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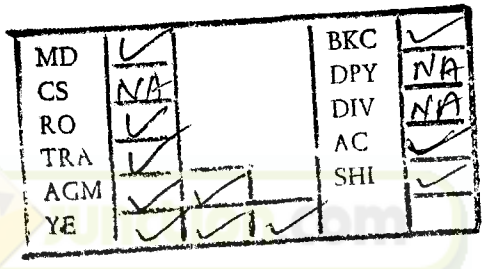
DHANALAXMI ROTO SPINNERS LTD.

Registered Office :
Sy. No. 114 & 115, Station Road,
THIMMAPUR - 509 325



ANNUAL REPORT
1997-98

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DHANALAXMI ROTO SPINNERS LTD.

BOARD OF DIRECTORS :

Sri Ramakanth Inani	Chairman
Sri Shrikanth Inani	Director
Sri Ambuj Kasliwal	Director
Sri Rajiv Kumar Maheshwari	Director
Sri Raj Kumar Inani	Managing Director

AUDITORS:

G.D. Upadhyay & Co.
Chartered Accountants
15-1-53, IInd Floor Upstairs,
Opp: Goshamahal High School,
Siddiamber Bazar,
HYDERABAD - 500 012.

REGISTERED OFFICE:

Sy.No.114 & 115,
Station Road,
Thimmapur - 509 325
Mahaboobnagar Dist.(A.P)

BANKERS:

State Bank of India,s
Thimmapur Branch,
Thimmapur - 509 325
Mahaboobnagar Dist.

SHARE TRANSFER AGENTS:

Sunjt Financial Services (P) Ltd.,
No.3-6-290/20,
2nd Floor, Sadan Building,
Hyderguda,
HYDERABAD - 500 029.

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NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of DHANALAXMI ROTO SPINNERS LIMITED will be held on Tuesday, the 29th September 1998, at 10.30 A.M. at the Registered Office Sy.No.114 & 115, Thimmapur - 509 325, Mahaboobnagar District (A.P) to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 1998 and Profit and Loss Account for the period ended 31st March 1998 along with Auditors' Report and Director's Report thereon.
2. To Appoint a Director in place of Sri Rajivkumar Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
3. To Appoint M/s. G.D. Upadhyay and Company, Chartered Accountants, Hyderabad, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

BY ORDER OF THE BOARD
for **DHANALAXMI ROTO SPINNERS LIMITED**

PLACE : THIMMAPUR
DATE : 4-9-1998

RAMAKANTH INANI
Chairman

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NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. Proxy forms to be valid shall be lodged at the Registered Office of the company not less than 48 hours before the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 22nd September, 1998 to 29th September 1998 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
3. The Members are requested to bring copy of their Annual Report to the meeting and are also requested to send queries, if any, on the adoption of accounts well in advance to the company at the Registered Office so as to enable the company to place relevant records and information at the time of Annual General Meeting.

BY ORDER OF THE BOARD
for **DHANALAXMI ROTO SPINNERS LIMITED**

PLACE : THIMMAPUR
DATE : 4-9-1998

RAMAKANTH INANI
Chairman

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eleventh Annual Report together with Audited statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1997-98	**1996-97**
Sales & Other Income	228.82	404.18
Gross Profit	(69.50)	2.81
Depreciation	35.80	45.04
Interest	29.76	31.01
Profit/(Loss) before Tax	(135.06)	(73.24)
Prior year adjustments	(0.70)	(0.65)
Profit/(Loss) after Tax	(135.76)	(73.90)
Profit of Previous Year	(72.43)	1.47
APPROPRIATIONS		
Proposed Dividend	—	—
General Reserve	—	—
Balance c/f.	(208.19)	(72.43)

REVIEW OF OPERATIONS

During the year under review, your company has run only for a period of 9 months and achieved a Sales Turnover of Rs. 217.81 lacs. As the relations between the management and workers detoriated, the management was left with no option but to close the operations. With Cotton & Yarn market showing no encouraging trend and due to non availability of Working Capital the plant operations were suspended. As approved in the Extra Ordinary General Meeting held on 26.2.98, the debt burden was reduced considerably by disposing one spinning line. An amount of Rs.86.89 lacs was realised and utilised for clearing the debt. Company has also taken up trading activity.

Your Directors are making sincere efforts to restart spinning operations as soon as possible and also take up other trading activities to improve the perfomance of the Company.

DIRECTORS

Sri Rajiv Kumar Maheshwari is retiring by rotation and is eligible for reappointment. The Board recommends his reappointment.

