if needed, discuss with external consultants, Internal Auditors to test the adequacy and effectiveness of the Risk Management System.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

### **27. CORPORATE SOCIAL RESPONSIBILITY**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions under section 135 of the Companies Act, 2013 were not applicable for the financial year 2020-21.

However, for the financial year ending 31<sup>st</sup> March, 2021 the Company has earned Profit before tax exceeding Rs. 5 Crores whereby the provisions of Corporate Social Responsibility became applicable to the Company from the financial year 2021-22.

## Dhanalaxmi Roto Spinners Limited

Further as per sub-section (9) of Section 135 where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable. Even though the amount to be spent by the company is less than fifty lakh rupees during the financial year 2021-22 as a good practice and for better governance, Company at its Board Meeting held on 30<sup>th</sup> August, 2021 constituted a Corporate Social Responsibility Committee consisting of the following members:

Rajkumar Inani	-	Chairman
K.N. Prasad	-	Member
Narayan Inani	-	Member

Further the Committee will have a detailed review on the provisions of section 135 of the Companies Act, 2013 and shall develop a Corporate Social Responsibility Policy to be implemented by the Company for undertaking CSR initiatives during the financial year 2021-22.

### **28. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores as specified in regulation 15 of SEBI (LODR) Regulations, 2015 disclosure with respect to provisions relating to Corporate Governance are not applicable to the Company for the financial year 2020-21.

After taking into consideration the results for the first quarter ending 30<sup>th</sup> June, 2021 declared on 09<sup>th</sup> day of August, 2021 the Networth of the Company is exceeding Rupees Twenty Five Crores whereby the regulations relating to Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became applicable to the Company.

Further as per regulation of SEBI (LODR) Regulations, 2015 company shall within a period six (6) months from the date of applicability of the said provisions of Corporate Governance comply with the regulations governing Corporate Governance and accordingly your Company is in process of complying with the provisions relating to Corporate Governance

### **29. BOARD EVALUATION:**

Pursuant to the provisions of Companies Act, 2013 and according to SEBI ( Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

#### **Policy:**

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the Companies Act, 2013;
- shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- shall abide by the Code of Conduct established by the company for Directors and senior management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013.

3. Criteria of independence

3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Dhanalaxmi Roto Spinners Limited

3.3 The Independent Director shall abide by the “code for Independent Directors “as specified in Schedule IV to the Companies Act, 2013.

### 4. Other directorships/ committee memberships

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The Nomination and Remuneration Committee shall take into account the nature of and the time involved in a directory service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 None of the Director of the Company is holding Directorship in other company in excess of the limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further the membership and chairmanship held by the Directors in different committees of the Board across all the companies is within the limits prescribed therein.

4.3 The details of the Directors, Committee members and chairmanships is given in clause 7 above of this report.

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

The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Directors further states that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013.

### **31. AUDIT COMMITTEE: (Constituted in terms of section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015) & VIGIL MECHANISM.**

#### **A. AUDIT COMMITTEE**

The Company has constituted a qualified and independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The primary objective of the Committee is to monitor and provide effective supervision of the management’s financial reporting process with a view to ensuring accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The Committee adheres to the Companies Act, 2013 in terms of quorum for its meetings, functioning, role and powers as also those set out in the. The functions of the committee include:

- Overseeing the company’s financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation of appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services;
- Review of adequacy of internal audit function, including the reporting structure, coverage and frequency of internal audit;
- Review of the company’s financial and risk management policies;
- Review of the financial reporting system and internal control systems;
- Approve quarterly, half yearly and annual financial results including major accounting entries involving exercise of judgment by the management;
- Representation by the Statutory Auditors to the management in regard to any internal control weaknesses observed by them during the course of their audit and the action taken by the management thereon;
- Discussions with Statutory and Internal Auditors on matters related to their area of audit;
- Management Discussion & Analysis of the company’s operations;
- Review of significant related party transactions;
- Review of implementation of the Fraud Risk Management Policy and the Fraud Risk Assessment Reports;
- Recommendation for appointment of Statutory Auditors and their remuneration;

The Committee consists of qualified and Independent Non-Executive Directors. All the Members on the Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Committee members met four times during the financial year 2020-21:

The Managing Director and Executive Directors of the company as well as the Internal and Statutory Auditors of the company, attend Committee meetings to brief the Members. The Committee also invites Business and Departmental Heads, to discuss matters concerning their business / departments, as and when it deems necessary.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

## Dhanalaxmi Roto Spinners Limited

The Audit Committee met Four times during the year on 30.06.2020, 14.09.2020, 10.11.2020 and 10.02.2021.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
K. N. Prasad	Chairman	Non-Executive Director (Independent)	4	4
Shyamsundar Jakhota	Member	Non-Executive Director (Independent)	4	4
Narayan Inani	Member	Executive Director cum CFO	4	4

### B. VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

### 32. NOMINATION AND REMUNERATION COMMITTEE: (Constituted in terms of section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR Regulations, 2015).

The "Nomination and Remuneration committee" is governed by a Charter duly approved by the Board of Directors of the company and in compliance with Section 178 of Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The Directors as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

### B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

The Nomination and Remuneration Committee met two times during the year on 20.08.2020 and 10.11.2020.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Simanth Roy Chowdhury	Chairman	Non-Executive Director (Independent)	2	2
Shyamsundar Jakhota	Member	Non-Executive Director (Independent)	2	2
K.N. Prasad	Member	Non-Executive Director (Independent)	2	2

### 33. STAKEHOLDERS RELATIONSHIP COMMITTEE: (Constituted in terms of section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015).

The Company has constituted a Stakeholders' Relationship Committee in compliance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 to deal with various matters relating to:

- Approve / refuse / reject registration of transfer / transmission / transposition of shares.
- Authorise:

## Dhanalaxmi Roto Spinners Limited

- (i) Issue of duplicate share certificates and issue of share certificates after split / consolidation / rematerialization of shareholding.
- (ii) Printing of Share Certificates.
- (iii) Affixation of Common Seal of the Company on Share Certificates.
- (iv) Directors / Managers / Officers / Signatories for signing / endorsing Share Certificates.
- (v) Necessary applications / Corporate Actions to Stock Exchanges and Depositories arising out of and incidental to the exercise of options by the employees.
- Monitoring expeditious redressal of investors grievances.
  - Non-receipt of Annual Report and declared dividend.
  - All other matters related to shares.

### ii. Composition:

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

The Stakeholders' Relationship Committee met four times during the year on 06.04.2020, 06.07.2020, 05.10.2020 and 04.01.2021.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Shyamsundar Jakhotia	Chairman	Non-Executive Director(Independent)	4	4
K.N. Prasad	Member	Non-Executive Director(Independent)	4	4
Rajkumar Inani	Member	Managing Director	4	4

### 34. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-21

NUMBER OF COMPLAINTS	NUMBER
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission.	NIL
Complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange/ SCORE and so on	NIL
Number of complaints resolved	NA
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2021	NA
Complaints pending as on March 31, 2021	NIL
Number of Share transfers pending for approval, as on March 31, 2021	NIL

### 35. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

#### a) Industry Structure and Developments:

The Company is mainly engaged in Trading Activity in the line of Textiles, Paper and Wood Pulp.

The Company has established itself in Paper and Wood Pulp market. The Company is trying to improve on small beginning made in last couple of years in commodity trading and exports.

#### b) Opportunities and threats:

The Company feels happy to inform that it has established itself in the Indian Wood Pulp Market. Giving timely and excellent services Company has established dedicated customers whose base is steadily improving. However, the Wood Pulp market fluctuates according to international rates which effect margins and being a trader the company is very much dependent on buyers and sellers for its growth.

During the year under review, the international market for wood pulp was highly fluctuating. Supply lines and shipping schedules were badly effected due to impact of the Covid-19 Pandemic and there was severe slowdown in the economy and international market and this has affected the business of the Company in the first quarter of the financial year. However, the Company revived its operations in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter.

#### c) Outlook:

In the Business support services your company is participating in the Tenders called by the Government, Semi-government and private companies. In the Business support Service sector the company is receiving regular work, not only

## Dhanalaxmi Roto Spinners Limited

from its existing clients but is also exploring opportunities from new clients. In the Financial Sector the share market was very volatile and hence your company taking adequate measures to ensure proper investment decision.

### c) Segment wise or product wise reporting

The Company is engaged in only one segment and trades in the wood pulp. Performance of the Company is satisfactory due to the down turn in international markets largely affected by the Covid-19 pandemic and sluggish economic growth. Further it is envisaged that there will be improvement in the coming years and international markets will revive.

### e) Risk and Concerns:

Wood Pulp rates fluctuate according to international market and being a trader, Company is dependent on its buyers and suppliers. The Company is exposed to stiff competition and foreign currency fluctuations in its operation. Commodity export market has good scope however Company has to compete and supply goods at international prices. Government policies on commodity export keep on changing based on local production/consumption pattern.

