

# **DEWAS METAL SECTIONS LIMITED**

**Regd. Office:** Gram Amona A.B. Road Dewas MP 455001 IN

**CIN:** U02710MP1979PLC001501

**Email id:** [mail@dmsl.co.in](mailto:mail@dmsl.co.in) **Contact:** 07272-258526-27 **Website:** [www.dmsl.co.in](http://www.dmsl.co.in)

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## **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that 42nd (Forty Second) Annual General Meeting of Dewas Metal Sections Limited, will be held Tuesday, 30th day of November, 2021 at 2.00 P.M. through Video Conferencing or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the company situated at Gram Amona A.B. Road, Dewas (M.P.) 455001 shall be deemed as the venue for the Meeting, to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2021 and the reports of Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** the audited financial statement of the company for the financial year ended March 31, 2021 and the reports of Board of Directors and Auditors thereon, as circulated to members be and are hereby considered and approved.”

2. To appoint a Director in place of Mrs. Aradhya Baheti (DIN: 00660745) who retires by rotation and being eligible offers himself for re-appointment.

**“RESOLVED THAT** in accordance with the provision of section 152 and other applicable provisions of the Companies Act, 2013 Mrs. Aradhya Baheti (DIN- 00660745), who retires by rotation and being eligible be and is hereby re-appointed as a Director of the company.”

### **SPECIAL BUSINESS**

3. **RATIFY THE APPOINTMENT AND INCREASE IN REMUNERATION OF MR. ANJAN SHAH**

To ratify the appointment and increase per month remuneration of Mr. Anjan Shah (DIN:- 00696395), Whole Time Director of the company with effect from 01-04-2021 to 31-03-2022 as follows:

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Basic	6,00,000/-
HRA	58,200/-
Entertainment Allowance	11,000/-
TOTAL	6,79,000/-

To consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) in terms of Articles of Association of the Company on recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for increase of remuneration to 6,79,000/-;

**RESOLVED FURTHER THAT** Board of Directors and the Director(s) or the person authorized by the Board be and is jointly and/ or severally authorized to do as they may think fit and for that purpose to execute such documents, papers, deeds, and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution.”

4. **RATIFY THE APPOINTMENT AND INCREASE IN REMUNERATION OF MR. SUBHASH SHAH**

To ratify the appointment and increase per month remuneration of Mr. Subhash Shah (DIN:- 08537504), Executive Director of the company with effect from 01-09-2021 to 31-03-2022 to as follows:

Basic	1,45,000/-
HRA	58,000/-
Entertainment Allowance	12,000/-
Special Allowance	1,000/-
TOTAL	2,16,000/-

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To consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) in terms of Articles of Association of the Company on recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for increase of remuneration to 2,16,000/-

**RESOLVED FURTHER THAT** Board of Directors and the Director(s) or the person authorized by the Board be and is jointly and/ or severally authorized to do as they may think fit and for that purpose to execute such documents, papers, deeds, and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution.”

## **5. RATIFY THE APPOINTMENT OF COST AUDITORS OF THE COMPANY**

To ratify the appointment of Cost Auditors of the company and to fix their remuneration.

To Consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provision of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), theremuneration of Rs.97,000/-(Ninety seven thousand plus taxes as applicable andreimbursement of actual travel and out of pocket expenses, to be paid to M/S Vijay P Joshi & Associates, Cost Auditors of the company, for the financial year 2021-22, as approved by the Board of Directors of the Company, be and is hereby ratified.”

## **6. CONTRIBUTION TO CHARITABLE TRUSTS AND DONATIONS**

The power of the board of directors of the company to contribute to any charitable trust is limited to the extent of 10% of the average net profits for the immediately preceding three financial years. Your board of directors recommends to spend to a maximum limit of Rs 20,00,000/- for the financial year 21-22 and hence seek your permission. You are requested to consider and pass the subject resolution.

The Resolution as item no.6 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the members.

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None of the Directors and/or Key Managerial Personnel of the company and their relative is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the above resolution for your approval.

## **7. ACCEPTANCE OF DEPOSITS FROM MEMBERS OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Section 73(2) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and rules made there under, (including any statutory modification or re-enactment thereof) and subject to the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to accept or renew deposits from the members of the Company from time to time within the prescribed limits and that the Board of Directors of the Company be and is hereby authorized to decide all terms and conditions in relation thereto at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required.”

Place: Dewas

Date: 09.11.2021

For: Dewas Metal Sections Limited

Sd/-

Mr. Anjan Shah

Whole Time Director

(DIN: 00696395)

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## **NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
2. Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Therefore, the Proxy Form and Attendance Sheet for the 42<sup>nd</sup> AGM is not annexed with the notice.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM without any restriction to all the members, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM as the total members of the Company are below 1000.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
5. The Company's Statutory Auditors, Messrs P.D. Nagar & Co, Chartered Accountants, registered with the Institute of Chartered Accountants of India vide Membership number 008627/ FRN 001231C, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on June 05, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.
6. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.
7. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.
8. Relevant documents referred to in the accompanying Notice and the statement are open for inspection by the members at the Registered office of the company during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days up to and including the date of Annual General Meeting.
9. This 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 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
10. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company [www.dmsl.co.in](http://www.dmsl.co.in) as soon as possible after the Meeting is over.

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11. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the year 2020-21 will also be available on the Company's website
12. The register of members shall remain closed from 23.11.2021 to 29.11.2021(both days inclusive).
13. A person whose name is recorded in the register of members or in the register of beneficial owner maintained at the Depositories as on the cutoff date 23 September, 2021 shall be entitled to avail the facility of voting at the Annual general meeting through Video Conferencing or Other Audio Visual Means (OAVM) .
14. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
15. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

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## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM. Members may access the same and the link is available on website and shareholders/members login by using link. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at 9752344442. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO.3**

Chairman stated that looking into the profitability of the company and devotion of Mr. Anjan Shah (DIN:-00696395), Whole Time Director of the company with effect from 01-04-2021 to 31-03-2022 remuneration paid to them should be raised to Rs. 679000 per month.

In compliance with the provisions of Section 196, 197, 198 and 203 read with the provisions of Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the resolution for increase in remuneration of Mr. Anjan Shah (DIN:-00696395), Whole Time Director of the company, are now being placed before the Members for their approval.

Board of Directors of the Company recommended the passing of resolution as ordinary resolution. Mr Anjan Shah (DIN:-00696395), Whole Time Director is interested in the resolution.

**ITEM NO.4**

Chairman stated that looking into the profitability of the company and devotion of Mr. Subhash Shah (DIN:-08537504), Executive Director of the company with effect from 01-09-2021 to 31-03-2022 remuneration paid to them should be raised to Rs. 216000 per month.

In compliance with the provisions of Section 196, 197, 198 and 203 read with the provisions of Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the resolution for increase in remuneration of Mr. Subhash Shah (DIN:-08537504), Executive Director of the company, are now being placed before the Members for their approval.

Board of Directors of the Company recommended the passing of resolution as ordinary resolution. Mr. Subhash Shah (DIN:-08537504), Executive Director is interested in the resolution.

**ITEM NO.5**

Chairman stated that to ratify the appointment of Cost Auditors of the company and to fix their remuneration.

The remuneration of cost auditor is to ratify upto Rs. 97,000/-(Ninety seven thousand plus taxes as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to M/S



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Vijay P Joshi & Associates, Cost Auditors of the company, for the financial year 2021-22, as approved by the Board of Directors of the Company.

Board of Directors of the Company recommended the passing of resolution as ordinary resolution

None of the director is interested in the above resolution.

## **ITEM NUMBER 6**

The power of the board of directors of the company to contribute to any charitable trust is limited to the extent of 10% of the average net profits for the immediately preceding three financial years. Your board of directors recommends to spend to a maximum limit of Rs 20,00,000/- for the financial year 21-22 and hence seek your permission. You are requested to consider and pass the subject resolution.

Board of Directors of the Company recommended the passing of resolution as ordinary resolution

None of the director is interested in the above resolution.

## **ITEM NUMBER 7**

At present the company do accept deposits from its members within the frame work of section 73 and the rules made thereunder. The company is already holding certain deposits and is intending to accept some more deposit from them within the prescribed limits. You are requested to consider and pass the proposed resolution.

None of the directors and/or key managerial personnel of the company and their relatives are concerned or interested in the resolution except to the extent of deposits if any made by them under the proposed resolution.

Place: DEWAS  
Date: 03/11/2021

By order of the Board  
For: Dewas Metal Sections Limited

Mr. Anjan Shah  
Whole Time Director  
(DIN: 00696395)

# BOARD REPORT

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Dear Members,

The Board of Directors are pleased to present the 42<sup>nd</sup> Annual Report of the Company for the financial year ended 31st March, 2021.

## FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2021 is summarized below:

(Amount in Rs.)

Particulars	2020-21	2019-20
<b>GROSS TURNOVER</b>	1,75,38,25,847	1,99,37,18,911
<b>PROFIT BEFORE TAX</b>	2,27,03,519	1,05,21,879
Less: Current Tax	38,08,443	16,90,500
Less: Deferred Tax	(65,10,659)	30,16,461
Less: Tax for earlier Year	(18,38,551)	3,97,242
<b>PROFIT FOR THE YEAR</b>	2,72,44,287	54,17,677
Add: Balance Brought Forward In Profit & Loss Account	23,32,62,872	22,78,45,195
Less: Transferred to Deposit Repayment Reserve	NIL	NIL
Less: Transferred to Share Premium a/c on issue of 5% Non-Cumulative Redeemable Preference Shares	NIL	NIL
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>32,48,58,629</b>	<b>23,32,62,872</b>

## OVERVIEW OF THE COMPANY'S PERFORMANCE AND STATE OF AFFAIRS

During the financial year 2020 – 21, turnover from operations decreased from Rs. 199.37 crores to Rs. 175.38 crores as against the previous year. The Company's net profit has increased from Rs. 0.54 crores to Rs. 2.72 crores as compared to previous year. The Profit after tax recorded substantial improvement an Rs. 272.44 crores as against Rs. .54 crores in the previous year.

