

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 Jakhota	Chairman and Independent Director	(DIN: 00562306)
Kasturi Nagendra Prasad	Independent Director	(DIN: 00562599)
Simanth Roy Chowdhury	Independent Director	(DIN: 02479099)
Natasha Inani	Director	(DIN: 02691300)

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mrs. Deepika Rathie Compliance Officer (Membership No: A58899)

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

AUDITORS

M/s JEEDIGUNTA & CO

Chartered Accountants,
Flat No. 205B, 3-5-1113/E, Gupta Towers,
Narayanaguda, Hyderabad-500029,

REGISTERED OFFICE

DHANALAXMI ROTO SPINNERS LIMITED

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

CORPORATE OFFICE :

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

BANKERS:

TAMILNAD MERCANTILE BANK LIMITED

15-2-696, 1st 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

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Sunday, the 29th Day of September, 2019 at 9.30 A.M. at the Registered Office of the Company situated at Sy.No.114 & 115, Station Road, Thimmapur - 509325, Ranga Reddy District, Telangana to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 and the 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.
2. To Appoint a Director in place of Mrs. Natasha Inani, who retires by rotation and being eligible offers herself for re-appointment.

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

Place: Thimmapur
Date : 13.08.2019

RAJKUMAR INANI
Managing Director
(DIN: 00885466)

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. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company.
2. Proxies in order to be effective must be received by the company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Members holding shares in Demat are requested to intimate their respective Depository Holders (**participant**) relating to their change of addresses.
4. Members/Proxies should bring their attendance slip duly filled in for attending the meeting. Members who hold their shares in dematerialized form are requested to bring their client ID and DP numbers for easy identification of attendance at the meeting.
5. Corporate Members are requested to send to the Company's Registrar & Transfer Agents duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or CIL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

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9. Voting for transaction of Business:

The business as set out in the Notice may be transacted and that:

- (A) The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (B) The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- (C) The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again.

The procedure and instructions for members for voting electronically are as under:

The voting period begins at 9.30 A.M. on 26-09-2019 and ends at 5.00 P.M. on 28-09-2019. 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 22nd day of September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Company has appointed Shailesh Baheti, Practicing Company Secretary, Partner Baheti Gupta & Co., who in the opinion of the Board is duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

i) Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com**

ii) Now click on "Shareholders" to cast your votes.

iii) User-ID for Members holding shares in Demat Form:-

a) For CDSL : 16 digits beneficiary ID

b) For NSDL : 8 Character DPID followed by 8 Digits Client ID

For Members holding shares in Physical Form :-

a) Folio Number registered with the Company

iv) Next enter the Image Verification as displayed and Click on Login.

v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field

vii) After entering these details appropriately, click on "SUBMIT" tab

viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

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- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi) 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.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) 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.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non – Individual Shareholders and Custodians
- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **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 should be mailed to **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.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- xix) The results shall be declared on or after AGM and will be announced accordingly. In Complinnace the provision of Section 108 of the Companies Act, 2013 and rule 20 of the companies (Management and Administration) Rules, 2014.
10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd day of September 2019.
11. 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 AGM.
12. 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 : 13.08.2019

RAJKUMAR INANI
Managing Director
(DIN: 00885466)

Dhanalaxmi Roto Spinners Limited

BOARD'S REPORT

To The Members,

Your Directors have pleasure to present their 32nd Annual Report on the business and operations of the Company together with the audited statements of accounts for the financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS

The Company's financial results for the year under review along with previous year's figures are given hereunder:
(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	9,775.22	7,430.56
Other Income	190.81	162.90
Total Income	9,966.03	7,593.46
Expenses	(9,666.91)	(7,245.42)
Profits before exceptional and extraordinary items and tax	299.12	348.04
Exceptional Items	62.68	0.79
Profit Before Tax	361.80	348.83
Less: Tax Expenses	98.76	114.70
Net Profit After Tax	263.04	234.13

2. REVIEW OF OPERATIONS:

During the year under review, your Company has earned a Net Profit of Rs. 263.04 Lakhs when compared to Net Profit of Rs.234.13 Lakhs in the previous year. Net profit before taxation earned during the year under review amounted to Rs. 361.80 Lakhs as against Rs. 348.83 Lakhs 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. 263.04 Lakhs to retained earnings for the Financial Year 2018-19. With this addition, the total Reserves & Surplus (including Capital Reserve, Central Subsidy, Investment Allowance Reserve, Revaluation Reserve & Retained Earnings) as on March 31, 2019 is Rs.1,288.84 Lakhs as against the Paid up Capital of Rs.3,90,03,000.

5. DIRECTORS

Mrs. Natasha Inani, Director of the company retires at this Annual General Meeting and being eligible, seeks reappointment. The Board recommended her appointment.

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								
	30/05/18	28/07/18	14/08/18	20/08/18	13/11/18	13/02/19	21/02/19	09/03/19	30/03/19
Rajkumar Inani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Narayan Inani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anirudh Inani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shyamsundar Jakhotia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kasturi Nagendra Prasad	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Simanth Roy Chowdhury	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Natasha Inani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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8. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit 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, in the case of a listed company, 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 to conduct the secretarial audit of the Company for financial year 2018-19, as required under section 205 of the Companies Act, 2013 and rules thereunder. The Secretarial audit report for financial year 2018-19 forms part of the Annual Report as 'ANNEXURE-C' to the Boards Report.

Further the Secretarial Audit report is self-explanatory and your Board in response to the observations of Secretarial Auditors submits that the Company registered office is at remote place and thus the Company were unable to find a candidate for the post of Company Secretary. However, the Company has appointed Mrs. Deepika Rath, Company Secretary (M.No. A58899) as Whole time Company Secretary cum Compliance Officer of the Company at its Board Meeting held on 13th June, 2019.

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 extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure A and is attached to this Report.

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 Loans, guarantees, investments made or securities provided under Section 186 of the Companies Act, 2013.

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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. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Detailed information about the related party transactions is enclosed in from AOC-2 as ANNEXURE-B

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:

Stock Exchange Name	The BSE Limited
Scrip Code	521216
Scrip ID	DHANALAXMI ROTO SPINNERS LIMITED

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. in Lakhs)	
	2018-19	2017-18
Earnings:	57.66	Nil
Outgo:	8,562.67	6,300.31

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 .

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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.

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

Mrs. Deepika Rathi was appointed as Whole Time Company Secretary Cum Compliance Officer with effect from 13th Day of June, 2019 to perform the duties of a Company Secretary as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable legislations. Further there were no material changes and commitments affecting financial position of the company.

25. BUSINESS RISK MANAGEMENT POLICY

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.

26. 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 are not applicable.

27. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Since the paid up capital of the Company does not exceed Rs. 10 Crores and Networth of the Company does not exceed Rs. 25 Crores as specified in regulation 15 of SEBI (LODR) regulations, 2015 disclosure with respect to provisions relating to Corporate Governance is not applicable to the Company.

28. BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and according to Listing Obligation and Disclosure Requirements Regulation 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.

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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 Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- 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.

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.

29. 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 endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Directors further state 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.

30. 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 ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The Committee adheres to the Regulation 18 & 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of quorum for its meetings, functioning, role and powers as also those set out in the Companies Act, 2013. 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;

Dhanalaxmi Roto Spinners Limited

- 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 in the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Committee members met four times during the financial year 2018-19:

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:

The Audit Committee met Four times during the year on 29.05.2018, 13.08.2018, 12.11.2018 and 12.02.2019.

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 thereunder 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.

31. 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 is 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 organisation. The software engineers 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;