### f) Internal Control system and their adequacy:

The Company has a proper and adequate system of internal control proportionate to its size and volume of business. The internal control system of the Company is designed to ensure that the financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets.

### g) Discussion of Financial Performance with respect to Operational Performance:

The Financial Statements are prepared under the historical cost convention in accordance with Indian generally accepted accounting principles and the provisions of Indian Companies Act. All Income and Expenditure having a material bearing on the Financial Statements are recognized on accrual basis. The Management has taken utmost care for the integrity and the objectivity of these Financial Statements, as well as for various estimates and judgments used therein.

### h) Material developments in Human Resources/Industrial Relations front, including number of people involved:

The Company continues to maintain excellent relationship with its buyers and sellers. Relationship with the staff is quite cordial and supportive for continuous human resource development. During the year under review Company performance has improved due to efforts put in by the existing and additional staff recruited.

### i) Details of significant changes in following key financial ratios as compared to the immediately previous financial year:

S.No	Particulars	2019-20	2020-21	% Change	Remarks for variation
i)	Inventory Turnover	0.67	2.11	-214.9	Working Capital Management Deteriorated
ii)	Interest Coverage Ratio	1.20	6.43	435	Better performance of the Company lower finance Cost
iii)	Operating Profit Margin	4.37	6.43	47.14	Decrease in expenses of the Company has resulted in improved liquidity.
iv)	Net Profit Margin	2.71	5.56	105.17	Decrease in expenses of the Company has resulted in improved liquidity.

j) Changes in return on Net Worth as compared to the immediately previous financial year is 10.39% .

### Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factor.

### 36. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The company has Nomination and Remuneration committee consisting of Mr.Simanth Roy Chowdhury, as Chairman and Mr.Shyamsunder Jakhotia and Mr.K.N.Prasad as members. The remuneration and sitting fees paid to the Board members are based on the recommendation of Nomination and Remuneration Committee.

#### Policy:

#### 1. Remuneration to Executive Director and key managerial personnel

## Dhanalaxmi Roto Spinners Limited

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) Committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

1.2 The Board on the recommendation of the Nomination and Remuneration Committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include Basic pay and Perquisites and Allowances

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the Nomination and Remuneration Committee and Annual performance Bonus may be approved by the committee based on the achievement against the Annual plan and Objectives.

### 2. Remuneration to Non – Executive Directors

2.1 Presently the Company's policy on remuneration does not provide for remuneration to non-executive Directors except for payment of sitting fees for attending the meetings of the Board.

2.2. Further the executive Directors are not paid any sitting fees for attending meetings of the Board.

### 3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### Remuneration to Directors:

The remuneration and perks paid during the year to Mr. Rajkumar Inani, Managing Director is Rs. 30,00,000/-, Mr. Anirudh Inani, Whole time Director is Rs. 30,00,000/-, Mr. Narayan Inani, Executive Director is Rs. 30,00,000/- and Mrs. Natasha Inani, Executive Director is Rs. 9,75,000/-

#### Sitting Fees:

Details of Sitting Fees paid to Non- Executive Directors are as under:

Non- Executive Directors	Sitting Fees (Rs)
Mr. K.N.Prasad	24,000
*Mrs. Natasha Inani	12,000
Mr. Simanth Roy Chowdhury	24,000
Mr. Shyamsundar Jakhotia	24,000

\*Note : Designation of Mrs. Natasha Inani has been changed from Non-Executive Director to Executive Director w.e.f. 01/10/2020 and hence sitting fees was paid only for the three (3) meetings attended as Non-Executive Director.

### 37. SECRETARIAL STANDARDS

The company is in compliance with Secretarial Standards as issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

### 38. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 13.02.2021 to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors of the Company were present at the meeting. As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes 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 meeting also reviewed and evaluated the performance of non-independent directors. The Company has 4 non-independent directors namely:

- i.) Mr. Rajkumar Inani – Managing Director
- ii.) Mr. Narayan Inani – Executive Director cum CFO
- iii.) Mr. Anirudh Inani – Whole Time Director
- iv.) Mrs. Natasha Inani – Executive Director

The meeting recognized the significant contribution made by Mr. Rajkumar Inani in directing the Company towards the success path. The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

## Dhanalaxmi Roto Spinners Limited

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

### 39. SHARE CAPITAL

#### A. RIGHTS ISSUE OF SHARES

No shares were issued on rights basis during the year under review.

#### B. PREFERENTIAL ALLOTMENT OF SHARES ON PRIVATE PLACEMENT BASIS

No Preferential allotment of shares on private placement basis was made during the year under review.

#### C. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

#### D. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

#### E. BONUS SHARES

No Bonus Shares were issued during the year under review.

#### F. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

#### G. SHARES WITH DIFFERENTIAL VOTING RIGHTS

The Company has not issued any Equity Shares with differential voting rights during the financial year under review.

### 40. REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information given pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

Name of the Director	Remuneration of the F.Y. 2020-21	Remuneration of the F.Y. 2019-20	% increase in the Remuneration in 2021 as compared to 2020	Ratio of Remuneration to MRE	Comparison of the Remuneration of the KMP against the performance of the Company.
Rajkumar Inani, Managing Director	30,00,000	30,00,000	0	2.31	Remuneration increased by 0% whereas profit before tax decreased by 142.3%
Anirudh Inani, Whole Time Director	30,00,000	30,00,000	0	2.31	Remuneration increased by 0% whereas profit before tax decreased by 142.3%
Narayan Inani, Executive Director cum CFO	30,00,000	30,00,000	0	2.31	Remuneration increased by 0% whereas profit before tax decreased by 142.3%
Natasha Inani, Executive Director	9,75,000	----	NA	0.75	As Mrs. Natasha Inani was appointed as Executive Director in the second half of F.Y., the remuneration is paid accordingly. However, the profit before tax increased by 142.3%



## Dhanalaxmi Roto Spinners Limited

### OTHER DISCLOSURES:

*Anamika Khare, Company Secretary	4,55,400	2,78,415	-	NA	NA
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**\*Note:** Mrs. Anamika Khare was appointed as Company Secretary of the Company in October, 2019 and hence remuneration was paid for half year. Therefore calculation of the percentage increase in remuneration in the financial year is not determined.

### OTHER DISCLOSURES:

The total numbers of permanent employees of the company are Five (5)

The total remuneration paid to Directors was Rs. 99,75,000 against the net profits of the company after tax amounting to Rs.4,05,19,751. There was increase in the remuneration paid to the Directors during the financial year 2020-21 as Mrs. Natasha Inani was appointed as Executive Director of the company.

The percentage increase in the median remuneration of employees in the current financial year is -50%.

Average percentage increase made in the salaries of employees other than managerial personnel in the financial year i.e., 2020-21 was 1.01 whereas increase in managerial remuneration for the Financial Year 2020-21 was 1.11 as Mrs Natasha Inani was appointed as Executive Director of the company.

Change in remuneration, if any, of the Managing Director, Whole Time Director and Executive Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.

Non-Executive Directors and Independent Directors are paid sitting fees only for the meetings of the Board attended by them. Further no sitting fees are paid for attending the meetings of the committees of the Board.

There is no employee receiving any remuneration in excess of remuneration paid to any Director. Further the remuneration payable to Directors is as per the remuneration policy of the Board of Directors as recommended by Nomination and Remuneration Committee.

Further as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names of the top ten employees in terms of remuneration drawn is as under:

Name	Designation	Remuneration	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	% of equity shares held	Relationship of Employee with the Director or Manager of the company
Keshav Inani	Marketing Executive/Chief Operating Officer (COO)	26,00,000	Permanent unless otherwise agreed	MBA	1-4-2013	27	—	3.66	Son of Mr. Rajkumar Inani, Director of the Company.
Sangita Inani	Sales Executive	26,00,000	Permanent unless otherwise agreed	Graduate	1-4-2009	47	Anirudh Marketing	2.00	Spouse of Mr. Narayan Inani, Director of the Company
Divya Inani	Purchase Executive	26,00,000	Permanent unless otherwise agreed	Graduate	1-4-2009	54	Karmanghat Securities (P) Ltd	2.34	Spouse of Mr. Rajkumar Inani, Director of the Company
* Srigopal Inani	Finance Manager	13,00,000	Permanent unless otherwise agreed	Graduate	1-4-2009	78	Inani Real Estate & Developers (P) Ltd	2.00	Father of Mr. Rajkumar Inani, Narayan Inani & Anirudh Inani Directors of the Company
*Priyanka Inani	HR Head	13,00,000	Permanent unless otherwise agreed	Graduate	1-4-2015	25	Lakepriya Enterprises (P) Ltd	2.05	Daughter of Mr. Narayan Inani, Director of the Company
*Ankita Inani	Finance Manager	13,00,000	Permanent unless otherwise agreed	Chartered Accountant	1-10-2020	30	Deloitte Touche Tohmatsu India LLP	-	Not a relative of the Directors of the Company
Anamika Khare	Company Secretary Cum Compliance Officer	4,55,400	Permanent unless otherwise agreed	Company Secretary	3-10-2019	33	HKM Charitable Foundations	-	Not a relative of the Directors of the Company

## Dhanalaxmi Roto Spinners Limited

**\*Note:** 1. Mr.Srigopal Inani was paid remuneration for the half financial year as he resigned from the employment of the Company.