Your Company continues with its rigorous cost optimisation and process and efficiency improvements which have resulted in momentous increase in profitability. We are also making constant efforts in product innovations that exceed customer expectations in all areas thereby enabling the Company to maintain profitable growth in the current economic scenario.

## **MATERIAL CHANGES**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2020 – 21 and till the date of this report. There has been no change in the nature of business of the Company.

## **INDUSTRIAL RELATIONS**

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. The industrial relations of the Company remained peaceful and cordial.

## **SHARE CAPITAL**

During the year there is no change in the capital structure of the company. The paid up Equity Share Capital as on 31st March, 2021 is Rs. 38845200/-.

## **DIVIDEND**

During the year under review, the Board of Directors have not recommended any dividend on the equity/preference shares of the Company.

## **TRANSFER TO RESERVES**

During the year under review, the Company has transferred Rs. 84,77,250 from Surplus to Deposit Repayment Reserve Account.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The company has no Subsidiaries, Joint Ventures & Associates.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There is no director who is liable to retire by rotation at the ensuing Annual General Meeting (hereinafter referred to as 'AGM').

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have 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 as at 31st March, 2021 and of the profit and loss of the Company for the financial year ended 31st March, 2021;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **MEETINGS OF THE BOARD:**

During the financial year 2020-21, Seven (7) meetings of the Board of Directors were held on 11/05/2020, 18/07/2020, 24/08/20, 17/11/20, 16/12/2020, 20/01/2021 and 03/03/2021.

## **RELATED PARTY TRANSACTIONS**

During the financial year 2020 – 21, the Company has entered into transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules made there under. 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.

The details of the related party transactions as per Accounting Standards (AS) are set out in the Relevant Note to the financial statements of the Company.

The Form AOC- 2 pursuant to clause (h) of sub-section 3 of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as per "**Annexure [1]**".

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## **AUDITORS AND AUDITORS' REPORT**

**M/s. P.D. Nagar & Co., Chartered Accountants (Firm Registration No: 001231C)** were appointed as Statutory Auditor of the Company at the 38<sup>th</sup> AGM held on 22nd September, 2017 till the conclusion of the 43<sup>rd</sup> AGM of the Company.

**M/s. P.D. Nagar & Co.** have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re- enactment(s) thereof for the time being in force).

The Auditors' Report for the financial year ended 31st March, 2021 on the financial statements of the Company is a part of this Annual Report and does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of section 204 of the Companies Act, 2013, the requirement of secretarial audit is not applicable to the company as the paid up capital of the company is less than Rs. 50 Crore and the turnover is also less than Rs. 250 Crore.

## **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

The details of remuneration paid to Directors and Key Managerial Personnel of the Company are given in Form MGT – 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, is enclosed herewith as per **Annexure – [2]**.

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The Relevant details are enclosed herewith as per **Annexure – [3]**.

## **PUBLIC DEPOSITS**

During the financial year 2020 – 21, the Company has accepted deposits within the meaning of Section 73 and 74 of the Companies Act, 2013, read together with the Companies (Acceptance of Deposit) Rules, 2014. And relevant provisions in this regard are complied with.

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

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, as on 31st March, 2021, are disclosed in the Financial statement wherever applicable.

## **RISK MANAGEMENT**

The Board has put in place appropriate framework and mechanism to review the risks for the Company including the operational and business risks. The Board reviews the risk mitigation plans from time to time.

## **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. During the financial year 2020-21, no complaints were received by the Company. The Company is committed to provide a safe and conducive work environment to all of its employees and associates.

## **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls with reference to its Financial Transactions and the same is subject to review periodically by the Board of Directors for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

## **COST AUDITORS**

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board has appointed M/s Vijay P Joshi & Associates, Cost Accountants, Indore, as Cost Auditors to carry out the cost audit for the financial year 2021-22.

As required under the provision of Section 139(1) of the Companies Act, 2013, M/s Vijay P Joshi & Associates, Cost Accountant have given their consent and written certificate under the provisions of Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014.

## **ORDERS, IF ANY, PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return as on 31st March, 2021 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are enclosed herewith as per **Annexure – [2]** to this report.

## **STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

## **COMPANY'S POLICY ON APPOINTMENT OF DIRECTORS 134(3)(e)**

The Company has put in place appropriate policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Provisions of Section 135 of the companies act 2013 read with rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

## **ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation on the contribution and support by the employees, bankers, vendors, customers and other stakeholders of the Company.

### **Registered Office:**

**Dewas Metal Section Ltd.**

**CIN-L02710MPPLC00150**

Village Amona

AB Road

DEWAS- 455001(M.P.)

**By order of the Board**

*Sd/-*

**ANJAN SHAH**

**WHOLE TIME DIRECTOR**

**(DIN:00696395)**

*Sd/-*

**ARADHYA BAHETI**

**NON EXECUTIVE DIRECTOR**

**(DIN:00660745)**

**PLACE: DEWAS**

**Date: 08.11.2021**

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

## 2. Details of contract or arrangements or transactions at Arm's length basis.

Names of the related party and nature of relationship	Nature of contracts/ Arrangements/ Transactions	Duration of the contracts or transactions including the value, if any	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board, if any	Amount Paid as advance if any
DEE TEE Ind. Ltd.	Reimbursement of Expense	-----	18,200/-	-----	-----
	Job Work	-----	30,049/-	-----	-----
	Purchases	-----	39,15,999/-	-----	-----
Dewas Techno Product Pvt. Ltd.	Purchases		73,429/-	-----	-----
	Job Work		656/-		



	Sales		40,65,745/-		
Decostyle Technics Private Limited	Purchases		45,344/-		
	Job Work	-----	47,300/-	-----	-----
	Sale	-----	91,36,719/-	-----	-----
Anjan Shah	Interest Paid	-----	11,81,650/-	-----	-----
Whole Time Director	Remuneration Paid	-----	63,85,790/-	-----	-----
Pooja Banka	Interest Payment	-----	2,98,366/-	-----	-----
Aradhya Baheti-Director	Board Meeting Fees	-----	14,000/-	-----	-----
	Interest	-----	22,60,069/-	-----	-----
K.K. Nagar-Director	Board Meeting Fees	-----	14,000/-	-----	-----
L.K. Shah-CEO	Interest Paid	-----	13,84,468/-	-----	-----
	Remuneration Paid	-----	21,26,422/-	-----	-----
M.B. Baheti	Professional Fees	-----	3,60,000/-	-----	-----
Ram Airen	Board Meeting Fees	-----	14,000/-	-----	-----
Pooja Resources Pvt Ltd.	Interest Payment	-----	4,23,130/-	-----	-----
Subhash Shah	Remuneration	-----	19,99,372/-	-----	-----
Priyanka Shah	Remuneration	-----	5,17,726/-	-----	-----
Samarth Enterprises	Commission	-----	25,158/-	-----	-----

**Registered Office:**

**Dewas Metal Section Ltd.**

**CIN-L02710MPPLC00150**

Village Amona

AB Road

DEWAS- 455001(M.P.)

**By order of the Board**

*Sd/-*

**ANJAN SHAH  
WHOLE TIME DIRECTOR  
(DIN:00696395)**

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**ARADHYA BAHETI  
NON EXECUTIVE DIRECTOR  
(DIN:00660745)**

**PLACE: DEWAS  
Date: 08.11.2021**

**Annexure – [2]**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2021**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. Registration and Other Details.**

(i)	CIN	L02710MP1979PLC001501
(ii)	Registration Date	23/03/1979
(iii)	Name of the Company	Dewas Metal Sections Limited
(iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
(v)	Address of the Registered Office and contact details	Gram Amona, A. B. Road, Dewas, 455001 (Madhya Pradesh) Telephone No:-07272-2585262 Email-ID:- <a href="mailto:accounts@dmsl.com">accounts@dmsl.com</a>
(vi)	Whether listed company	No
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	NA

**II. Principal Business Activities of the Company:**

S. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacture of structural metal products	2511	99.17%

**III. Particulars of Holding, Subsidiary and Associate Companies– NA**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)**

**i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year as on 31/03/2020				No. of Shares held at the end of the year as on 31/03/2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A) Promoter Shareholding</b>									
i) Individual/HUF	1674900	41700	1716600	55.20	1746300	41700	1788000	57.50	4.16
ii) Bodies Corporate	1168092	26200	1194192	38.40	1168092	26200	1194192	38.40	0

<b>B) Public Share holding</b>									
i) Bodies Corporate	3100	0	3100	0.10	3100	0	3100	0.10	0
ii) Individual/HUF	192500	3300	195800	6.30	121100	3300	124400	4.00	(36.46)
<b>C) Any other</b>									
<b>Grand Total (A+B+C)</b>	<b>3038592</b>	<b>71200</b>	<b>3109792</b>	<b>100</b>	<b>3038592</b>	<b>71200</b>	<b>3109792</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of Promoters**

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Share Pledged / encumbered to total shares	
1	Anjan Shah HUF	68800	2.21	0	68800	2.21	0	0
2	Aradhya Investment & Finance P Ltd	864492	27.80	0	864492	27.80	0	0
3	Pooja Resources Pvt Ltd	329700	10.60	0	329700	10.60	0	0
4	Basantlal Shah HUF	800	0.03	0	800	0.03	0	0
5	Master Aradhya Baheti	801300	25.77	0	839600	26.99	0	4.78
6	Laxmikant Shah (HUF)	166000	5.34	0	166000	5.34	0	0
7	Miss Nidhi Shah	11000	0.35	0	11000	0.35	0	0
8	Master Anjan Shah	242100	7.79	0	275200	8.85	0	13.72
9	Miss Pooja Shah	20000	0.64	0	20000	0.64	0	0
10	Shri L K Shah	204900	6.59	0	204900	6.59	0	0

11	Shiv Priya Baheti	15600	0.50	0	15600	0.50	0	0
12	Smt Kiran Shah	106600	3.43	0	106600	3.43	0	0
13	Basantlal Udaipuria	4100	0.13	0	4100	0.13	0	0
14	Smt Anardevi Shah	3800	0.12	0	3800	0.12	0	0
15	Shri Basantlal Shah (HUF)	2000	0.06	0	2000	0.06	0	0
16	Shri Manoharlal Baheti	1200	0.04	0	1200	0.04	0	0
17	Smt Sita Baheti	68400	2.20	0	68400	2.20	0	0
18	DeeTee Industries Pvt Ltd	100	0.00	0	100	0.00	0	0
	<b>Total</b>	<b>2910892</b>	<b>93.60</b>	<b>0</b>	<b>2982292</b>	<b>95.90</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)–: NIL**

38300 shares and 33100 shares have been transferred to Aradhya Baheti and Anjan Shah respectively from various public shareholders.