DEPOSITS

Your Company has not accepted any deposits from the public.

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AUDITORS

M/s. G.D. Upadhyay & Company, Chartered Accountants, the auditors of your company retire at the conclusion of the forthcoming Annual General Meeting and are eligible for the reappointment. The Company has received a Certificate from the said Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

PERSONNEL

The Company has no employees of the category specified in section 217(2A), of the Companies Act, 1956.

CASH FLOW STATEMENT

A Cash Flow Statement as required by an amended clause of the Stock Exchange Listing Agreement is included in the Annual Report.

INDUSTRIAL RELATIONS

During the year under review company had intense labour problems resulting in closure of works. The Company is hopeful of improvement in the same.

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

The information required under section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Director(s) Rules, 1988 with respect to these matters is given in Annexure to this report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their deep appreciation and gratitude to the Company's Members for their continued support and confidence.

Your Directors wish to thank and deeply acknowledge the cooperation and assistance extended by the Bankers, Financial Institutions, Government Authorities and other business associates. The Board would also like to take this opportunity to commend the employees of the Company at all levels for their contribution to the Company's success.

FOR AND ON BEHALF OF THE BOARD.

PLACE : THIMMAPUR
DATE : 4-9-1998

RAMAKANTH INANI
Chairman

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ANNEXURE TO THE DIRECTOR'S REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. POWER AND FUEL CONSUMPTION	1997-98	1996-97
ELECTRICITY:		
a) Purchased units (Nos.)	3,09,476	5,12,493
Total Amount (Rs.)	12,99,856	17,12,704
Rate/unit (Rs.)	4.20	3.34
b) Own generated units (Nos.)	2,05,450	7,11,733
Total Amount (Rs.)	7,90,408	20,99,726
Rate/unit (Rs.)	3.85	2.95

(a) Energy Conservation measures taken.

Company's plant has been designed to achieve high efficiency in the utilisation of energy. The key areas with regard to reduction of energy have been identified by us and following steps taken.

(i) Selection of Machines consuming less energy without corresponding effect on their performance.

(ii) Additional investments and proposals being implemented for the reduction of energy consumption.

(b) Besides improving on above, the proposals being considered for future are:

(1) Energy Management systems and Techniques.

(2) Investments in low energy consuming machines.

(3) Further proposals for immediate future are on need basis.

(c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production:

(1) Energy savings in turn reducing Cost of Production.

(2) Low Fuel utilisation : Efforts to improve efficiency of energy utilisation are made on an on going basis.

B. TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT:

(1) Specific areas in which R & D carried out by the Company	Not applicable as the Company has no R & D Department.
(2) Benefits Derived as a result of above R & D	
(3) Future plan of action	
(4) Expenditure on R & D	

(1) Efforts in brief towards technology absorption, adoption & innovation.

The Company maintains high level of information flow with various companies. The Company keeps abreast with the technology development and through specific programmes introduces, adopts and absorbs sophisticated technologies.

(2) Benefit derived as a result of the above efforts:

The said efforts have an overall effect on cost reduction and increase in quantum of production.

(3) In case of Imported Technology.

(a) Technologies imported	None. The Company has not imported any Technology.
(b) Year of Import.	
(c) Has the technology been fully absorbed.	

C. FOREIGN EXCHANGE OUTGO:	1997-98 Rs.	1996-97 Rs.
Expenditure in Foreign Currency:		
(i) On Travelling	—	—
(ii) On Capital Goods	—	—
(iii) On Stores and Spares	—	—
Earning in Foreign Currency	—	—

FOR AND ON BEHALF OF THE BOARD

PLACE : THIMMAPUR
DATE : 4-9-1998

Ramakanth Inani
Chairman

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AUDITORS' REPORT

To,

The Members,
DHANALAXMI ROTO SPINNERS LTD.

We have audited the attached Balance Sheet of DHANALAXMI ROTO SPINNERS LTD as at 31-3-98 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. Further to our comments in Annexure referred to in paragraph 1 above, we state that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law, have been kept by the company so far as appears from our examination of such books.

c) The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.

d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules, notes forming part of accounts and significant accounting policies give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:

i. in so far as it relates to the Balance Sheet of the state of affairs, of the Company as at 31st March, 1998 and ;

ii. in so far as it relates to the Profit & Loss account of the Loss of the company for the year ended on that date.

for M/s. G.D. UPADHYAY & CO.
Chartered Accountants,

PLACE : HYDERABAD
DATE : 4-9-1998

(G.D. UPADHYAY)
Partner

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