

Dhanalaxmi Roto Spinners Limited



**ANNUAL REPORT
2007 - 2008**

DHANALAXMI ROTO SPINNERS LIMITED**CORPORATE INFORMATION****BOARD OF DIRECTORS :**

Sri. Rajkumar Inani	Whole Time Director
Sri. Narayan Inani	Executive Director
Sri. Rajiv Kumar Maheshwari	Director
Sri. K.N. Prasad	Director
Sri. Shyam Sunder Jakhotia	Director

AUDITORS :

M/s. G.D. Upadhyay & Co.
Chartered Accountants
 15-1-53,
 2nd Floor, Upstairs Andhra Bank,
 Opp: Goshamahal High School,
 Siddiamber Bazar,
 Hyderabad - 500 012.

REGISTERED OFFICE :

Sy.No.114 & 115,
 Station Road,
 Thimmapur-509 325
 Mahaboobnagar Dist. (A.P)
 E-mail :
 dhanlaxmiroto@yahoo.co.in

BANKERS :**TAMILNAD MERCANTILE BANK LIMITED**

Kishangunj Branch, Hyderabad - 500 012.

CITI BANK, Begumpet Branch, Hyderabad.

CANBANK FACTORS LIMITED

(A SUBSIDIARY OF CANARA BANK)

Hyderabad Branch

Flat No. 201-202, II Floor,
 "Sanatana Eternal",
 Door No. 3-6-108/1, Road No. 19, Himayath Nagar,
 Hyderabad - 500 029.

SHARETRANSFER AGENTS / DEMAT REGISTRARS :**VENTURE CAPITAL AND CORPORATE INVESTMENTS LIMITED**

12-10-167, Bharat Nagar,
 Hyderabad - 500 018.

DHANALAXMI ROTO SPINNERS LIMITED

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Tuesday, the 30th September 2008, at 9.00 A.M. at the Registered Office of the Company at Sy.No.114 & 115, Thimmapur-509325, Mahaboobnagar District (A.P.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date, statements and schedules annexed or attached thereto, together with the report of the Board of Directors and Auditors' thereof.
2. To Appoint a Director in place of Sri K. N. Prasad, who retires by rotation and being eligible, offers himself for reappointment.
3. To Appoint M/s. G.D. Upadhyay & Company, Chartered Accountants, Hyderabad, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

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By Order of the Board

For DHANALAXMI ROTO SPINNERS LIMITED

Sd/-

Place : Thimmapur

Rajkumar Inani

Date : 19th August, 2008

Whole Time Director

DHANALAXMI ROTO SPINNERS LIMITED

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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received by the company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books will remain closed from 24th September, 2008 to 30th September, 2008 (both days inclusive) for the purpose of AGM.
5. Members holding shares in Demat are requested to intimate their respective Depository Holders relating to their change of addresses.
6. Members who hold their shares in dematerialized form are requested to bring their client ID and DP numbers for easy identification of attendance at the meeting.

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By Order of the Board

For DHANALAXMI ROTO SPINNERS LIMITED

Sd/-

Place : Thimmapur

Rajkumar Inani

Date : 19th August, 2008

Whole Time Director

DHANALAXMI ROTO SPINNERS LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty First Annual Report together with Audited statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rupees in Lacs)		
	Year Ended 31-3-2008	Year Ended 31-3-2007
Sales and other Income	1138.10	632.29
Income before Interest and Depreciation	47.36	24.39
Depreciation and Amortisation	4.45	4.68
Financial Expenses	18.14	4.80
Profit before Taxation and Exceptional Items	24.77	14.91
Exceptional Items	0.20	0.11
Profit before Tax	24.57	14.80
Provision for Taxation:		
a) Current	(6.76)	(2.67)
b) Deferred	(0.09)	(2.83)
c) Fringe Benefits	(0.43)	(0.39)
Profit after Tax	17.29	8.91

REVIEW OF OPERATIONS

During the year under review, your company has made a Gross Income of Rs.1138.10 Lacs when compared to Rs. 632.29 Lacs in the earlier year. Net profit before Taxation and exceptional items earned during the year under review amounted to Rs. 24.77 Lacs, as against Rs.14.91 Lacs in the previous year. Profit after Tax was at Rs. 17.29 lacs against Rs. 8.91 Lacs of earlier year. The Company expects to further improve performance in the future years.

DIVIDEND :

In absence of adequate Profits, Directors do not recommend any dividend for the year 2007-2008.