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year					Reason
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. shares before Change	No. shares After Change	Increase	Decrease	
1	Vinod Kumar Modhak	63500	2.04	63500	2.04	-	-	-	-	-	-
2	Hitesh Ramji Jhaveri	35000	1.13	35000	1.13	-	-	-	-	-	-
3	Shri Akash Goyal	30000	0.96	0	0	12-06-2020	30000	0	0	30000	DMS L Exit Offer

4	Smt Sushma Goyal	21000	0.68	0	0	12- 06- 2020	21000	0	0	21000	DMS L Exit Offer
5	Shri Munish Goyal	19200	0.62	0	0	12- 06- 2020	19200	0	0	19200	DMS L Exit Offer
6	Rajendra Dhirajlal Gandhi (Huf)	10000	0.26	8000	0.32	-	-	-	-	-	-
7	Prateek Rajendra Gandhi	8000	0.26	8000	0.26	-	-	-	-	-	-
8	Plutus Capital Managa ment Llp	2200	0.07	2200	0.07	-	-	-	-	-	-
9	Gaurav Ramcha ndra Airen	1500	0.05	1500	0.05	-	-	-	-	-	-
10	Abhishe kh Airen	1500	0.05	1500	0.05	-	-	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel –

S. No		Shareholding at the beginning of the year (01/04/2020)		Changes during the year				Shareholding at the end of the year (31/03/2021)	
	For Each of the Director (At the beginning of the year)	No of Shares	% of total Shares of the Company	Date	Increase (No of Shares)	Decrease (No of Shares)	Reason	No of Shares	% of total Shares of the Company
1	Anjan Shah	242100	7.78	Note1	33100	0	DMS L Exit Offer	275200	8.85
2	Aradhya Baheti	801300	25.77	Note1	38300	0	DMS L Exit Offer	839600	26.99
3	L K Shah	204900	6.59	-----	0	0	-----	204900	6.59

Note1: These shares were received under the exit offer on different dates and were held in demat form by the Trustee executing the exit offer. These shares were transferred in the financial year 2021-22.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	53,15,50,406	14,89,55,000	0	68,05,05,406
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	47,24,463	0	0	47,24,463
<b>Total (i+ii+iii)</b>	<b>53,62,74,869</b>	<b>14,89,55,000</b>	<b>0</b>	<b>68,52,29,869</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0	1,97,00,000	0	1,97,00,000
Reduction	46,56,254	0	0	46,56,254
<b>Net Change</b>	<b>46,56,254</b>	<b>1,97,00,000</b>	<b>0</b>	<b>1,50,43,746</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	52,98,28,706	16,86,55,000	0	69,84,83,706
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	17,89,909	0	0	17,89,909
<b>Total (i+ii+iii)</b>	<b>53,16,18,615</b>	<b>16,86,55,000</b>	<b>0</b>	<b>70,02,73,615</b>

# **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

## **A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

S. No.	Particular of Remuneration	Anjan Shah (whole Time Director)	Subhash Shah (Director)	Total
<b>1</b>	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31,01,630	13,62,134	44,63,764
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
<b>2</b>	Stock Options	-	-	-
<b>3</b>	Sweat Equity	-	-	-
<b>4</b>	Commission			
	- as % of profit	-	-	-
	- Others, specify....	-	-	-
<b>5</b>	Others, please specify, Incentive & Bonus	32,84,160	6,37,238	39,21,398
	<b>Total</b>	<b>63,85,790</b>	<b>19,99,372</b>	<b>83,85,162</b>
	Ceiling as per the Act	----	----	----

## **B. Remuneration to other directors:**

(Amount in Rs.)

S. No.	Particular of Remuneration	Aradhya Baheti	Ram Airen	Krishna Kishore Nagar	Total
<b>1</b>	Independent Directors				
	Fee for attending board committee meetings	14,000	14,000	14,000	42,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
<b>2</b>	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>	<b>42,000</b>
	Ceiling as per the Act	----	----	----	----

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**  
(Amount in Rs.)

S.No.	Particular of Remuneration	L K Shah – CEO	Total
<b>1</b>	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	11,83,900	11,83,900
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
<b>2</b>	Stock Options	-	-
<b>3</b>	Sweat Equity	-	-
<b>4</b>	Commission		
	- as % of profit	-	-
	- Others, specify....	-	-
<b>5</b>	Others, please specify, Incentive & Bonus	9,42,522	9,42,522
	<b>Total</b>	<b>21,26,422</b>	<b>21,26,422</b>
	Ceiling as per the Act	----	----

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

During the year there were no Penalties/Punishments/Compounding of offences levied/ordered against the Company or any of its Directors/Officers.

**Registered Office:**

**Dewas Metal Section Ltd.**  
**CIN-L02710MPPLC00150**  
Village Amona  
AB Road  
DEWAS- 455001(M.P.)

**By order of the Board**

**PLACE: DEWAS**  
**Date: 08.11.2021**

*Sd/-*  
**ANJAN SHAH**  
**WHOLE TIME DIRECTOR**  
**(DIN:00696395)**

*Sd/-*  
**ARADHYA BAHETI**  
**NON EXECUTIVE DIRECTOR**  
**(DIN:00660745)**



**Annexure [3]**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The report of the Board shall contain the following information and details, namely:-

**(A) Conservation of energy- NA**

**(B) Technology absorption- NA**

**(C) Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

1. On Travelling Expenses Rs NIL/-
2. Earnings in foreign currency (realized) on Export of Goods/Services on FOB Basis Rs 9,61,83,282/-

**Registered Office:**

**Dewas Metal Section Ltd.**  
**CIN-L02710MPPLC00150**  
Village Amona  
AB Road  
DEWAS- 455001(M.P.)

**By order of the Board**

**PLACE: DEWAS**  
**Date: 08.11.2021**

*Sd/-*  
**ANJAN SHAH**  
**WHOLE TIME DIRECTOR**  
**(DIN:00696395)**

*Sd/-*  
**ARADHYA BAHETI**  
**NON EXECUTIVE DIRECTOR**  
**(DIN:00660745)**

**AUDIT REPORT**

**M/S. DEWAS METAL SECTIONS LIMITED**

**(PAN :AABCD0739K)**

**FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2021**

**ASSESSMENT YEAR 2021-22**

**AUDITORS**



***P.D. NAGAR & CO.***

**CHARTERED ACCOUNTANTS**

**403, CITY PLAZA, 564, M.G. ROAD,**

**INDORE-452002 (M.P.)**

**Phone : 0731-2547536, 37, 38**

**E-mail: nagarpd@rediffmail.com**



*P. D. Nagar*  
B.Com, LL.B., F.C.A.

**P.D. NAGAR & CO.**

**Chartered Accountants**

403, City Plaza, 564, M.G. Road,  
INDORE-452 001. (M.P.)

Phone : (O) 2547536-37-38,

E-mail: nagarpd@rediffmail.com

## INDEPENDENT AUDITORS' REPORT

To

The Members of M/s Dewas Metal Sections Ltd.

Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of M/s Dewas Metal Sections Ltd. ("the Company"), which comprise the balance sheet as at March 31, 2021, the Statement of Profit and Loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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, its profit for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt





on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on other legal and regulatory requirements**

The provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is applicable to the Company and we give in the "Annexure-A", a statement on the matter specified in paragraph 3 and 4 of the order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss and statement of cash flow dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;



(f) With respect to adequacy of the internal financial control over financial statement of the Company and the operating effectiveness of such control, refer to our separate report in Annexure - "B". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control over financial reporting; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The company has disclosed the impact of pending litigation vide note 30(b) on its financial position in its financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been delay in transferring the amount required to be transferred to Investor Education and Protection Fund to the extent of Rs.4,07,700/- which is in process as referred to in note 39 to the financial statements.