2. Ms.Priyanka Inani was paid remuneration for the half financial year as she ceased to be the employee of the Company due to pre-occupation.

3. Mrs.Ankita Inani was paid remuneration for the half financial year as she was appointed as employee of the Company in post of Finance Manager w.e.f. 01/10/2020.

### 41.DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	NIL
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	NIL
No. of shareholders to whom shares were transferred from suspense account during the year.	NIL
Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.	NIL

### 42. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

By Order of the Board  
For **DHANALAXMI ROTO SPINNERS LIMITED**

Place: Thimmapur  
Date: 30/08/2021

Sd/-  
**NARAYAN INANI**  
Executive Director cum CFO  
(DIN: 00525403)

Sd/-  
**RAJKUMAR INANI**  
Managing Director  
(DIN: 00885466)

# Dhanalaxmi Roto Spinners Limited

**FORM NO. AOC -2**

**ANNEXURE-A**

**(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 arms-length transaction under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at Arm's length basis - NIL**
- 2. Details of contracts or arrangements or transactions at Arm's length basis.**

Sl. No.	Particulars					
1.	<b>Name (s) of the related party &amp; nature of relationship</b>	Ms.Priyanka Inani Daughter of Mr. Narayan Inani, Director of the Company	Divya Inani, Spouse of Mr. Rajkumar Inani, Director of the Company	Sangita Inani, Spouse of Mr. Narayan Inani, Director of the Company	Sri Gopal Inani, Father of Mr. Rajkumar Inani, Mr.Narayan Inani and Mr. Anirudh Inani, Directors of the Company	Keshav Inani, Son of Mr. Rajkumar Inani, Director of the Company.
2.	<b>Nature of contracts/ arrangements/ transaction</b>	Payment of remuneration	Payment of remuneration	Payment of remuneration	Payment of remuneration	Payment of remuneration
3.	<b>Duration of the contracts/ arrangements/ transaction</b>	Appointment is made for such term as mutually decided and agreed between the company and related party from time to time.	Appointment is made for such term as mutually decided and agreed between the company and related party from time to time.	Appointment is made for such term as mutually decided and agreed between the company and related party from time to time.	Appointment is made for such term as mutually decided and agreed between the company and related party from time to time.	Appointment is made for such term as mutually decided and agreed between the company and related party from time to time.
4.	<b>Salient terms of the contracts or arrangements or transaction including the value, if any</b>	Monthly remuneration of Rs. 2,00,000 per month plus bonus for one month reviewed by the Board of Directors from time to time.	Monthly remuneration of Rs. 2,00,000 per month plus bonus for one month reviewed by the Board of Directors from time to time.	Monthly remuneration of Rs. 2,00,000 per month plus bonus for one month reviewed by the Board of Directors from time to time.	Monthly remuneration of Rs. 2,00,000 per month plus bonus for one month reviewed by the Board of Directors from time to time.	Monthly remuneration of Rs. 2,00,000 per month plus bonus for one month reviewed by the Board of Directors from time to time.
5.	<b>Date of approval by the Board</b>	14/02/2020	14/02/2020	14/02/2020	14/02/2020	14/02/2020
6.	<b>Amount paid as advances, if any</b>	NIL	NIL	NIL	NIL	NIL

By Order of the Board  
For **DHANALAXMI ROTO SPINNERS LIMITED**

Place: Thimmapur  
Date: 30/08/2021

Sd/-  
**NARAYAN INANI**  
Executive Director cum CFO  
(DIN: 00525403)

Sd/-  
**RAJKUMAR INANI**  
Managing Director  
(DIN: 00885466)

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31-03-2021**

[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. **DHANALAXMI ROTO SPINNERS LIMITED**  
Sy.No.114 & 115, Station Road, Thimmapur-509325,  
Ranga Reddy District, Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DHANALAXMI ROTO SPINNERS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the DHANALAXMI ROTO SPINNERS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DHANALAXMI ROTO SPINNERS LIMITED for the financial year ended on 31/03/2021 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - (d) SEBI (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

## Dhanalaxmi Roto Spinners Limited

We further report that, having regard to the compliance system prevailing in the Company and based on the representations made by the Company and our examination of the relevant documents and records in pursuance thereof, there were no other laws applicable specifically to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings as represented by the Management are carried out unanimously and are recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Baheti Gupta & Co.  
Company Secretaries**

**Place : Hyderabad  
Date : 30/08/2021**

**Sd/-  
(Shailesh Baheti)  
(M. No:8159)  
(CP No.9017)  
UDIN : F008159C000855896**

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

## Dhanalaxmi Roto Spinners Limited

### Annexure A

To,  
The Members,  
M/s. **DHANALAXMI ROTO SPINNERS LIMITED**  
Sy.No.114 & 115, Station Road, Thimmapur-509325,  
Ranga Reddy District, Telangana

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Baheti Gupta & Co.,  
Company Secretaries**

**Place : Hyderabad  
Date : 30/08/2021**

**Sd/-  
(Shailesh Baheti)  
(M. No: 8159)  
(CP No. 9017)  
UDIN : F008159C000855896**

# Dhanalaxmi Roto Spinners Limited

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Dhanalaxmi Roto Spinners Limited**

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

#### **Opinion**

We have audited the accompanying Standalone financial statements of Dhanalaxmi Roto Spinners Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Standalone Financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Standalone 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 Financial statements.

#### **Key Audit Matters**

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

#### **Description of Key Audit Matters**

<b>The Key Audit Matters</b>	<b>How the matter was addressed in our audit</b>
<p><b>Revenue Recognition</b></p> <p>The Company recognises revenue from sale of products when the control over the products has been transferred to the customer based on the specific terms and conditions of the sales contracts entered into with respective customers.</p> <p>We have identified Revenue Recognition as a key audit matter as revenue is a key performance indicator. Also, there is a presumed fraud risk of revenue being overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.</p>	<p>Our procedures included the following:-</p> <ul style="list-style-type: none"><li>◆ Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards.</li><li>◆ Tested the design, implementation and operating effectiveness of the Company's general Information controls.</li><li>◆ Performed substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year.</li><li>◆ Examined the underlying documents, which included sales invoices/contracts and dispatch/shipping documents for the selected transactions.</li><li>◆ Assessed the manual journals posted in the revenue ledger to identify any unusual items.</li></ul>

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the standalone financial statements and our auditors' report thereon.

## Dhanalaxmi Roto Spinners Limited

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the audit of the standalone financial statements**

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

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

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



## Dhanalaxmi Roto Spinners Limited

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under section 133 of the Act.
  - (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".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

The Remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16), which are required to be commented upon by us.

for **Jeedigunta & Co.**,  
Chartered Accountants  
Firm Regn. No.001322S

Sd/-

**J.Prabhakar**

Proprietor

Membership No.026006

UDIN : 21026006AAAHL2043

Place : Hyderabad

Date : 30/06/2021.

# Dhanalaxmi Roto Spinners Limited

## **Annexure A to the Independent Auditors' report on the standalone financial statements of Dhanalaxmi Roto Spinners Limited for the year ended 31 March 2021.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Dhanalaxmi Roto Spinners Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

## Dhanalaxmi Roto Spinners Limited

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) 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 standalone financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Jeedigunta & Co.**,  
Chartered Accountants  
Firm Regn. No.001322S  
Sd/-

**J. Prabhakar**  
Proprietor

Place : Hyderabad  
Date : 30/06/2021

Membership No.026006  
UDIN : 21026006AAAAHL2043

### **Annexure B to the Independent Auditor's report on the standalone financial statements of Dhanalaxmi Roto Spinners Limited for the year ended 31 March 2021**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories except for goods-in-transit were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made, guarantees given and security provided, as applicable. The Company has not granted any loans.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

## Dhanalaxmi Roto Spinners Limited

(vi) In our opinion, and according to the information and explanations given to us, the Company is not required to maintain cost records as per Section 148(1) of the Act read with the Companies (Cost Record and Audit) Rules, 2014. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 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 material dues relating to income tax/ Goods and Service tax /duty of customs / cess, which have not been deposited on account of disputes with the related authorities.

(viii) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) 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 requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable IND AS.

(xiv) 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 to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Jeedigunta & Co.**,  
Chartered Accountants  
Firm Regn. No.001322S

Sd/-

**J. Prabhakar**  
Proprietor

Place : Hyderabad  
Date : 30/06/2021.

