

Secretarial Compliance Report of Dhanlaxmi Fabrics Limited

For the year ended March 31, 2024

(Under Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To,

Dhanlaxmi Fabrics Limited

Bhopar Village, Manpada Road,

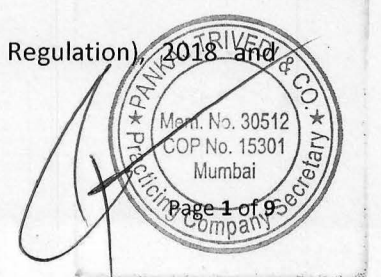
Dombivli (E), Thane - 421204

I, Pankaj Trivedi have examined:

1. All the documents and records made available to me and explanation provided by **M/s. Dhanlaxmi Fabrics Limited**. ("the listed entity"),
2. The filings/ submissions made by the listed entity to the stock exchanges,
3. Website of the listed entity,
4. Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **31st March, 2024** ("Review Period") in respect of compliance with the provisions of :
 - (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

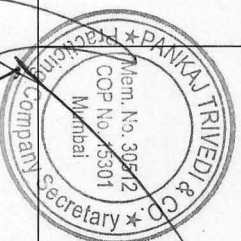
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for the year under review.**
- (iii) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the year under review.**
- (v) Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **Not Applicable for the year under review.**
- (vi) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable for the year under review.**
- (vii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines issued thereunder.
- (viii) Securities and Exchange Board of India (Depositories and Participant Regulation), 2018 and circulars / guidelines issued thereunder.



and based on the above examination, I hereby report that, during the review period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

| Sr. No. | Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) | Regulation / Circular No. | Deviations | Action Taken by | Type of Action (Advisory/Clarification /Fine/Show Cause/Notice/ Warning, etc.) | Details of Violation | Fine Amount | Observations/Remarks of the Practicing Company Secretary | Management Response | Remarks |
|---------|--|---|--|----------------------------------|--|---|--|--|--|---------|
| 1 | SEBI/CIR/ISD/3/2011 dated June 17, 2011, mandates the entire holdings of the Promoters are needed to be indemat form only. | SEBI/CIR/ISD/3/2011 dated June 17, 2011 | The 500 shares out of promoters' total holding are still in physical form. | No Action taken by any authority | - | Entire promoters holding has to be demat form only. However there are still 500 shares are held in physical form. | No fine has been applicable and levied | The promoter should demat these shares at earliest in compliance of SEBI/Cir/ISD/3/2011 dated June 17, 2011. This observation is a repetitive in nature. | These physical shares are held in the name of Jannadevi Jhawar Family Trust and Trust in no longer in existence, the Co. has been following up with the RTA for demat of these shares and RTA has furnished the detailed procedure and documents for execution, The Co. is following-up with each trustees of the trust then and therefore the dematerialisation is getting delayed. | - |



(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Compliance Requirement (Regulations/circulars/guidelines including specific clause) | Regulation / Circular No. | Deviations | Action Taken by | Type of Action/Advisor Clarification/Fine/Show Cause Notice/Warning, etc. | Details of Violation | Fine Amount | Observations /Remarks of the Practicing Company Secretary | Management Response | Remarks |
|---------|---|---|--|----------------------------------|---|---|--|---|--|---------|
| 1 | SEBI/Cir/ISD/3/2011 dated June 17, 2011, mandates the entire holdings of the Promoters are needed to be in demat form only. | SEBI/Cir/ISD/3/2011 dated June 17, 2011 | The 500 shares out of promoters' total holding are still in physical form. | No Action taken by any authority | - | Entire promoters holding has to be demat form only. However there are still 500 shares are held in physical form. | No fine has been applicable and levied | The promoter should demat these shares at earliest in compliance of SEBI/Cir/ISD/3/2011 dated June 17, 2011 | These physical shares are held in the name of Jamnadevi Jhawar Family Trust and Trust in no longer in existence, the Company has been following up with the RTA for demat of these shares and RTA has furnished the detailed procedure and documents work for execution, which the company is in process to complete and execute from the other trustees of the trust then and therefore the dematerialisation is getting delayed. | - |



Additional affirmations to be given by Practicing Company Secretarial Compliance Report (ASCR) pursuant to BSE & NSE vide Notice no. 20230316-14 and Circular Reference No. NSE/CML/2023/21 dated March 16, 2023 are provided below:

| Sr. No. | Particulars | Compliance status (Yes/No/NA) | Observations/Remarks by PCS* |
|---------|--|-------------------------------|--|
| 1 | <p>Secretarial Standard</p> <p>The compliances of listed entities are in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).</p> | Yes | The Company has generally complied with Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company secretaries of India. |
| 2 | <p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI. | Yes | - |
| 3 | <p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> The Listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website. | Yes | The Company has maintained fully functional website at www.dfl.net.in. Subject to occurrences of the technical glitches in access to some data after the date of this report. |
| 4 | <p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.</p> | Yes | - |
| 5 | <p>To examine details related to Subsidiaries of listed entities:</p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries.</p> | Yes | The Company has 3 Subsidiaries but none of them is a Material Subsidiary of the Company during the reporting period. |
| 6 | <p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p> | Yes | - |