For P. D. Nagar & Co.  
Chartered Accountants  
FRN.: 01231C

[ CA. P. D. Nagar ]  
Proprietor

M. No.:008627

UDIN:21008627AAAAII8466

Place:Indore

Dated: 8<sup>th</sup> NOV, 2021





**ANNEXURE 'A' TO INDEPENDENT AUDITORS REPORT**  
(Referred to in our report of even date)

Report on other legal and regulatory requirements of our report of even date to the members of M/s Dewas Metal Sections Ltd. on the accounts of the company for the year ended 31st March, 2021.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect of fixed assets
  - (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
  - (b). As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
  - (c ) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the company.
- ii. In respect of Inventories Company has maintained proper records of inventory. As explained to us, it has been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- iii. The Company has not granted any loans secured or unsecured or advances in the nature of loans to parties covered in the register maintained under section 189 of the companies Act, 2013.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans given, investments made. The company did not give any guarantee in favor of any party.
- v. Based on our scrutiny of the company's records and according to the information and explanations provided by the management and the company secretary, in our opinion, the company has accepted deposits from the public (shareholders) covered under Section 73 to 76 of the Act, 2013. However, conditions prescribed u/s 73(2)(c) of the Act have been complied with partially till 30.04.21 but the same has been obtained after prescribed time.
- vi. As informed to us, the Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of products manufactured by the company and same have been maintained, though cost audit report is yet to be obtained from the auditor for the year as well for earlier year.
- vii.
  - (a) According to the information and explanations given to us and based on the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues in respect of Value Added Tax, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Excise Duty ,Goods& Service tax and other statutory dues, as applicable, with the appropriate authorities during the year ;
  - (b) According to the information and explanations given to us and based on the records of the company examined by us, dues of Central sales Tax, which have not been deposited on account of any dispute are as under :-



S.N.	Statute	F. Year	Forum where Pending	Amount (Rs.)
1.	CST	A.Y.2015-16	ACCT(Appeals), Indore	42,33,380/-
2.	CST	A.Y.2016-17	ACCT(Appeals), Indore	19,408/-
		Total		Rs.42,52,688/-

- viii. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or government as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, we report that the term loans have been applied for the purpose for which they were obtained.
- x. During the course of our examination of the books and records of the company, carried in accordance with the generally accepted auditing practices in India, and according to information and explanation 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 cases by the Management.
- xi. During the year company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act
- xii. The company is not a Nidhi company hence the Nidhi rules, 2014 are not applicable to it.
- xiii. The Company has entered in to transactions with related parties in compliance with the provision of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year under review.
- xv. The Company has not entered in to any non cash transaction with its directors or persons connected with him; accordingly the, the provisions of clause 3(xiv) of the order are not applicable to the company.
- xvi. As Per the Information and explanations received by us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of clause 3 (xvi) of the order are not applicable to the company.

For P.D. Nagar & Co.  
Chartered Accountants  
FRNo 01231C

*P. D. Nagar*  
(CA. P.D. Nagar)  
Proprietor  
M.N. 008627



Place: Indore  
Date: 8<sup>th</sup> NOV, 2021

UDIN: 21008627AAAAII8466



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

**(Referred to in our report of even date)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of **M/s Dewas Metal sections Ltd.** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by



the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and





(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

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

Place: Indore.  
Date : 8<sup>th</sup> NOV, 2021



For P.D. Nagar & Co.  
Chartered Accountants  
FRNo 01231C

*P.D. Nagar*  
(CA. P.D. Nagar)  
Proprietor  
M.N. 008627

UDIN: 21008627AAAAII8466

## DEWAS METAL SECTIONS LTD., DEWAS

CIN : U02710MP1979PLC001501

Balance Sheet As at 31st March 2021

Amount (in Rs.)

Particulars	Note No.	As on 31.03.2021	As on 31.03.2020
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2	3,88,45,200	3,88,45,200
(b) Reserves and Surplus	3	32,48,58,629	29,76,14,340
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	31,44,01,433	26,79,49,880
(b) Other long term liabilities	5	22,26,975	22,41,138
(C) Deferred tax liabilities (Net)	6	3,99,88,028	4,64,98,687
(3) Current Liabilities			
(a) Short-Term Borrowings	7	33,51,25,877	38,13,72,960
(b) Trade Payables	8	21,78,85,596	23,26,23,713
(c) Other Current Liabilities	9	11,33,00,249	8,86,60,948
(d) Short-Term Provisions	10	51,61,725	40,01,335
<b>TOTAL</b>		<b>1,39,17,93,712</b>	<b>1,35,98,08,201</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	45,50,99,689	46,29,69,288
(ii) Intangible Assets	11	20,08,885	26,91,477
(iii) Capital work-in-progress	11	-	92,91,218
(b) Non current Investments	12	1,54,02,565	89,01,661
(c) Long Term Loans and Advances	13	50,67,098	1,18,91,578
(d) Other Non - Current Assets	14	-	5,75,054
(2) Current assets			
(a) Inventories	15	30,55,47,541	40,07,10,508
(b) Trade Receivables	16	44,87,48,755	37,35,46,509
(c) Cash and Bank Balance	17	5,67,68,818	2,29,06,218
(d) Short-Term Loans and Advances	18	10,16,69,856	6,50,16,380
(e) Other Current Assets	19	14,80,505	13,08,309
<b>TOTAL</b>		<b>1,39,17,93,712</b>	<b>1,35,98,08,201</b>

Significant accounting policies &amp; notes on Financial Statements [ I &amp; II (1 to 39)]

As Per Our report of even date annexed

For &amp; on Behalf of the Board

For P.D. Nagar &amp; Co.

Chartered Accountants

FRN:001231C

(CA. P.D. Nagar)  
 Proprietor  
 M.No.008627  
 UDIN: 21008627AAAAII8466



(Whole Time Director)  
 Anjan shah  
 DIN-00696395

(Director)  
 Subhash Shah  
 DIN-08537504

Place: Indore

Date: 08.11.2021



**DEWAS METAL SECTIONS LTD.**  
**STATEMENT OF PROFIT AND LOSS**  
For the period ended on 31st March 2021

Particulars	Note No	Amount (in Rs.)	
		As on 31.03.2021	As on 31.03.2020
I. Revenue from Operations (Net)	20	1,75,38,25,847	1,99,37,18,911
II. Other Operational Income	21	1,46,49,889	81,11,364
IV. Total Revenue		1,76,84,75,736	2,00,18,30,275
V. Expenses:			
Cost of Materials Consumed	22	1,33,78,51,222	1,72,28,91,700
Changes in inventories of finished goods, work-in-progress and Scrap	23	7,94,08,201	(7,52,70,502)
Employee Benefit Expense	24	8,67,05,075	9,86,53,106
Financial Costs	25	6,82,97,157	9,35,31,482
Depreciation	11	3,91,43,377	3,74,10,193
Other Expenses	26	13,43,67,183	11,40,92,416
Total Expenses		1,74,57,72,217	1,99,13,08,396
VI Profit before tax		2,27,03,519	1,05,21,879
VII. Tax expense:			
(1) Current tax		(38,08,443)	(16,90,500)
(2) Deferred tax (Net)		65,10,659	(30,16,461)
(3) Tax for earlier year		18,38,551	(3,97,242)
VIII. Profit for the year		2,72,44,287	54,17,677
IX. Earning per Share	37		
(i) Basic		9	2
(ii) Diluted		9	2

Significant accounting policies & notes on Financial Statements [ I & II (1 to 39)]

As Per Our report of even date annexed  
For P.D. Nagar & Co.

Chartered Accountants  
FRN:001231C

*P.D. Nagar*  
(CA. P.D. Nagar)  
Proprietor

M.No.008627  
UDIN: 21008627AAAAII8466  
Place: Indore  
Date: 08.11.2021



For & on Behalf of the Board

*Anjan Shah*  
(Whole Time Director)  
Anjan shah  
DIN-00696395

*Subhash Shah*  
(Director)  
Subhash Shah  
DIN-08537504

DEWAS METAL SECTIONS LIMITED ,DEWAS  
Gram Amona, A.B. Road, Dewas, Madhya Pradesh  
(CIN U02710MP1979PLC001501)  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2021

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	2,27,03,519	1,05,21,878
Adjustment for :		
Depreciation	3,91,43,377	3,74,10,193
Finance Cost	6,82,97,157	9,35,31,482
Loss/(Profit) on sale of assets (Net)	-1,01,294	65,713
Operating Profit before Working Capital Changes	13,00,42,760	14,15,29,266
Adjustment for :		
Trade & Other Receivables	-11,20,27,919	2,02,73,684
Inventories	9,51,62,967	(3,91,10,763)
Trade & Other Payables	1,10,47,411	(7,44,74,191)
Working Capital Limits & other short term borrowings	-4,62,47,083	10,05,34,486
Cash Generated From Operations	7,79,78,136	14,87,52,482
Finance Cost	(6,82,97,157)	(9,35,31,482)
Direct Taxes for current and earlier years	(19,69,892)	(1,06,57,723)
Cash Flow Before Extraordinary Items		
Net Cash Flow From Operating Activities-TOTAL -A	77,11,087	4,45,63,277
<b>B Cash Flow From Investing Activities</b>		
Purchases of Fixed Assets	(2,12,99,962)	(8,13,88,439)
Proceed From Loan & Advances	68,24,480	40,901
Movement in non Current Investments	(65,00,904)	(49,99,999)
Profit on Sale of MF	1,01,294	3,10,000
(TOTAL- (A+B))	(1,31,64,005)	(4,14,74,260)
<b>C Cash Flow From Financing Activities</b>		
Proceed From Long Term Borrowings	4,64,51,553	3,32,49,490
Other Non current Assets	5,75,053	5,75,053
(TOTAL-(A+B+C))		
Net Increase in cash and cash equivalent	3,38,62,601	-76,49,717
Cash and cash equivalent as at (Opening Balance)	2,29,06,218	3,05,55,935
Cash and cash equivalent as at (Closing Balance)	5,67,68,819	2,29,06,218

For P.D.NAGAR & CO.  
Chartered Accountants

FRN: 001231C

(CA P.D. Nagar)  
Proprietor

Mem No. 008627

UDIN: 21008627AAAAII8466

Place:Indore

Date: 08.11.2021



For & on Behalf of the Board

(Whole Time Director)  
Anjan shah  
DIN-00696395

(Director)  
Subhash Shah  
DIN-08537504



## (I) SIGNIFICANT ACCOUNTING POLICES.

### CORPORATE INFORMATION:

Dewas Metal section Ltd. having its registered office at GRAM-AMONA, A.B.ROAD, DEWAS (CIN-U02710MP1979PLC001501) is a limited company in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing & selling Metal sections and components.

### Significant Accounting Polices

#### 1.1 Basis of Preparation of Financial Statements.

The Financial statement are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('India GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), The Companies Accounting Standard Rules, 2006 and relevant provisions of Companies Act, 2013 ("The Act") to the extent applicable.