Membership No.026006  
UDIN : 21026006AAAAHL2043

# Dhanalaxmi Roto Spinners Limited

## BALANCE SHEET AS AT 31ST MARCH, 2021

( Value in INR )

PARTICULARS	Note No.	As at 31-03-2021	As at 31-03-2020
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3.1	4,39,75,673	4,49,95,869
(b) Other Intangible Assets	3.2	27,976	28,371
(c) Financial Assets:			
(i) Investments	4	17,06,811	1,59,28,605
(ii) Loans	5.1	18,143	35,13,295
(iii) Other Financial Assets	6	12,09,304	19,89,045
(d) Other Non-current Assets		-	-
<b>Total Non-Current Assets</b>		<b>4,69,37,907</b>	<b>6,64,55,186</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	1,53,81,677	48,10,541
(b) Financial Assets			
i) Trade Receivables	8	10,24,48,587	11,15,40,917
ii) Cash and Cash Equivalents	9	1,91,74,895	10,55,844
iii) Bank Balances Other than Cash and Cash Equivalents	10	14,93,15,600	12,26,90,114
iv) Investments	4	3,65,92,393	-
v) Loans	5.2	1,62,07,922	1,60,34,472
(c) Other Current Assets	11	7,92,814	5,37,356
<b>Total Current Assets</b>		<b>33,99,13,888</b>	<b>25,66,69,244</b>
<b>Total Assets</b>		<b>38,68,51,795</b>	<b>32,31,24,430</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	12	39,003,000	39,003,000
(b) Other Equity			
(i) Reserves & Surplus	13	18,87,14,159	14,82,51,972
<b>Total Equity</b>		<b>22,77,17,159</b>	<b>18,72,54,972</b>
<b>LIABILITIES</b>			
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	14.1	60,00,000	60,00,000
(b) Deferred Tax Liabilities (Net)	15.1	28,28,845	27,26,311
(c) Other Non-current Liabilities	16.1	----	----
<b>Total Non-Current Liabilities</b>		<b>88,28,845</b>	<b>87,26,311</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	14.2	4,15,76,641	2,65,65,593
ii) Trade Payables	17	7,40,39,348	8,07,13,050
(b) Current Tax Liabilities (Net)	15.2	64,58,128	6,70,792
(c) Other Current Liabilities	16.2	2,82,31,675	1,91,93,711
<b>Total Current Liabilities</b>		<b>15,03,05,791</b>	<b>12,71,43,146</b>
<b>Total Liabilities</b>		<b>15,91,34,636</b>	<b>13,58,69,457</b>
<b>Total Equity &amp; Liabilities</b>		<b>38,68,51,795</b>	<b>32,31,24,430</b>

Accompanying notes forming part of the Financial Statements

1 to 41

As per our report of even date attached  
for **Jeedigunta & Co.**, Chartered Accountants,  
Firm Regn No.001322S  
Sd/-

**(J.Prabhakar)** Proprietor  
M.No. 026006, UDIN : 21026006AAAAHL2043  
Place : Hyderabad  
Date : 30/06/2021

Sd/-  
**Rajkumar Inani**  
Managing Director  
(DIN: 00885466)  
Sd/-  
**Anirudh Inani**  
Whole Time Director  
(DIN: 02253588)

For and on behalf of the Board

Sd/-  
**Narayan Inani**  
Executive Director cum CFO  
(DIN: 00525403)  
Sd/-  
**Anamika Khare**  
Company Secretary  
(M.No. A32499)

# Dhanalaxmi Roto Spinners Limited

( Value in INR)

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2021

PARTICULARS	Note No.	For the period ended 31-03-2021	For the period ended 31-03-2020
<b>I Income</b>			
Revenue from Operations	18	72,83,95,435	71,45,40,799
Other Income	19	3,41,47,182	2,08,95,324
<b>Total Income</b>		<b>76,25,42,617</b>	<b>73,54,36,124</b>
<b>II Expenses</b>			
Purchases of Stock in Trade		64,66,71,594	65,64,47,140
Changes in inventories of Stock in Trade	20	(1,05,71,137)	(30,66,661)
Employee Benefit Expenses	21	2,21,57,652	2,27,85,230
Depreciation and Amortization Expenses	22	24,59,584	23,75,388
Other Administrative Expenses	23	3,49,79,511	2,70,88,800
Finance Costs	24	74,68,582	53,01,321
<b>Total Expenses</b>		<b>70,31,65,785</b>	<b>71,09,31,218</b>
<b>III Profit before exceptional items and tax</b>	(I - II)	<b>5,93,76,832</b>	<b>2,45,04,906</b>
<b>IV Exceptional Items (Net)</b>		NIL	NIL
<b>V Prior Period Items</b>		(2,02,521)	14,04,355
<b>VI Profit after exceptional items &amp; before tax</b>	(III+V)	<b>5,91,74,311</b>	<b>2,59,09,261</b>
<b>Tax Expense:</b>			
(1) Current tax		1,85,52,026	63,57,666
(2) Deferred tax		1,02,534	1,84,127
<b>VII Total Tax Expense</b>		<b>1,86,54,560</b>	<b>65,41,793</b>
<b>VIII Profit for the Year</b>	(VI-VII)	<b>4,05,19,751</b>	<b>1,93,67,468</b>
<b>Total Comprehensive Income for the year</b>		<b>4,05,19,751</b>	<b>1,93,67,468</b>
<b>A. Continuing Operations attributable to</b>			
Basic		10.39	4.97
Diluted		10.39	4.97
<b>Accompanying notes forming part of the Financial Statements</b>	1 to 41		

As per our report of even date attached  
**for Jeedigunta & Co.**, Chartered Accountants,  
 Firm Regn No.001322S  
 Sd/-  
**(J.Prabhakar)**  
 Proprietor M.No. 026006  
 UDIN : 21026006AAAAHL2043  
 Place : Hyderabad  
 Date : 30/06/2021

**For and on behalf of the Board**

Sd/-  
**Rajkumar Inani**  
 Managing Director  
 (DIN: 00885466)  
 Sd/-  
**Anirudh Inani**  
 Whole Time Director  
 (DIN: 02253588)

Sd/-  
**Narayan Inani**  
 Executive Director cum CFO  
 (DIN: 00525403)  
 Sd/-  
**Anamika Khare**  
 Company Secretary  
 (M.No. A32499)

# Dhanalaxmi Roto Spinners Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 ( Value in INR)

S.No.	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Profit/(loss) before tax	5,93,76,832	2,45,04,906
	Adjusted for :		
	Depreciation and amortisation expense	24,59,584	23,75,388
	Dividend & Interest income Classified as Investing Cash Flows	(70,25,203)	(90,73,344)
	Finance cost	74,68,582	53,01,321
	(Profit)/Loss on Sale of Fixed Assets	(32,947)	-
	Securities and Commodities	(23,81,969)	7,25,390
	Balances Written Off	1,31,57,959	25,290
	Prior Period Item	(2,02,521)	14,04,355
	<b>Operating profit/(loss) before working capital changes</b>	<b>7,28,20,317</b>	<b>2,52,63,305</b>
	Adjusted for :		
	(Increase)/Decrease in trade receivables	90,92,330	2,82,46,186
	(Increase)/Decrease in inventories	(1,05,71,137)	(30,66,661)
	(Increase)/Decrease in other assets	(2,55,458)	2,12,832
	Increase/(Decrease) in trade payables	(66,73,702)	(3,42,82,551)
	Increase/(Decrease) in other liabilities	90,37,964	97,03,754
	(Increase)/Decrease in other Financial Assets	7,79,741	(96,879)
	<b>Cash generated from operations</b>	<b>7,42,30,055</b>	<b>2,59,79,986</b>
	Net Income taxes (paid) / refunds	(1,28,22,255)	(81,76,588)
	<b>Net cash from operating activities</b>	<b>6,14,07,800</b>	<b>1,78,03,398</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of Property, Plant & Equipment	(14,06,046)	(89,500)
	Proceeds from Sale of Property, Plant & Equipment	-	-
	Movement in Loans & Advances	33,21,702	(1,24,01,145)
	Movement in Non-Current Investments	(2,23,70,598)	3,49,15,699
	(Profit)/Loss on Investments and Transaction of Shares	23,81,969	(7,25,390)
	Dividend & Interest Income Classified as Investing Cash Flows	70,25,203	90,73,344
	Balances written off	(1,31,57,959)	(25,290)
	<b>Net cash used in investing activities</b>	<b>(2,42,05,729)</b>	<b>3,07,47,718</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from Long-term/Short-term borrowings	1,50,11,048	(1,16,52,517)
	Repayment of long-term/Short-term borrowings	-	-
	Interest and finance charges paid	(74,68,582)	(53,01,321)
	<b>Net cash used in financing activities</b>	<b>75,42,466</b>	<b>(1,69,53,838)</b>
	Net (decrease) / increase in cash and cash equivalents	4,47,44,537	3,15,97,279
	Cash and cash equivalents as at the beginning of the year	12,37,45,959	9,21,48,680
	Cash and cash equivalents as at the end of the year	<b>16,84,90,496</b>	<b>12,37,45,959</b>
	Bank Overdrafts	(56,90,473)	(57,93,010)
	<b>Balances as per Statement of Cash Flows</b>	<b>16,28,00,022</b>	<b>11,79,52,949</b>

Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

### Accompanying notes forming part of the Financial Statements

As per our report of even date attached  
**for Jeedigunta & Co.,** Chartered Accountants,  
 Firm Regn No.001322S  
 Sd/-  
**(J.Prabhakar)** Proprietor  
 M.No. 026006, UDIN : 21026006AAAAHL2043  
 Place : Hyderabad  
 Date : 30/06/2021

### For and on behalf of the Board

Sd/-  
**Rajkumar Inani**  
 Managing Director  
 (DIN: 00885466)  
 Sd/-  
**Anirudh Inani**  
 Whole Time Director  
 (DIN: 02253588)

Sd/-  
**Narayan Inani**  
 Executive Director cum CFO  
 (DIN: 00525403)  
 Sd/-  
**Anamika Khare**  
 Company Secretary  
 (M.No. A32499)

# Dhanalaxmi Roto Spinners Limited

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

### (A) Equity Share Capital

(Amt in INR)

Particulars	Number of Shares	Amount
<b>Equity Shares of Rs. 10/- each with Voting Rights</b>		
<b>As at April 1, 2019</b>	<b>39,00,300</b>	<b>3,90,03,000</b>
Changes in Equity Share Capital	-	-
<b>As at March 31, 2020</b>	<b>39,00,300</b>	<b>3,90,03,000</b>
Changes in Equity Share Capital	-	-
<b>As at March 31, 2021</b>	<b>39,00,300</b>	<b>3,90,03,000</b>

### (B) Other Equity

Particulars	Reserves and Surplus (refer note no. 13)						Items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Central Subsidy	Investment Allowance utilised reserve	Retained Earnings	Revaluation Surplus	
<b>Balance at April 1, 2019</b>	<b>20,000</b>	-	-	<b>15,00,000</b>	<b>18,88,866</b>	<b>14,30,64,938</b>	1,02,98,562	<b>15,67,72,366</b>
Profit for the year (net of earlier year Taxes paid)	-	-	-	-	-	1,93,67,468	-	1,93,67,468
Other Comprehensive Income	-	-	-	-	-	-	-	-
<b>Total comprehensive Income for the year</b>	-	-	-	-	-	1,93,67,468	1,02,98,562	1,93,67,468
Recognition of Share based Payments options	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-
Amount Transferred within the reserves	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>20,000</b>	-	-	<b>15,00,000</b>	<b>18,88,866</b>	<b>16,24,32,406</b>	<b>1,02,98,562</b>	<b>17,61,39,834</b>
Profit for the year (net of earlier year Taxes paid)	-	-	-	-	-	4,04,62,186	-	4,04,62,186
Other Comprehensive Income	-	-	-	-	-	-	-	-
<b>Total comprehensive Income for the year</b>	-	-	-	-	-	4,04,62,186	1,02,98,562	4,04,62,186
<b>Balance at 31 March 2021</b>	<b>20,000</b>	-	-	<b>15,00,000</b>	<b>18,88,866</b>	<b>20,28,94,592</b>	<b>1,02,98,562</b>	<b>21,66,02,020</b>

Accompanying notes forming part of the Financial Statements

**Land** : Ind AS 101 allows entity to elect to measure Property, Plant and Equipment on the transition date at its fair value or previous GAAP carrying value (book value) as deemed cost. The company has elected to measure land at fair value and use these fair values as deemed cost on the date of transition. As a result, the value of land has increased Rs. 1,02,98,562.00

As per our report of even date attached  
**for Jeedigunta & Co.**, Chartered Accountants,  
 Firm Regn No.001322S  
 Sd/-  
**(J.Prabhakar)**  
 Proprietor M.No. 026006  
 UDIN : 21026006AAAAHL2043  
 Place : Hyderabad  
 Date : 30/06/2021

**For and on behalf of the Board**

Sd/-  
**Rajkumar Inani**  
 Managing Director  
 (DIN: 00885466)  
 Sd/-  
**Anirudh Inani**  
 Whole Time Director  
 (DIN: 02253588)

Sd/-  
**Narayan Inani**  
 Executive Director cum CFO  
 (DIN: 00525403)  
 Sd/-  
**Anamika Khare**  
 Company Secretary  
 (M.No. A32499)



# Dhanalaxmi Roto Spinners Limited

## Notes to the Financial Statements

### 1. Company Overview and Significant Accounting Policies

#### General Information

##### 1.1. Company Overview

Dhanalaxmi Roto Spinners limited ('the Company') is domiciled in India with its registered office situated at Sy.No.114 & 115, Station Road, Thimmapur, Ranga Reddy Dist, Telangana-509325, India. The Company was incorporated on 11th September 1987 under the provisions of Indian Companies Act, 1956 and its equity shares are listed on Bombay Stock Exchange (BSE) in India. Dhanalaxmi Roto Spinners Limited is mainly engaged in trading activity in the line of wood pulp, paper and waste paper market. The company is trying to improve on small beginning made in last couple of years in commodity trading and exports.

##### 2. Basis of preparation

###### a) Statement of Compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

###### b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

###### c) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of its activities and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

###### d) Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, recoverability of deferred tax assets, provision and contingent liabilities. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

###### e) Useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets

###### f) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the standalone financial statements

# Dhanalaxmi Roto Spinners Limited

## 2.1 Significant Accounting Policies

### A. Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### B. Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### C. Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### D. Impairment

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has computed the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### E. Property, Plant And Equipment (PPE) / Depreciation

#### (i) Recognition And Measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour and other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:-Projects under which Property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## Dhanalaxmi Roto Spinners Limited

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### (iii) Expenditure during construction period

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

### (iv) Depreciation

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

The Company reviews the residual value, useful lives and depreciation method annually and if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Asset	Useful lives (in years)
Land	-
Building (RCC Frame Structure)	60
Building (Other than RCC Frame Structure)	30
Borewell	15
Furnitures & Fixtures	10
Vehicles (Cars)	08
Motor Cycle	10
Office Equipments	05
Computers & Printers	03
Honda Generator	15
Old Steel Containers	15

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing Rs.5,000 and below are depreciated over a period of one year.

Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Land :** IND AS 101 allows entity to elect to measure Property, Plant and Equipment on the transition date at its fair value or previous GAAP carrying value (book value) as deemed cost. The company has elected to measure land at fair value and use these fair values as deemed cost on the date of transition. As a result, the value of land has increased Rs. 1,02,98,562.00

## F. Intangible assets

### (i) Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight-line method and is included in depreciation and amortisation in statement of profit and loss.

# Dhanalaxmi Roto Spinners Limited

The estimated useful lives are as follows:

Club Membership
-----------------

99 Years
----------

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## G. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of raw materials are computed basis the moving average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished products and work-in-progress, costs includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling price of related finished goods.

Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

## H) Employee benefits

### i) Short term employee benefits :

Employee Benefits such as salaries, allowances and non-monetary benefits which fall due for payment within a period of twelve months after rendering of services, are charged as expense to the profit and loss account in the period in which the service is rendered.

### ii) Post- employment benefits :

No provision has been made towards retirement benefits as in the opinion of the board; none of the employees are eligible for the same.

## I) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are recognised at the best estimates of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risks specific to the liabilities.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## J) Revenue

### i. Sale of goods

Revenue is measured at the fair value of consideration received or receivable net off trade discounts, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer. Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

### ii. Rendering of services

Revenue for job work services is recognised as and when services are rendered, in accordance with the terms of the contract. The amount recognised as revenue is exclusive of goods and service tax (GST) and its net of returns and trade discounts.

## Dhanalaxmi Roto Spinners Limited

### iii. Rental income

Rental income is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

### iv. Dividend

Dividend from investment is recognised as revenue when right to receive the payments is established.

### v. Interest income

Interest income is recognised using the effective interest rate method.