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| 7 | Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations. | Yes | - |
| 8 | Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit committee | Yes | The Company has obtained prior approval of Audit Committee for all Related Party transactions and also secured the approval of the members of the Company. |
| 9 | Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | - |
| 10 | Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 | Yes | The Company has an Insider Trading Software installed at its registered office, in which necessary entries pertains of UPSI were recorded during the year under review. |
| 11 | Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/it's promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there under. | No | During the year under review the Company have received a letter from the Calcutta Stock Exchange dated 09.11.2023 under Regulation-32(1) of Chapter-V of SEBI (Delisting of equity shares) Regulation 2021, giving final opportunity to the Company (<i>Status of the Company is suspended on CSE since 2000</i>) to Comply with the provisions of listing regulations with the exchange and payment of all outstanding dues to CSE failing which Company will be compulsorily delisted from the Exchange under SEBI (Delisting of equity shares) Regulation 2021. In response of this letter Company replied that Company had already made delisting of its shares from The Calcutta Stock Exchange Ltd around 25 years back along with Jaipur and Ahmedabad Stock Exchanges and delisting order of CSE is not traceable in our records of the Company due to passage of more than 20-25 years. Further CSE had never made a single communication with the Company in last 25 years except till time when the exchange had come up with Amnesty Scheme |

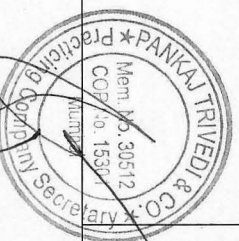


either for revocation of Suspension or Delisting in year F.Y. 2020-2021. Hence claimed that the communication made by the exchange vide its letter dated 9th November, 2023 with the Company is not tenable and requested again CSE to check their records to locate the delist application made by the Company 20-25 years back along with order passed by the CSE of delisting for Company.

Then the CSE have sent another letter communication dated 26.12.2023 to Company in furtherance to its email dated 10.07.2023 stated that Company is non-complied of SEBI provisions (Minimum Public Shareholdings) as per SEBI Circular dated 31st March 2023 with instruction to pay fine as per SEBI Circular dated 31st March 2023 for noncompliance failing which, CSE will freeze the demat account of promoters' group after 15 days from the date of receipt of the letter. The management submitted that the Company has always maintained the Minimum Public Shareholdings in the Company. Later the CSE has vide written communication letter dated 02.01.2024 (Ref No. CSE/LD/ 2024) to NSDL, directed to freeze the demat account promoters/directors of the Company and as informed to us the NSDL has frozen the demat accounts of Mr. Vinod Jhawar and Mukul Jhawar.

Upon which the Chairman and main promoter of the Company Mr. Vinod Sohanlal Jhawar requested to CSE through an email communication CSE on 10.02.2024 about intention of the Company and its promoter to revoke the suspension of the Company and then to make a Delisting application to Calcutta Stock Exchange for peace of mind and to avoid further litigation.

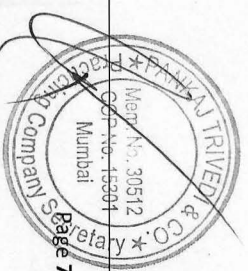
Please note as communicated to me that till the date of freezing of the demat accounts Mr. Vinod Jhawar and Mukul Jhawar, the Company and its promoters were firmly believed that the Company is not listed with CSE and the delisting was made for



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|----|--|-----|--|
| 12 | Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc. | Yes | the Company around 20-25 years ago when the Company had got delisted from Jaipur and Ahmedabad Stock exchanges and due to all such pressure and to sustain the image of the Company, the promoters will again do delisting from the CSE and as informed to me that the current status of the Company is suspended and application has been made to CSE to first revoke the suspension of the Company and then to delist the Company. Please note that the Company has not made any compliance of the listing regulations and other applicable SEBI laws with the CSE during the suspension period, which the Company is doing in regular basis with the BSE. The Company has not updated to BSE about all these facts and matters with CSE. |
|----|--|-----|--|

Compliances related to resignation of Statutory Auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019

| Sr. No. | Particulars | Compliance status (Yes/No/NA) | Observations/Remarks by PCS* |
|---------|---|-------------------------------|---|
| 1 | <p>Compliances with the following conditions while appointing/re-appointing an auditor</p> <ul style="list-style-type: none"> If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or | Not Applicable | There is no instance of resignation of Statutory Auditors from the Company during the reporting period. |



| | | |
|---|-----------------------|---|
| <ul style="list-style-type: none"> If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year. | | |
| <p>2</p> <p><u>Other conditions relating to resignation of statutory auditor</u></p> <p><u>(i) Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</u></p> <ul style="list-style-type: none"> In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. <p><u>(ii) Disclaimer in case of non-receipt of information:</u></p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p> | <p>Not Applicable</p> | <p>There is no instance of resignation of Statutory Auditors from the Company and the Company does not have any Material Subsidiaries. Hence, disclosures in such respect are not applicable to the Company during reporting period</p> |



| | | | |
|---|--|----------------|---|
| 3 | The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019. | Not Applicable | There is no instance of resignation of Statutory Auditors from the Company and the Company does not have any Material Subsidiaries. Hence, disclosures in such respect are not applicable to the Company during the reporting period. |
|---|--|----------------|---|

Assumptions & Limitation of scope and Review:

- 1) Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Listed Entity.
- 2) Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- 3) We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the Listed Entity.
- 4) This Report solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Listed Entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For Pankaj Trivedi & Co.,
(Practicing Companies Secretaries)**

ACS No.: 30512 | C P No.: 15301

Peer Review: 1648/2022



**Pankaj Trivedi
(Proprietor)**

UDIN: A030512F000465991

Place: Mumbai

Date: 28/05/2024