#### 1.2 Use of Estimates

The preparations of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 1.3 Fixed assets and depreciation

The company has adopted Cost Model as prescribed in Accounting standard -10 (Revised) "Property Plant & Equipment".

##### Recognition

- i. The Cost of an item of property, Plant& equipment is recognized as an asset if , and only if :
  - (a) it is probable that future economic benefits associated with the item will flow to the enterprises ; and
  - (b) the cost of the item can be measured reliably.



- ii. Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Pre-operative expenses including trial run expenses (net of revenue) are capitalized. The cost of fixed assets comprises the purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to the working condition for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- iii. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to put to use.
- iv. Capital Work-in-progress includes the cost of fixed assets

#### Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the manners Provided in Schedule II of the Companies Act, 2013. Depreciation is charged on fixed assets from the day when such assets were put to use.

Further, Govt. Grant received related to depreciable assets are reduced from depreciation over the period of useful life of qualifying assets on systematic and rational basis. Leasehold land is amortized over the period of lease.

#### Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Amortization of Intangible assets is done over a period as specified in respect of followings:

- (i) Design Software- 6 Years
- (ii) License Fees Paid to Microsoft -10 Years
- (iii) ERP Software-10 Years
- (iv) Back up software-3 Years

#### 1.4 Impairment of Assets.

The company assessed at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its





carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### 1.5 Inventory.

a. Inventories are valued as under:

Finished Goods	: At estimated cost
Stock in Process	: At estimated cost
Raw Material	: At weighted average cost
Packing Material	: At cost
Consumables	: At cost
Ancillary Raw Material Stores & Spares & Machinery Maintenance	: At cost
Loose Tools	: At cost
Scrap	: At realizable value

b. The cost of inventories comprises all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities.) Conversion cost and other costs incurred in bringing the inventories to their present location and condition.

c. The cost formulas used are Weighted Average Cost in case of Raw Material and first-in-first-out (FIFO) in case of ancillary Raw Material (Consumable Spares & packing material)

### 1.6 Revenue Recognition.

- Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers which is generally on dispatch of goods. Sales are stated exclusive of Goods & Service tax.
- Interest income is recognized on the time proportion basis.
- Export incentives receivable are accounted for when the licenses issued by the DGFT are sold / transferred in favor of third parties.

### 1.7 Employee Benefits.

a. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as



salaries, wages and short term compensated absences etc... are recognized in the period in which the employee renders the related services.

**b. Post - Employment Benefits.**

- i. Defined Contribution plans: The employee State Insurance Scheme and Contributory Provident Fund administered by provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.
- ii. Defined Benefit Plans: The Company has taken Group Gratuity and cash Accumulations Policy issued by the SBI Life Insurance. The present value of the obligation under such defined benefits plans is determined based on actuarial valuation as advised by State Bank of India.

Prudential using the protected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are as advised by SBI Life Insurance. Actuarial gains and losses are recognized immediately in the profit & loss accounts.

iii) Leave encashment benefits available to the employees are not measured hence not provided. However, it is charged to profit & loss account in the year of payment.

**1.8 Foreign Currency Transactions.**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end are translated at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account.

**1.9 Borrowing Costs.**

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of the asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs





issued by the Institute of Chartered Accountants of India ( ICAI) and notified under the Companies Accounting Standard Rules 2006.

### 1.10 Taxation

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. MAT credit available for setoff against normal tax liability is considered while arriving at deferred tax liability.

### 1.11 Earning per Share

Basic and Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### 1.12 Provisions for contingencies.

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not , require an out flow of resources

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonable estimated.

Contingent assets are not recognized in the financial statements.



**DEWAS METAL SECTIONS LTD.**

**(II) NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	Amount (in Rs.)	
	As on 31.03.2021	As on 31.03.2020
<b>2. Share Capital</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
4500000 (P.Y. 4500000) Equity shares of Rs.10/- each	4,50,00,000	4,50,00,000
1000000(P.Y.1000000) Preference shares of Rs. 10/-each.	1,00,00,000	1,00,00,000
<b>ISSUED SUBSCRIBED AND PAID-UP</b>		
(i) 31,09,792 Equity Shares (P.Y.31,09,792)of Rs.10/- each (including 210000 Equity Shares of Rs.10/- Each issued as fully paid bonus shares & 1300000 Right Equity shares of Rs.10/- each	3,10,97,920	3,10,97,920
Total (A)	3,10,97,920	3,10,97,920
(ii) 7,76,608 5% Non Cumulative Redeemable Preference Shares of Rs.10 each	77,66,080	77,66,080
Less : Calls in Arrears 4700 shares (P.Y.4700 shares)	(18,800)	(18,800)
Total (B)	77,47,280	77,47,280
Total (A+B)	3,88,45,200	3,88,45,200
<b>(a) Reconciliation of Number of Equity Shares</b>		
Shares outstanding at the commencement of the year	31,09,792	31,09,792
Equity Share issued during the year	-	-
Shares outstanding at the close of the year	31,09,792	31,09,792

(b) List of shareholders holding more than 5%

Name of the Share Holder :-	No of shares & % of Holdings			
	As on 31.03.2021		As on 31.03.2020	
(i) Aradhya Investment Pvt. Ltd	864492	27.80%	864492	27.80%
(ii) Aradhya Baheti	839600	27.00%	801300	25.76%
(iii) Pooja Resources P. Ltd	392700	10.60%	392700	10.60%
(iv) Anjan Shah	275200	8.85%	242100	7.78%
(v) Laxmikant Shah	204900	6.59%	204900	6.59%

**3. Reserves and Surplus**

<b>(a) Share Premium</b>		
(i) On Equity shares	2,51,63,400	2,51,63,400
(ii) Transfer from profit and Loss a/c & General reserves) ((Refer note 27 )	3,10,64,320	3,10,64,320
	5,62,27,720	5,62,27,720
<b>(b) Capital Subsidy</b>	2,60,000	2,60,000
<b>(c) Deposit Repayment Reserve Account</b>	78,63,750	78,63,750
Add:- Transferred from Profit & loss a/c	84,77,250	-
Closing Balance	1,63,41,000	78,63,750
<b>(d) Surplus in statement of Profit &amp; Loss</b>		
Opening Balance	23,32,62,872	22,78,45,195
Add:- Profit for the year	2,72,44,287	54,17,677
Less:- Transfer to deposit repayment reserves	(84,77,250)	-
Closing Balance	25,20,29,909	23,32,62,872
<b>Total (a+b+c+d)</b>	<b>32,48,58,629</b>	<b>29,76,14,342</b>





**DEWAS METAL SECTIONS LTD.**

Amount (in Rs.)

Particulars	As on 31.03.2021	As on 31.03.2020
<b>4. Long-Term Borrowings</b>		
(a) Term Loans From Bank (Refer Note "A")		
(i) HDFC Bank Ltd, Indore	20,44,50,362	14,64,70,661
(ii) Axis Bank Ltd, Indore	3,95,08,000	
(iii) Car Loan from ICICI & SBI Bank	11,88,071	16,24,219
(b) Unsecured Loan		
Inter Corporate Deposits	1,11,50,000	5,02,50,000
From Directors	92,00,000	1,17,00,000
From Members	4,89,05,000	5,79,05,000
<b>Total</b>	<b>31,44,01,433</b>	<b>26,79,49,880</b>

**SECURITY**

Term Loans are secured by way of an equitable mortgage of immovable properties being Free hold land situated at S No.274/2/ Min -1, 274/3/9901, 274/3 & 274/4, ph no. 25, Village Amona, Village Amona, Dewas - M.P. & 357/1 A, Village Mukundarayapuram, Ranipet, Vellore, Wallaja Taluk, Near by Petrol Bunk, Vellor - Tamil Nadu, with HDFC Bank Ltd., along with Industrial property of the company. It is also secured by personal gurantee of the two of the Directros & Chief Executive Officer of the company.

Terms of Repayment of Long Term borrowings are:

Particulars	Frequency of Installment	Total Outstanding	
		Non Current	Current
HDFC Bank Ltd.(9.15%)	Quarterly	-	3,41,466
	Quarterly	62,80,410	26,88,976
	Quarterly	2,79,42,804	57,01,674
	Quarterly	2,59,08,999	56,76,494
	Quarterly	3,54,11,510	66,19,666
	Quarterly	77,38,649	1,41,62,893
	Quarterly	2,23,04,435	45,25,481
HDFC Bank Ltd.	Monthly	7,88,63,556	29,36,444
Axis Bank Ltd.	Monthly	3,95,08,000	35,92,000
Axis Bank Ltd.	Monthly	-	22,68,000
<b>Total</b>		<b>24,39,58,362</b>	<b>4,85,13,094</b>

**VEHICLE LOANS :-**

Following loans are secured by hypothication of vehicles.

Particulars	Frequency of Installment	Non Current	Current
State Bank of India (9.50%)	Monthly	95,451	1,33,410
ICICI Bank (9.25%)	Monthly	2,70,946	1,36,324
ICICI Bank ( 8.51%)	Monthly	8,21,674	1,73,567
<b>TOTAL</b>		<b>11,88,071</b>	<b>4,43,301</b>

**5. Other Long term Liabilities**

Tooling Deposits from Customers	22,26,975	22,41,138
	<b>22,26,975</b>	<b>22,41,138</b>



## DEWAS METAL SECTIONS LTD.

Amount (in Rs.)