### K. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

#### Minimum alternate tax Credit Entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes a deferred tax asset on the MAT credit available only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the deferred tax asset created on MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### L. Borrowing costs

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

## Dhanalaxmi Roto Spinners Limited

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

### **N. Foreign currency transactions**

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

### **O. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### **P. Others**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### **Balance Sheet:**

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### **Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

# Dhanalaxmi Roto Spinners Limited

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Value in INR)

### 3.1. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Carrying Amounts of :</b>		
1	Land	1,25,27,004	1,25,26,000
2	Building (RCC Frame Structure)	1,77,02,291	1,80,18,358
3	Building (Other than RCC Frame Structure)	67,56,914	72,10,919
4	Borewell	8,113	9,244
5	Furnitures & Fixtures	2,65,842	3,02,610
6	Vehicles (Cars)	57,13,319	62,17,529
7	Motor Cycle	67,155	78,286
8	Office Equipments	4,59,560	3,09,534
9	Computers & Printers	3,43,698	1,73,953
10	Honda Generator	38,266	43,882
11	Old Steel Containers	93,510	1,05,553
	<b>Total in Rs.</b>	<b>4,39,75,673</b>	<b>4,49,95,869</b>

#### 3.1 (a) Details of Property, plant and equipment Cost or deemed cost

	Particulars	Balance as at 01/04/19	Additions	Deletions	Balance as at 31/03/20	Additions	Deletions	Balance as at 31/03/21
1	Land	1,25,26,000	-	-	1,25,26,000	1,004	-	1,25,27,004
2	Building (RCC Frame Structure)	2,02,95,607	-	-	2,02,95,607	-	-	2,02,95,607
3	Building (Other than RCC Frame Structure)	1,52,65,615	-	-	1,52,65,615	-	-	1,52,65,615
4	Borewell	88,174	-	-	88,174	-	-	88,174
5	Furnitures & Fixtures	19,63,417	-	-	19,63,417	-	-	19,63,417
6	Vehicles (Cars)	1,34,54,018	-	-	1,34,54,018	10,00,571	7,37,186	1,37,17,403
7	Motor Cycle	1,64,212	-	-	1,64,212	-	-	1,64,212
8	Office Equipments	19,10,896	30,500	-	19,41,396	2,48,771	-	21,90,167
9	Computers & Printers	16,51,099	59,000	-	17,10,099	2,38,700	11,750	19,37,049
10	Honda Generator	85,500	-	-	85,500	-	-	85,500
11	Old Steel Containers	1,86,800	-	-	1,86,800	-	-	1,86,800
	<b>Total in Rs.</b>	<b>6,75,91,338</b>	<b>89,500</b>	<b>-</b>	<b>6,76,80,838</b>	<b>14,89,046</b>	<b>7,48,936</b>	<b>6,84,20,948</b>

1) Kindly refer note no 14.4 on Borrowings, for the details related to hypothecated property, plant and equipment of the Company

#### 3.1 (b) Accumulated depreciation and impairment

	Particulars	Balance as at 01/04/19	Additions	Deletions	Balance as at 31/03/20	Additions	Deletions	Balance as at 31/03/21
1	Land	-	-	-	-	-	-	-
2	Building (RCC Frame Structure)	19,60,318	3,16,931	-	22,77,249	3,16,067	-	25,93,316
3	Building (Other than RCC Frame Structure)	75,99,444	4,55,252	-	80,54,696	4,54,005	-	85,08,701
4	Borewell	77,798	1,132	-	78,930	1,131	-	80,061
5	Furnitures & Fixtures	16,19,835	40,972	-	16,60,807	36,768	-	16,97,575
6	Vehicles (Cars)	58,30,385	14,06,104	-	72,36,489	14,59,310	6,91,715	80,04,084
7	Motor Cycle	74,766	11,160	-	85,926	11,131	-	97,057
8	Office Equipments	15,59,870	71,992	-	16,31,862	98,745	-	17,30,607
9	Computers & Printers	14,82,404	53,742	-	15,36,146	64,373	7,168	15,93,351
10	Honda Generator	35,986	5,632	-	41,618	5,616	-	47,234
11	Old Steel Containers	69,171	12,076	-	81,247	12,043	-	93,290
	<b>Total in Rs.</b>	<b>2,03,09,976</b>	<b>23,74,993</b>	<b>-</b>	<b>2,26,84,969</b>	<b>24,59,189</b>	<b>6,98,883</b>	<b>2,44,45,275</b>

## Dhanalaxmi Roto Spinners Limited

3.2. Intangible Assets <span style="float: right;">( Value in INR)</span>								
Particulars					As at 31st March, 2021			As at 31st March, 2020
<b>Carrying Amounts of:</b> Sterling Holiday Resorts					27,976			28,371
<b>Total in Rs.</b>					<b>27,976</b>			<b>28,371</b>
3.2(a) Gross Carrying amount of Intangible								
	Gross Carrying amount of Intangible Assets	Balance as at 01/04/19	Additions	Deletions	Balance as at 31/03/20	Additions	Deletions	Balance as at 31/03/21
	Sterling Holiday Resorts	39,000	-	-	39,000	-	-	39,000
	<b>Total in Rs.</b>	<b>39,000</b>	<b>-</b>	<b>-</b>	<b>39,000</b>	<b>-</b>	<b>-</b>	<b>39,000</b>
3.2(b) Accumulated Amortization								
	Accumulated Amortization	Balance as at 01/04/19	Additions	Deletions	Balance as at 31/03/20	Additions	Deletions	Balance as at 31/03/21
	Sterling Holiday Resorts	10,234	395	-	10,629	395	-	11,024
	<b>Total in Rs.</b>	<b>10,234</b>	<b>395</b>	<b>-</b>	<b>10,629</b>	<b>395</b>	<b>-</b>	<b>11,024</b>
<b>4: Investments</b>								
Sr.No	Particulars				As at 31st March, 2021			As at 31st March, 2020
	<b>Investment in Unquoted Equity Shares:</b>							
	Ketki Finance Limited (75000 Shares of Rs. 10/- each fully paid up)				7,53,750			7,53,750
	Rajyalaxmi Petro Chemicals Pvt. Ltd. (100 Shares of Rs. 10/- each fully paid up)				1,000			1,000
	Suraj Trade and Properties Pvt. Ltd. (18000 Shares of Rs. 45/- each fully paid up)				8,10,000			-
	Karmangaht Securities (P) Ltd (500 Shares of Rs 10 /- each fully paid up)				5,000			5,000
(A)	<b>Total of Unquoted Equity Shares</b>				<b>15,69,750</b>			<b>7,59,750</b>
(B)	Total of Quoted Investments				3,65,92,393			1,50,31,794
(C)	Investment in Gold				1,37,061			1,37,061
	<b>Total in Rs.</b>				<b>3,82,99,204</b>			<b>1,59,28,605</b>
4.1	Non Current Investments				17,06,811			1,59,28,605
4.2	Current Investments-Quoted				3,65,92,393			-
	<b>Total in Rs.</b>				<b>3,82,99,204</b>			<b>1,59,28,605</b>
<b>5: Loans</b>								
(A)	(Unsecured, Considered Good): Advances to Others				-			35,00,000
(B)	Security Deposits - Deposits (Advance Recoverable in cash or in kind or for value to be considered good)				18,143			13,295
(C)	Advance to Suppliers				1,62,07,922			1,60,34,472
	<b>Total in Rs</b>				<b>1,62,26,065</b>			<b>1,95,47,767</b>



## Dhanalaxmi Roto Spinners Limited

Sr.No	Particulars	As at 31st March, 2021	As at 31st March, 2020
5.1	Non Current Loans	18,143	35,13,295
5.2	Current Loans	1,62,07,922	1,60,34,472
	<b>Total in Rs.</b>	<b>1,62,26,065</b>	<b>1,95,47,767</b>
5.3	Deposits includes deposits paid towards amenities i.e. Electricity, Telephone, Rent etc.		
5.4	During the year Company has received an advance of Rs 1.50 Crores for sale of Land located at Mallampet		
<b>6: Other Financial Assets</b>			
(A)	Balance With Revenue Authorities	12,09,304	9,34,897
(B)	Inani Securities Ltd.	-	10,54,148
	<b>Total in Rs.</b>	<b>12,09,304</b>	<b>19,89,045</b>
6.1	Other non current Financial Assets	12,09,304	19,89,045
	<b>Total in Rs.</b>	<b>12,09,304</b>	<b>19,89,045</b>
<b>7: Inventories</b>			
	Inventories-(At lower of cost and net realisable value)		
(A)	Wood Pulp	1,46,04,992	48,10,541
(B)	Paper	7,76,686	-
	<b>Total in Rs.</b>	<b>1,53,81,677</b>	<b>48,10,541</b>
Notes: Refer note no. 14.4 for inventories pledged & refer note no.2.1.G for basis of Valuation			
<b>8: Trade Receivables</b>			
(A)	<u>Unsecured and Considered Good :</u>		
	Over six Months	47,36,666	1,84,82,584
	Others	9,77,11,921	9,30,58,333
	<b>Total in Rs.</b>	<b>10,24,48,587</b>	<b>11,15,40,917</b>
<b>Notes:</b> The credit period on sales of goods varies with seasons and business segments/ markets and generally ranges between 30 to 180 days. No interest is recovered on trade receivables for payments received after the due date. Before accepting any new customer, the Company has a credit evaluation system to assess the potential customer's credit quality and define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.			
<b>9: Cash and cash equivalents</b>			
(A)	Balance with Banks:		
	In Current Accounts	1,90,30,954	10,12,414
	Deposits with Maturity of Less than 3 Months	-	-
(B)	Cash Balance	1,43,941	43,430
	Sub Total (A)	1,91,74,895	10,55,844
<b>10: Bank Balances Other than Cash and Cash Equivalents</b>			
(A)	Bank Deposits with maturity of More than 3 months	14,93,15,600	12,26,90,114
	Sub Total (B)	14,93,15,600	12,26,90,114
	<b>Total [ A + B ]</b>	<b>16,84,90,495</b>	<b>12,37,45,958</b>
<b>11: Other Current Assets</b>			
(A)	Others	7,92,814	5,37,356
	<b>Total in Rs.</b>	<b>7,92,814</b>	<b>5,37,356</b>