Particulars	Note No.	As on 31.03.2021	As on 31.03.2020
<b>6. Deferred tax liabilities (Net)</b>			
A. Deferred Tax Liabilities		4,64,98,687	4,34,82,226
Add:- On account of Depreciation		1,46,148	30,16,461
Less:- On account of MAT Credit		(66,56,807)	
<b>Net Deferred Tax Liabilities</b>		<b>3,99,88,028</b>	<b>4,64,98,687</b>
<b>7. Short-term borrowings</b>			
(a) From Bank			
Secured Loans			
Working Capital Loan : (a) From HDFC Bank Ltd.		16,99,50,210	22,74,77,132
(b) From Axis Bank		6,57,75,668	12,47,95,829
(b) Unsecured Loan			
Form Inter Corporate Deposits		2,71,00,000	32,00,000
From Directors		3,95,00,000	1,75,00,000
From Members		3,28,00,000	84,00,000
		<b>33,51,25,878</b>	<b>38,13,72,961</b>
All working Capital limits are secured by way of hypothecation of Stock and Book debts and equitable mortgage of immovable properties being Free hold land situated at S No.274/2/ Min -1, 274/3/9901, 274/3 & 274/4, ph no. 25, Village Amona, Village Amona, Dewas - M.P. & 357/1 A, Village Mukundarayapuram, Ranipet, Vellore, Wallaja Taluk, Near by Petrol Bunk, Vellor - Tamil Nadu, with HDFC Bank Ltd., along with Industrial property of the company. It is also secured by personal gurantee of the two of the Directros & Chief Execuitve Officer of the company.			
<b>8. Trade payables</b>			
Due to Trade Payable		21,24,31,610	23,07,28,391
Due to Micro, Small & Medium Enterprises		54,53,986	18,95,322
		<b>21,78,85,596</b>	<b>23,26,23,713</b>
<b>9. Other Current Liabilities</b>			
(a) Current maturity of Long Term Debts (as detailed in note 4 above)			
(I) HDFC Bank Ltd, Indore, Axis Bank		4,85,13,094	3,06,72,639
(II) Car Loan (Against hypothication of Car)			
-From ICICI Bank and SBI		4,43,301	5,09,927
(b) Statutory Liabilities		2,59,57,334	70,89,623
(c) Advance from customers		1,62,12,135	57,55,098
(d) Interest Accrued and but not due on borrowings		17,89,909	47,24,463
(e) Unclaimed Dividend		4,07,700	4,07,700
(d) Trade payable for Capital Goods		6,85,562	1,20,02,427
(e) Trade payable for Supplies		1,92,91,214	2,74,99,072
		<b>11,33,00,250</b>	<b>8,86,60,949</b>
<b>10. Short-Term Provisions</b>			
(a) Towards Gratuity and Bonus		51,61,725	40,01,335
(b) Towards Income Tax	38,08,443		
Less:- Deducted from Contra	38,08,443	-	-
		<b>51,61,725</b>	<b>40,01,335</b>





DEWAS METAL SECTIONS LTD.

Note: 11

FIXED ASSETS :		Gross Block			Depreciation			Net Block	
	As on 01.04.20	Additions/Transfer	sale/Adjustment	As on 31.03.21	As on 01.04.20	for the year	on Deduction	As at 31.03.2021	31.03.2020
(i) Tangible Assets									
Free Hold Land	95,05,118	-	-	95,05,118	-	-	-	95,05,118	95,05,118
Factory Building	14,65,52,844	4,62,602	-	14,70,15,446	3,57,88,865	66,74,409	-	4,24,63,274	11,07,63,979
Road & Site Development	52,58,716	-	-	52,58,716	52,47,506	0	-	52,47,506	11,210
Plant & Machinery	54,52,03,985	2,88,18,328	-	57,40,22,313	22,25,24,792	2,80,19,936	-	25,05,44,727	32,26,79,193
Electrical Installation	2,38,32,362	5,69,187	-	2,44,01,549	1,24,65,769	21,85,357	-	1,46,51,126	1,13,66,593
Furniture and Fixture	1,32,08,085	2,74,304	-	1,34,82,389	1,07,90,093	7,97,102	-	1,15,87,195	24,17,992
Light Commercial Vehicle	77,81,748	-	-	77,81,748	38,67,415	5,16,828	-	43,84,243	39,14,333
Computer	54,39,754	3,07,566	-	57,47,319	49,24,103	32,354	-	49,56,458	5,15,650
Office Equipment	32,95,676	1,43,595	-	34,39,272	26,70,540	1,52,335	-	28,22,875	6,25,136
DG Set	12,45,080	-	-	12,45,080	1,18,174	78,855	-	1,97,029	11,26,906
Others- (Miscell. Assets)	46,000	15,600	-	61,600	2,818	3,609	-	6,427	43,182
Total (i)	76,13,69,368	3,05,91,181	-	79,19,60,549	29,84,00,075	3,84,60,785	-	33,68,60,860	46,29,69,293
(ii) Intangible Assets									
Design Software	28,44,759	-	-	28,44,759	24,71,231	3,73,528	-	28,44,759	0
Licence Fee	16,77,289	-	-	16,77,289	7,42,251	1,73,309	-	9,15,560	9,35,038
ERP Software	22,19,130	-	-	22,19,130	8,48,512	1,28,356	-	9,76,868	13,70,618
Back up Software	20,850	-	-	20,850	8,557	7,399	-	15,956	12,293
Total (ii)	67,62,028	-	-	67,62,028	40,70,551	6,82,592	-	47,53,143	26,91,477
Total	76,81,31,396	3,05,91,181	-	79,87,22,577	30,24,70,626	3,91,43,377	-	34,16,14,003	46,56,60,769
(iii)Capital work In Progress **									
Plant & Machinery	75,48,034	-	(71,71,654)	0	-	-	-	0	75,48,034
SPARE FOR CAPITAL GOODS*	17,43,185	-	(17,43,185)	(0)	-	-	-	(0)	17,43,185
Total (iii)	92,91,219	-	(89,14,839)	(0)	-	-	-	(0)	92,91,219
Grand total (i+ii+iii)	77,74,22,614	3,05,91,181	(89,14,839)	79,87,22,577	30,24,70,626	3,91,43,377	-	34,16,14,003	47,49,51,988
Previous year's Total	69,66,48,897	15,53,44,251	(7,45,17,768)	76,85,90,576	26,52,99,447	3,74,10,193	(2,39,011)	30,24,70,629	43,13,49,450

Note:- It represents Spares, which were classified as Capital spares as per Accounting standard 10\*Property Plant & equipment are ready to use however each assets has different remaining useful life it is not certain that for which assets same would be used and considering the same depreciation has not been considered on the same



## DEWAS METAL SECTIONS LTD.

Amount (in Rs.)

Particulars	As on 31.03.2021	As on 31.03.2020
<b>Particulars</b>		
<b>12. Non Current Investments</b>		
<b>Mutual Funds- Quoted</b>		
Aditya Birla Sun life Mutual Fund		20,99,999
L&T Investment Management Limited	-	41,00,000
Reliance Mutual fund	-	22,01,662
Reliance Liquid Fund	5,00,000	5,00,000
Reliance Small Cap Fund	9,79,904	-
Aditya Birla Sun Pure Fund	16,02,352	
L & T Mid Cap Fund	13,20,658	
L & T Mid Focussed Equity Fund	10,00,000	
LNT Balance Advantage Mutual Fund	30,00,000	
Aditya Birla Balance Advantage Fund	14,99,925	
L & T Balance Advantage Fund	29,99,850	
Nippon India Balance Advantage Fund	24,99,875	
<b>Total</b>	<b>1,54,02,565</b>	<b>89,01,661</b>
Aggregate amount of quoted investment	<b>1,54,02,565</b>	<b>89,01,661</b>
Market Value of quoted investment	<b>1,83,84,941</b>	<b>62,57,441</b>
<b>13. Long-Term Loans and Advances</b>		
(a) Advance against capital goods	-	31,29,240
(b) Security Deposits	50,67,098	87,62,339
	<b>50,67,098</b>	<b>1,18,91,579</b>
<b>14. Other Non Current Asset</b>		
Preliminary Expenses to the extent not written off	-	5,75,054
	<b>-</b>	<b>5,75,054</b>
<b>15. Inventories</b>		
(a) Raw materials	15,90,80,482	17,11,20,831
(b) Raw materials-Others	5,97,090	2,95,754
(c) Stock-in-process	3,04,18,642	6,93,45,333
(d) Finished Goods	10,50,78,412	14,24,89,548
(e) Packing Materials	54,93,315	85,86,805
(f) Tools	11,85,690	12,83,507
(g) Stores and spares	10,87,321	14,54,023
(h) Machinery Maintenance spares	24,89,028	28,94,896
(i) Fuel	69,612	1,21,488
(j) Scrap	47,948	31,18,322
	<b>30,55,47,541</b>	<b>40,07,10,507</b>
<b>16. Trade Receivables</b>		
(a) Considered good		
- Outstanding For a Period Exceeding 6 Months	4,35,80,297	3,90,82,824
- Outstanding For a Period less than 6 Months	39,27,00,919	33,41,10,042
(b) Considered Doubtful	1,24,67,538	3,53,643
	<b>44,87,48,755</b>	<b>37,35,46,509</b>
<b>17. Cash and Bank Balance</b>		
(a) Cash & Cash Equivalents		
Balances with Banks		
(i) HDFC Bank	85,974	9,73,735
(ii) AXIS Bank	-	25,000
(iii) SBI	1,32,960	2,25,876
(iv) Cash on Hand	3,37,501	3,34,551
<b>Total (a)</b>	<b>5,56,435</b>	<b>15,59,162</b>