## Dhanalaxmi Roto Spinners Limited

<b>12: Share Capital</b>			
<b>Sr.No</b>	<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
(A)	<b>Authorized Share Capital</b> 50,00,000 Equity Shares of Rs. 10/- each with Voting Rights.	5,00,00,000	5,00,00,000
		<b>5,00,00,000</b>	<b>5,00,00,000</b>
(B)	<b>Issued,Subscribed &amp; Paid Up Capital</b> 39,00,300 Equity Shares of Rs. 10/- each, Fully Paid up Share capital each with Voting Rights.	3,90,03,000	3,90,03,000
	<b>Total in Rs</b>	<b>3,90,03,000</b>	<b>3,90,03,000</b>
12.1	During the year there was no fresh issue of equity shares, hence number of shares outstanding at the beginning of the year and end of the year are same. i.e. 39,00,300 equity shares of Rs 10/- each		
	Equity Shares at the Begining of the year	39,00,300	39,00,300
	Add/(Less) : Equity shares issued / bought back during the year	-	-
	Equity Shares at the Close of the year	39,00,300	39,00,300
12.2	The Company has one class of equity shares having a face value of Rs10 each . Each shareholder is eligible for one vote per share held.		
12.3	In the event of liquidation of the Company, equity shareholders 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 share held by the shareholders.		
12.4	There were no equity shares allotted as fully paid up pursuant to contracts without payment received in cash, there were no bonus shares allotted and there were no equity shares bought back, during the period of 5 years immediately preceding the Balance Sheet date		
<b>13: Other Equity</b>			
(A)	Capital Reserve	20,000	20,000
(B)	Central Subsidy	15,00,000	15,00,000
(C)	Investment Allowance utilised reserve	18,88,866	18,88,866
(D)	Revaluation Surplus	1,02,98,562	1,02,98,562
(E)	<b>Retained Earnings:</b>		
	Balance brought forward from previous year	13,45,44,544	11,51,77,077
	Add: Profit for the period	4,05,19,751	1,93,67,468
		17,50,64,296	13,45,44,544
	Less: Earlier Year Taxes paid (Tax on regular assessment)	57,565	-
	Surplus in Statement of Profit & Loss Account	17,50,06,731	13,45,44,544
	<b>Total in Rs.</b>	<b>18,87,14,159</b>	<b>14,82,51,972</b>
<b>Note:</b> Retained earnings represents the Company's undistributed earnings after taxes.			
<b>14: Borrowings</b>			
(A)	<b>Secured:</b>		
	Term Loans:		
	Others	60,00,000	60,00,000
	Loans repayable on Demand from Banks	56,90,473	57,93,010
(B)	<b>Unsecured:</b>		
	Loans & Advances from Related Parties		
	- From Directors	2,75,82,788	94,34,881
	- Others	83,03,379	1,13,37,702
	<b>Total of Loans in Rs.</b>	<b>4,75,76,641</b>	<b>3,25,65,593</b>
14.1	Non Current Borrowings	60,00,000	60,00,000
14.2	Current Borrowings	4,15,76,641	2,65,65,593
	<b>Total of Loans in Rs.</b>	<b>4,75,76,641</b>	<b>3,25,65,593</b>

## Dhanalaxmi Roto Spinners Limited

14.3 Term Loans from Banks have been obtained for purchase of vehicles for use of company and the same vehicles have been mortgaged

Sr.No	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Axis Bank (against Honda JAzz)	-	8,50,000
	Axis Bank (against Jaquar Car)	-	44,90,000

14.4 Working capital limits sanctioned by Tamilnad Mercantile Bank Ltd, are repayable on demand from bank and are secured against hypothecation of inventories, book debts/receivables, bills negotiation drawn under ILC/FLC, against collateral security of open land and premises in the name of the company and in the name of Directors & relatives personal guarantee of directors and the sanction limits are Rs. 0.50 crores for CC, Rs.6.50 Crores for FBN/IBN, Rs 18 Crores for FLC/ILC, Rs.18 Crores for forward Sales contract.

14.5 There is no breach of loan agreement. The Company has not defaulted on repayment of interest and loans as at the balance sheet date.

### 15: Income Tax

(A)	Deferred Tax Liability(Net) Opening Balance	27,26,311	25,42,184
	In Relation to Property, Plant & Equipment	1,02,534	1,84,127
(B)	Provision for Income Tax	64,58,128	6,70,792
	<b>Total in Rs.</b>	<b>92,86,973</b>	<b>33,97,103</b>
15.1	Deffered Tax Liability (Net)	28,28,845	27,26,311
15.2	Current Tax Liability	64,58,128	6,70,792
	<b>Total in Rs.</b>	<b>92,86,973</b>	<b>33,97,103</b>

15.3 Reconciliation of Tax Expense to the Accounting Profit is as follows:

(A)	<b>Accounting Profit before Tax</b>	<b>5,91,74,311</b>	<b>2,59,09,261</b>
	Tax Expense at Statutory Tax rate of 27.82%	<b>1,64,62,293</b>	<b>72,07,956</b>
(B)	<b>Adjustments:</b>		
	Effect of expenses that are not deductible in determining taxable profit:		
	Donations	10,293	94,922
	Rental property Depreciation	2,86,111	(3,17,901)
	Interest on TDS & other taxes	5,699	4,621
	Depreciation as per IT & Companies Act	6,84,256	(1,84,127)
		<b>9,86,360</b>	<b>(4,02,484)</b>
(C)	<b>Total of expenses that are not deductible in determining taxable profit:</b>		
	Effect of income that is exempt from tax: Dividend from UTI Mutual Funds	-	2,50,330
		-	<b>2,50,330</b>
(D)	<b>Others</b>	<b>11,03,372</b>	<b>(13,349)</b>
	<b>Tax expense reported in Profit and Loss statement (A+B-C+D)</b>	<b>1,85,52,026</b>	<b>65,41,793</b>

### 16: Other Liabilities

(A)	Advance From Customers	2,20,37,569	52,27,277
(B)	Other Payables	61,94,106	1,32,61,955
(D)	Current Maturities of Long Term Loans	-	7,04,479
	<b>Total in Rs.</b>	<b>2,82,31,675</b>	<b>1,91,93,711</b>

## Dhanalaxmi Roto Spinners Limited

Sr.No	Particulars	As at 31st March, 2021	As at 31st March, 2020
16.1	Non Current Liabilities	-	-
16.2	Current Liabilities	2,82,31,675	1,91,93,711
	<b>Total in Rs.</b>	<b>2,82,31,675</b>	<b>1,91,93,711</b>
16.3	Other Payables includes rental advance and statutory dues such as TDS Payable, Goods & Service Tax Payable & other outstanding liabilities.		
<b>17: Trade Payables</b>			
(A)	Sundry Creditors	7,40,39,348	8,07,13,050
	<b>Total in Rs.</b>	<b>7,40,39,348</b>	<b>8,07,13,050</b>
17.1	As confirmed by the management, there are no dues above Rs.1.00 Lakh outstanding for more than 45 days to Micro and Small Scale Undertakings.		
<b>18 : Revenue from Operations</b>			
1	Sale of Products	72,83,95,435	71,45,40,799
	<b>Total in Rs.</b>	<b>72,83,95,435</b>	<b>71,45,40,799</b>
<b>19 : Other Income</b>			
1	Interest Income	67,35,874	55,96,980
2	Rental Income	69,00,000	62,25,000
3	Dividend Income from Current Investment	2,89,329	18,99,822
4	Other Receipts	2,02,21,979	71,73,522
	<b>Total in Rs.</b>	<b>3,41,47,182</b>	<b>2,08,95,324</b>
19.1	Interest Income Comprises of Interest from Bank on FDR'S and Interest received from Customers		
<b>20: Changes in Inventories of Stock-in-Trade</b>			
1	Stock in Trade as at 1st April	48,10,541	17,43,880
2	Stock in Trade as at 31st March	1,53,81,677	48,10,541
	<b>Total in Rs.</b>	<b>(1,05,71,137)</b>	<b>(30,66,661)</b>
<b>21: Employee Benefit Expenses</b>			
1	Salaries & Bonus	1,21,55,400	1,37,41,415
2	Directors Remuneration	99,75,000	90,00,000
3	Staff Welfare & Other Benefits	27,252	43,815
	<b>Total in Rs.</b>	<b>2,21,57,652</b>	<b>2,27,85,230</b>
<b>22: Depreciation &amp; Amortization Expenses</b>			
1	Depreciation of Property,Plant & Equipment (Refer note no.3.1)	24,59,189	23,74,993
2	Amortization of Intangible Asset (Refer note no.3.2)	395	395
	<b>Total in Rs</b>	<b>24,59,584</b>	<b>23,75,388</b>