## DEWAS METAL SECTIONS LTD.

Particulars	Amount (in Rs.)	
	As on 31.03.2021	As on 31.03.2020
(b) Other Bank Balances		
In ICICI (Interim Dividend Account)		
- In Current Account with ICICI/IDBI	4,07,700	4,07,700
In Fixed Deposit Account		
- As Margin Money against LC & BG	1,83,74,683	1,35,09,356
- As Margin Against Unsecured Loan	74,30,000	74,30,000
- Axis Bank	3,00,00,000	-
Total (b)	5,62,12,383	2,13,47,056
Total (a+b)	5,67,68,818	2,29,06,218
<b>18. Short-term loans and advances</b>		
<b>(Unsecured &amp; Considered good)</b>		
(i) Advances recoverable in cash or in kind or for value to be received	7,87,35,122	4,50,45,787
(ii) Income tax refund due for earlier Year	84,52,950	1,14,00,613
(ii) GST Receivable	88,26,255	-
(iv) Advance Tax & TDS	94,63,973	-
Less:- Deducted per contra	(38,08,443)	85,69,981
Total	10,16,69,857	6,50,16,381
<b>19. Other Current Assets</b>		
Interest Accrued but not due on Fixed Deposits	14,80,505	13,08,309
	14,80,505	13,08,309
<b>20. Revenue from Operations</b>		
<b>A. Sale of Products &amp; Scrap</b>		
Sale of Manufactured goods	1,60,39,45,523	1,89,84,40,165
Sale of Manufactured goods (Export)	9,61,83,282	6,56,82,738
Scrap Sales	2,97,59,293	3,98,62,862
Sale of Traded Goods	1,54,573	-
Total	1,73,00,42,671	2,00,39,85,766
Less:- Sales Return	52,90,923	(1,46,63,580)
Total A	1,72,47,51,747	1,98,93,22,186
<b>B. Other Operating revenues</b>		
Job Work	2,57,72,767	28,41,637
Misc. receipts	33,01,333	15,55,088
Total (B)	2,90,74,100	43,96,725
Total (A+B)	1,75,38,25,847	1,99,37,18,911
<b>21. Other Income</b>		
Interest Income	28,35,223	23,67,631
- Credit balance written off	1,91,486	9,19,599
Handling Charges	2,35,000	-
Discount on Early Payment	3,948	-
Foreign Exchange Fluctuation	82,546	14,33,150
Profit on sale/switch of Mutual Fund	1,01,294	-
Sales Tax Refund	2,98,150	-
Sale of MEIS Licence	23,18,939	2,29,717
Design & Development Charges	79,13,950	29,67,800
Packing Charge Received	10,000	1,93,467
Excess Provision of Bonus & Gratuity Written Back	6,21,572	-
Prior Period Adjustments	37,781	-
Total	1,46,49,889	81,11,364



## DEWAS METAL SECTIONS LTD.

Amount (in Rs.)

Particulars	As on 31.03.2021	As on 31.03.2020
<b>22. Cost of Raw &amp; Packing Materials Consumed :</b>		
Opening Stock	18,00,03,390	21,64,64,444
Purchases	1,32,06,94,090	1,68,14,82,118
Less : Rate Difference of Previous Years	(11,54,342)	
Add:-(i)Freight & Cartage	34,78,972	49,48,528
	1,50,30,22,109	1,90,28,95,090
Less:- Closing Stock	16,51,70,887	18,00,03,390
<b>Total</b>	<b>1,33,78,51,222</b>	<b>1,72,28,91,700</b>
<b>23. Change in Inventory</b>		
<b>Opening Stock</b>		
Finished Goods	14,24,89,548	9,73,02,024
Work-in-Progress	6,93,45,333	4,15,06,026
Scrap	31,18,322	8,74,651
	21,49,53,203	13,96,82,701
<b>Closing Stock</b>		
Finished Goods	10,50,78,412	14,24,89,548
Work-in-Progress	3,04,18,642	6,93,45,333
Scrap	47,948	31,18,322
	13,55,45,002	21,49,53,203
<b>Increase/Decrease in Inventory</b>	<b>7,94,08,201</b>	<b>(7,52,70,502)</b>
<b>24. Employee benefits expense</b>		
Salary & wages	6,04,45,799	7,12,98,106
Contribution to P.F., E.S.I. & other funds	27,64,276	29,14,360
Staff & Labour Welfare	1,75,77,146	1,93,23,015
Leave Encashment	3,60,935	9,96,456
Attendance & Production Incentive	84,854	4,24,023
Bonus	14,99,172	13,31,514
Gratuity	38,47,893	23,65,632
Ex-gratia	1,25,000	-
	<b>8,67,05,075</b>	<b>9,86,53,106</b>
<b>25. Finance cost</b>		
Interest -To bank	4,90,06,077	6,80,00,338
-To Others	1,53,16,559	1,69,15,551
Foreign Currency Fluctuation on FCDL	-	48,67,545
Interest on delayed payment of Other taxes	69,875	-
Interest on delayed payment of TDS	60,138	1,229
Other borrowing costs	38,44,508	37,46,819
<b>Total</b>	<b>6,82,97,157</b>	<b>9,35,31,482</b>
<b>26. Other Expenses</b>		
<b>a) Direct Manufacturing Expenses</b>		
Power & Fuel	1,36,05,685	1,48,92,600
Repairs to Machinery	56,67,623	84,50,942
Slitting charges	45,01,343	17,05,197
Job Work Charges	1,17,34,216	85,71,573
Consumables Store & Spares	48,77,917	74,51,727
Tools written off	8,20,695	11,69,582
Factory Rent	47,58,768	44,93,783
Building Repair & Maintenance	1,48,901	5,22,915
<b>Total (a)</b>	<b>4,61,15,148</b>	<b>4,72,58,320</b>





## DEWAS METAL SECTIONS LTD.

Amount (in Rs.)

Particulars	As on 31.03.2021	As on 31.03.2020
<b>(b) Administrative Expenses :</b>		
Postage & Telegram	1,13,356	2,29,637
Telephone & Trunkcall	3,94,386	3,95,213
Stationary & Printing	4,57,397	6,85,467
Travelling Expenses	15,77,239	52,25,671
Charity & Donation	9,50,000	20,56,700
Auditor's Remuneration -		
(a) Statutory & Tax Audit	1,91,000	1,91,000
(b) In other capacity	45,500	63,000
Cost Audit Fees	90,000	97,000
Other Audit Fees	16,905	-
Vehicle Maintenance	4,95,940	7,92,865
Repair & Maintenance (others)	12,07,334	5,51,559
Security charges	27,77,230	23,90,028
Covid 19 Expenses	3,86,764	1,07,772
Legal & Professional charges	49,99,437	43,58,506
Directors Sitting Fees	42,000	28,000
ISO expenses	60,951	1,99,488
Insurance Charges	7,79,038	9,84,610
Garden Expenses	10,065	6,850
Licence fees & Taxes	13,81,207	18,92,363
ROC Filing Fees	16,200	42,234
Penalty & Fine	94,531	38,756
Misc. Exp.	18,00,095	23,92,082
VAT and CST for earlier years	1,46,921	22,34,151
Preliminary Exp. Written off	5,75,053	5,75,053
Loss on Sales of fixed Assets	-	65,713
Guest House Rent	1,20,000	1,10,000
<b>Total (b)</b>	<b>1,87,28,549</b>	<b>2,57,13,718</b>
<b>(c) Selling &amp; Distribution Expenses :</b>		
Freight Outwards	3,75,42,288	
Less : Recovered on Sales	(33,88,682)	
Export Expenses	3,41,53,606	1,74,87,696
Advertising & Sales Promotion	1,07,41,814	33,66,785
Bad Debts written off	7,54,997	9,91,371
Brokerage & Commission	64,29,422	2,60,701
Liquidity Damages for delayed supplies	56,06,119	73,99,505
Tender Fees	34,42,211	35,37,696
	-	11,475
<b>Total (c)</b>	<b>6,11,28,169</b>	<b>3,30,55,229</b>
<b>(d) Director's Remuneration &amp; Benefits :</b>		
Remuneration - Whole time director	68,61,775	68,05,000
Contribution to PF	39,000	37,050
Other Benefits	14,94,543	12,23,100
<b>Total (d)</b>	<b>83,95,318</b>	<b>80,65,150</b>
<b>TOTAL</b>	<b>(a+b+c+d) 13,43,67,183</b>	<b>11,40,92,416</b>



27. Upon closure of OTC Exchange of India, where the company's equity shares were listed and traded, a Scheme of Arrangement and Compromise was submitted before Hon'ble High Court of MP, who vide its judgment dated 17.02.2016 had approved the Scheme. Whereby, 7,76,608 equity shares of Rs.10/- each were converted into 5% non-cumulative redeemable preference shares of Rs. 10/- each on 10.03.2018. The company shall said redeem preference shares at a premium of Rs. 40/- per share or any other premium as may be approved by the board of directors in three installments at the end of 5<sup>th</sup>, 6<sup>th</sup> & 7<sup>th</sup> years from the date of allotment. Such premium on redemption shall be adjusted from security premium account created in the financial year 2017-18 by Transfer from General Reserve and profit and loss account at Rs. 3,10,64,320/- i.e. Rs. 40/- per share.
28. No provision has been made in accounts, in respect of doubtful debts amounting to Rs.1,24,67,538/- (Previous year Rs. 3,53,643/-)
29. The estimated amount of contract remaining to be executed on capital account and not provided for NIL/- (previous year Rs. 15,23,260/-)
30. **Contingent Liabilities:**
- Contingent liabilities not provided for in respect of Bank Guarantees given by Bank at Rs.1104.69 Lacs (previous year Rs. 1864.70/-lacs) to the customers from whom the company received the advances against supplies to be made as well as already made.
  - The following statutory demands have been raised by the various departments against the company after assessment for the respective years. The company has filed appeals before the appropriate authorities against such assessment orders. No provision is made in the accounts against these demands.

S.N.	Statute	Accounting Year	Forum where Pending	Amount (Rs.)
1.	Central Sales Tax	A.Y.2015-16	Addl. Commissioner of commercial tax (appeals), Indore	42,33,380/-
2.	Central Sales Tax	A.Y.2016-17	Addl. commercial tax (appeals), Indore	19,408/-
	Total			Rs.42,52,688 /-





31. Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountant of India and specified u/s133 of the act Read with rule 7 of Companies (Accounts ) Rules,2014 the company has identified the following reportable Geographical segments and the applicable disclosure is as under:-

Particulars	Dewas	Pune	Ranipet	Total
<b>I. SEGMENT REVENUE</b>				
From External Transactions	1,21,66,09,474	21,93,28,846	33,25,37,416	1,76,84,75,736
From Inter-Segment Transactions	-	-	-	-
Total Segment revenue	1,21,66,09,474	21,93,28,846	33,25,37,416	1,76,84,75,736
<b>II. SEGMENT RESSULT :PROFIT(LOSS)</b>				
Operating Profit	3,68,48,497	(2,58,22,460)	1,16,77,487	2,27,03,523
Interest expenses	4,43,00,844	56,16,222	1,83,80,090	6,82,97,157
Tax Provision				(38,08,443)
Net Profit from Oridinary activirties	8,11,49,341	(2,02,06,237)	3,00,57,577	8,71,92,181
III. Other Information:				-
a. Segment Assets				-
i.Non Current Assets	31,93,59,487	4,76,20,699	11,05,98,050	47,75,78,236
ii.Current Assets	57,47,13,934	7,40,64,526	26,54,37,015	91,42,15,476
Total Assets	89,40,73,420	12,16,85,226	37,60,35,065	1,39,17,93,711
b. Segment Liabilities				-
i.Non Current Liabilities	35,57,09,166	9,07,270	-	35,66,16,436
ii.Current Liabilities	59,35,46,039	3,57,56,553	4,21,70,855	67,14,73,447
Total Liabilities	94,92,55,205	3,66,63,823	4,21,70,855	1,02,80,89,883
c. Capital expenditures	1,70,18,342	17,13,871	25,67,751	2,12,99,964
d. Depreciation	2,54,41,812	65,80,855	71,20,708	3,91,43,375
e. Non-cash Exp. Other than depreciation	-	-	-	-



32. The Disclosure required as per Accounting Standard ( AS) 15 "Employees Benefit " issued by the Institute of Chartered Accountants of India ( ICAI ) and notified under the Companies Accounting Standards Rules , 2006 and based on the report generated by the SBI Life Insurance is as under:

**Changes in the Present Value of Obligation**

Particulars	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2020
Defined Benefit Obligation at the beginning	1,03,79,068	1,08,94,171
Current Service Cost	5,18,953	6,08,157
Interest Cost	6,86,056	6,94,359
Prior Service Cost – Vested benefit	-	-
Prior Service Cost – Non Vested benefit	-	-
Curtailments	-	-
Benefits Paid directly by the Company	-	-
Benefits Paid from Fund	-18,30,346	-35,22,953
Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-
Actuarial Loss / (Gain) on Obligation	29,16,977	17,05,334
Defined Benefit Obligation at the end	1,26,70,709	1,03,79,068

**Changes in the Fair Value of Plan Assets**

Particulars	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2020
Fair Value of Plan Assets at the beginning	77,09,180	85,39,223
Adjustment to Opening Balance	94,717	-68
Expected Return on Plan Assets	5,15,838	5,93,272
Employer Contributions	23,65,632	20,50,759
Employee's Contributions	-	-
Benefits Paid	-18,30,346	-35,22,953
Net transfer in/(out) (including effect of any business combinations / divestitures)	-	-
Actuarial Gain / (Loss) on the Plan Assets	-32,205	48,947
Fair Value of Plan Assets at the end	88,22,815	77,09,180

**Expenses Recognized in the Profit and Loss Account**

Particulars	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2020
Current Service cost	5,18,953	6,08,157





Interest Cost on Obligation	6,86,056	6,94,359
Past Service Cost	-	-
Expected Return on Plan Assets	-5,15,838	-5,93,272
Amortization of Prior Service Cost	-	-
Net Actuarial (Gain) / Loss to be recognized	29,49,182	16,56,387
Transfer In / Out	-	-
Curtailment (Gain) / Loss recognized	-	-
Settlement (Gain) / Loss recognized	-	-
<b>Expense recognized in Profit and Loss Account</b>	<b>36,38,355</b>	<b>23,65,632</b>

**Amount for the Current Period**

Particulars	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2020
Actuarial Loss / (Gain) for the current period - Obligation	29,16,977	17,05,334
Actuarial Loss / (Gain) for the current period - Plan Assets	32,205	-48,947
<b>Total Actuarial Loss / (Gain) for the current period</b>	<b>29,49,182</b>	<b>16,56,387</b>
<b>Actuarial Loss / (Gain) loss recognized in the current period</b>	<b>29,49,182</b>	<b>16,56,387</b>

**Movement in the Liability recognized in the Balance Sheet**

Particulars	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2020
Present Value of Obligations as at the beginning	1,03,79,068	1,08,94,171
Expenses Recognized in P & L Statement	36,38,355	23,65,632
Benefits Paid	-18,30,346	-35,22,953
Actual Return on Plan Assets	4,83,633	6,42,219
Acquisition Adjustment	-	-
<b>Present Value of Obligations as at the end</b>	<b>1,26,70,710</b>	<b>1,03,79,068</b>

33. Amount Outstanding from Debtors, due to Creditors & Loans and advances are subject to confirmations & reconciliation.
34. Micro, Small and Medium Enterprises Development Act , 2006:- Under the Micro, small and medium enterprises Development Act., 2006 which came into force from 2<sup>nd</sup> October '2006, certain disclosures are required to be made relating to Micro , Small and Medium Enterprises . The Company is in the process of compiling relative information from its suppliers about their coverage under the said Act ,Since the relevant information to the extent available, disclosure of the same have been made in the accounts in accordance with the provisions of this act.
35. The amount of borrowing costs being interest on term loan capitalized during the year Rs. 2,08,796/- (previous year Rs. 34,82,456/-).



36. Related party transactions:

a. Relationship:

i. Key Management Personnel	Nature of Relationship
a. Shri L K Shah	Chief Executive Officer
b. Shri Anjan Shah	Whole Time Director
c. Shri Aradhya Baheti	Director
d. Shri Ram Airen	Director
e. Shri K. K. Nagar	Director
f. Shri Subhash Shah	Director

ii. Associates Entities:

Other parties where Key Management personnel and their relative have significant influence:

- M/s Dee Tee Industries Ltd.
- M/s Dewas Techno Products Pvt. Ltd.
- M/s Decostyle Technics Pvt. Ltd.
- M/s Aaradhya Investment & Finance Pvt. Ltd.
- M/s Pooja Resources Pvt. Ltd.
- M/s Samarth Enterprises

iii. Relatives of Key Management Personnel:

- Mr. Manohar Baheti
- Ms. Pooja Banka
- Mrs. Priyanka Shah

- The following transactions were carried out with the related parties referred in above in the ordinary course of business.

Particulars	Key Management Person	Relative	Associate Entities
Remuneration	Rs. 1,05,11,584/- (P.Y. Rs.1,13,09,800 /-)	Rs.5,17,726/- (P.Y.Rs.3,11,125/-)	Nil
Loan taken	Rs.3,34,00,000 /- (P.Y.Rs.2,35,00,000 /-)	Rs.64,00,000/- Nil	Rs.5,00,000 /- (P.Y.Rs. 10,00,000/- /-)
Loan repaid	Rs. 1,75,00,000/- (P.Y.Rs.45,00,000/-)	Rs.3,00,000/-	Rs.5,00,000/- (P.Y.Rs.25,00,000/- )
Interest on Unsecured Loan	Rs.48,26,187/- (P.Y. Rs. 38,60,779/-)	Rs.2,98,366/- (P.Y.Rs.17,79,728/- )	Rs. 4,23,130/- (P.Y. Rs.6,01,351/)
Professional fee	Nil	Rs.3,60,000 /-(P.Y. Rs.3,60,000)	Nil





Sales	Nil	Nil -	(Rs.1,32,02,464) (PY Rs.68,08,572/-)
Purchases	Nil	Nil	Rs.40,34,772/- (P.Y. Rs.70,74,954/-)
Job Work Charges	Nil -	Nil	Rs. 78,005/- (P.Y. Rs. Rs.1,50,250/-)
Directors Meeting fees	Rs. 42,000/- (P.Y. Rs.28,000/-)	Nil -	Nil
Commission on Sales	Nil	Nil	Rs. 25,158/- (P.Y. Rs. 47,241/-)
Reimbursement of expenses	Nil	Nil	Rs. 18,200/- (P.Y.Rs.2,60,861/-)

### 37. Earnings per Share

The company's share capital consists of equity share. The basic and diluted earnings per Share is calculated as under:-

Particulars	Year Ended 31.03.21	Year Ended 31.03.20
Number of Shares at the Commencement	31,09,792	31,09,792
No. of shares at the end of the Year	31,09,792	31,09,792
Profit After Taxes	2,72,44,287/-	54,17,676/-
Basic & Diluted Earnings per share	Rs.8.76/-	Rs. 3/-
Nominal Value per Share	Rs.10/-	Rs.10/-

### 38. Expenditure & Earnings in Foreign Currency: -

Expenditure	Current Year Amt.	Previous Year Amt.
1.On Travelling Expenses		
(i) Director	NIL	53,245/-
(ii) Others		55,358/-
2.Earnings in foreign currency (realized) on Export of Goods/services on FOB Basis	9,61,83,282	6,48,07,002

39. The company was Liable to Transfer Unclaimed Dividend as reflecting under "Other Current Liabilities" under Note no. 9(e) of the Financial statements pertaining to the FY 2010-11 and F.Y. 2012-13 amounting to Rs. 1,93,100/- and Rs 2,14,600/- respectively to Investor education and protection fund under rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The company is in process to transfer the same to concerned authority.



40. Previous year's figures have been regrouped, rearranged, wherever considered necessary; so as to make them comparable.

As per our report of even date  
For P.D.NAGAR & CO.  
Chartered Accountants  
FRN: 001231C

For & on Behalf of the Board

*P.D. Nagar*

(CA. P.D. Nagar)  
Proprietor  
M. No. 008627  
UDIN: 21008627AAAAII8466  
Place: Indore  
Date: 8/11/2021



*Anjan Shah*

(Whole Time Director)  
Anjan shah  
DIN-00696395

*Subhash Shah*

(Director)  
Subhash Shah  
DIN-08537504