## Dhanalaxmi Roto Spinners Limited

### 23: Other Administrative Expenses

Sr.No	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Rent, Rates, Taxes and Renewals	19,40,211	15,07,541
2	Telephone Expenses	73,639	1,21,616
3	Bad Debts Written Off	1,31,57,959	25,290
4	Conveyance	15,426	17,974
5	Repairs & Maintenance	13,80,131	12,71,626
6	Electricity Expenses	4,95,776	5,01,499
7	Insurance	2,81,726	2,16,599
8	Hamali Charges	25,278	14,079
9	Travelling Expenses	7,49,617	23,43,353
10	Directors' Sitting Fees	84,000	1,12,000
11	Auditors' Remuneration	1,30,000	1,00,000
12	Business Promotion Expenses	2,54,375	1,23,787
13	Advertisement	46,211	42,209
14	Freight Outwards	28,63,334	16,44,150
15	Commission and Brokerage	94,29,345	63,52,573
16	Conference Expenses	4,81,777	7,75,000
17	Other Miscellaneous Expenses	25,91,308	28,21,051
18	Consultancy and Service Charges	3,01,000	2,54,894
19	Charities & Donations	71,822	3,41,200
20	Loss on Forex Derivative Transactions	4,98,704	88,765
21	Loss from Portfolio management	-	6,36,625
22	Share Transfer & Demat Expenses	1,07,872	1,94,320
23	Foreign Exchange Fluctuation Pulp	-	75,82,650
	<b>Total in Rs</b>	<b>3,49,79,511</b>	<b>2,70,88,800</b>

### 24: Finance Costs

1	Interest Expenses	46,72,961	19,38,431
2	Other Borrowing Cost	27,95,621	33,62,890
	<b>Total in Rs.</b>	<b>74,68,582</b>	<b>53,01,321</b>

S. No	Particulars	31/3/2021	31/3/2020
25	Estimated amount of contracts remaining to be executed on Capital account not provided for (Net of advances)	Nil	Nil
26	Contingent Liabilities not provided for FLC & Bank Guarantee issued by the Bank	17,55,30,441	4,12,36,889
27	<b>Auditors Remuneration :</b>		
	Audit Fees	1,05,000	1,00,000
	Tax Representation Fees	25,000	25,000
	Service Tax/GST	-	-

28 The company operates in only one segment i.e. 'India'. Hence separate information on geographical segment is not required. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information of the Company.

### 29 Quantitative particulars (in Kilograms) :

Product	Opening Stock	Purchases	Sales	Closing Stock
Pulp	1,13,815.04	1,45,03,296.00	1,42,95,860.16	3,21,250.88
Waste Paper	0.00	19,530.00	19,530.00	0.00
Paper	0.00	4,28,220	4,07,796	20,424.00

## Dhanalaxmi Roto Spinners Limited

Sr.No	Particulars	31.03.2021	31.03.2020																																
30	Value of Imports on CIF Basis Raw Materials Spare Parts and Consumables Capital Goods	Nil Nil Nil	Nil Nil Nil																																
31	Expenditure in Foreign Currency Towards Purchases Towards Travelling Towards Commission	56,11,73,627 - 2,84,694	61,57,25,437 16,51,860 -																																
32	Earnings in Foreign Currency	1,54,95,149	Nil																																
33	<p><b>Related Party Disclosure:</b>  <u>During the year, the Company entered into transactions with the related parties. Those transactions along with related balances as at 31st March, 2021 and for the year ended are presented in the following table.</u>                      (The information is given as compiled and certified by the management).</p> <p><b>Associate Concerns</b></p> <table border="1"> <tr><td>1</td><td>Anirudh Marketing</td></tr> <tr><td>2</td><td>Inani Distributors</td></tr> <tr><td>3</td><td>Lake Priya Enterprises Pvt Limited.</td></tr> </table> <p><b>Directors/Key Management Personnels:</b></p> <table border="1"> <tr><td>1</td><td>Rajkumar Inani</td></tr> <tr><td>2</td><td>Narayan Inani</td></tr> <tr><td>3</td><td>Anirudh Inani</td></tr> <tr><td>4</td><td>K.N.Prasad</td></tr> <tr><td>5</td><td>Shyamsundar Jakhotia</td></tr> <tr><td>6</td><td>Simanth Roy Chowdhury</td></tr> <tr><td>7</td><td>Anamika Khare</td></tr> <tr><td>8</td><td>Natasha Inani</td></tr> </table> <p><b>Relatives of Directors/Key Management Personnels</b></p> <table border="1"> <tr><td>1</td><td>Keshav Inani</td></tr> <tr><td>2</td><td>Sangita Inani</td></tr> <tr><td>3</td><td>Divya Inani</td></tr> <tr><td>4</td><td>Sri Gopal Inani</td></tr> <tr><td>5</td><td>Priyanka Inani</td></tr> </table>			1	Anirudh Marketing	2	Inani Distributors	3	Lake Priya Enterprises Pvt Limited.	1	Rajkumar Inani	2	Narayan Inani	3	Anirudh Inani	4	K.N.Prasad	5	Shyamsundar Jakhotia	6	Simanth Roy Chowdhury	7	Anamika Khare	8	Natasha Inani	1	Keshav Inani	2	Sangita Inani	3	Divya Inani	4	Sri Gopal Inani	5	Priyanka Inani
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5	Priyanka Inani																																		
<b>Related Party Transactions</b>		<b>(Amt. in INR)</b>																																	
	<b>Particulars</b>	<b>Key Person/ Relatives</b>	<b>Associates</b>																																
	Directors' Remuneration	99,75,000	-																																
	Directors' Sitting Fees	84,000	-																																
	Interest to Directors	43,32,613	-																																
	Salaries & Bonus to Relatives	1,04,00,000	-																																

## Dhanalaxmi Roto Spinners Limited

34 Basic and Diluted Earnings per Share {"EPS"} computed in accordance with Ind AS 33 'Earnings per Share'

Particulars		2020-21	2019-20
Basic			
Profit after tax as per Statement of Profit and Loss	A	4,05,19,751	1,93,67,468
Number of Shares subscribed	B	39,00,300	39,00,300
Basic EPS (Rupees)	A/B	10.39	4.97
Diluted			
Profit after tax as per Statement of Profit and Loss	A	4,05,19,751	1,93,67,468
Number of Shares subscribed	B	39,00,300	39,00,300
Diluted EPS (Rupees)	A/B	10.39	4.97

35 **Corporate Social Responsibility expenditure :**

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The Company was required to spend the gross amount of 'NIL (31 March 2020: NIL) during the year on corporate social responsibility activities.

36 **Dividend paid and proposed:**

No Dividends on equity shares were declared and paid by the Company during the year

37 **Capital Management :**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2021 was as follows.

Particulars	2020-21	2019-20
Total Borrowing	4,75,76,641	3,25,65,593
Less : Cash and cash equivalent	1,91,74,895	10,55,844
Total equity	22,77,17,159	18,72,54,972
Net debt to equity ratio	0.08	0.01

38 **Impact of COVID-19 Pandemic :**

The COVID-19 pandemic marginally disrupted business operations due to lockdown and other emergency measures imposed by the government. The Company's operations was shut down during Lockdown . As of today, Business remain operational, following enhanced internal safety guidelines. The Company has considered internal and external information while assessing recoverability of its assets disclosed in the financial statement upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. Management has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

39 Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

## Dhanalaxmi Roto Spinners Limited

40 **Approval of financial statements:**

The financial statements were approved for issue by the Board of Directors on 30/06/2021

41 Figures in brackets in these notes are in respect of previous year.

As per our report of even date attached

for **Jeedigunta & Co.**, Chartered Accountants,  
Firm Regn No.001322S

Sd/-

**(J.Prabhakar)**

Proprietor M.No. 026006

UDIN : 21026006AAAAHL2043

Place : Hyderabad

Date : 30/06/2021

**For and on behalf of the Board**

Sd/-

**Rajkumar Inani**

Managing Director

(DIN: 00885466)

Sd/-

**Anirudh Inani**

Whole Time Director

(DIN: 02253588)

Sd/-

**Narayan Inani**

Executive Director cum CFO

(DIN: 00525403)

Sd/-

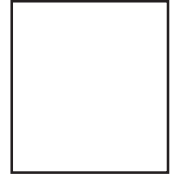
**Anamika Khare**

Company Secretary

(M.No. A32499)



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**DHANALAXMI ROTO SPINNERS LIMITED**

Sy. No. 114 & 115, Station Road,  
Thimmapur-509325  
Ranga Reddy Dist. (Telangana)