DHANALAXMI ROTO SPINNERS LIMITED**DIRECTORS**

Sri K.N.Prasad, Director of your Company retires by rotation at the ensuing Annual General Meeting. Being eligible for re-appointment, offers himself for the re-appointment.

Sri K.N.Prasad is a Commerce Graduate, having vast experience in the Finance, Accounts & Administration line.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public pursuant to Section 58A of the Companies Act, 1956.

AUDITORS

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

PERSONNEL

No employee of your company is in receipt of remuneration of Rs.24 Lacs per Annum and above and no employee is in receipt of remuneration of Rs.200000/- p.m. for any part of the Financial Year whose particulars are required to be disclosed pursuant to section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees), Rules, 1975 as amended.

LISTING

Your Company's shares are presently listed on The Mumbai Stock Exchange Limited. Your Company is regular in payment of listing fees to The Mumbai Stock Exchange Limited.

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

Wherever possible energy conservation measures have already been implemented and there are no major areas, where further energy

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conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

DETAILS OF FOREIGN EXCHANGE IN FLOW/OUT FLOW

	2007-08	2006-07
Earnings	Rs. 3969929	Rs. 3482805
Out flow	Rs. 61526534	Rs. 29143263

CORPORATE GOVERNANCE

Pursuant to the provisions of the Listing Agreement, a Management Discussion and Analysis Report and a report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of Corporate Governance are furnished as Annexures forming part of this report.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956, the Directors state and confirm :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures;
2. That 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 at the end of the financial year ended 31st March, 2008 and of the Profit of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and

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for preventing and detecting fraud and other irregularities; and

4. That the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS :

The Directors place on record their sincere gratitude to the investors for their support and confidence reposed in them. Your Directors express their appreciation of the valuable support and cooperation received from Banks, business associates, customers, vendors and various statutory authorities. Your Directors place on record their sincere appreciation of the contribution made by the employees of the Company at all levels through their hard work, dedication and support.

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On behalf of the Board of Directors

Place : Thimmapur	Sd/-	Sd/-
Date : 19th August, 2008	(Rajkumar Inani)	(Narayan Inani)
	Whole Time Director	Executive Director

DHANALAXMI ROTO SPINNERS LIMITED**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT :****a. Industry Structure and Developments :**

The Company is mainly engaged in Trading Activity in the line of Textiles, Paper and Wood Pulp. Within a short span the Company has established itself in Paper and Wood Pulp market.

b. Opportunities and threats :

Wood Pulp market has very few traders giving the Company an opportunity to establish itself. However, the market fluctuates according to international rates which could effect margins and being a trader company is very much dependent on buyers and sellers for its growth.

During the year under review, the company has faced tough competition. However, efforts are being made to improve its presence in Wood Pulp market and with improvement in Industrial activity and going by the current trend, Company is hopeful of improving its performance. The company is also looking at opportunities to export allied products as merchant exporter.

c. Risk and Concerns :

Wood Pulp rates fluctuate according to international market and being a trader Company is dependent on its buyers and suppliers. The Company is exposed to stiff competition in its operation.

d. Internal Control system and their adequacy :

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

e. Discussion of Financial Performance with respect to Operational Performance :

The Financial Statements are prepared under the historical cost convention in accordance with Indian generally accepted accounting principles and the provisions of the Companies Act, 1956. All Income and Expenditure having a material bearing on the Financial Statements are recognized on accrual basis. The Management has taken utmost care for the integrity and the objectivity of these Financial Statements, as well as for various estimates and judgements used therein.

f. Material developments in Human Resources/Industrial Relations front, including number of people involved :

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

DHANALAXMI ROTO SPINNERS LIMITED**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy :**

We, at **Dhanalaxmi Roto Spinners Limited** are committed to the concept and philosophy of Corporate Governance as means of effective internal control, fair and transparent decision-making process and fullest support of the Board and Management for enhancing customer satisfaction and share holder value.

Securities and Exchange Board of India has codified the code of Corporate Governance, which has been implemented by amending the listing agreement entered into by the Company with the Stock Exchange. Given below is a brief report of the practice followed at **Dhanalaxmi Roto Spinners Limited** towards achievement of good Corporate Governance.

2. Board of Directors:

During the period and under review 19 Board Meetings were held on 16th April, 2007, 30th April, 2007, 15th May, 2007, 14th June, 2007, 31st July, 2007, 4th August, 2007, 5th August, 2007, 14th August, 2007, 23rd August, 2007, 11th October, 2007, 31st October, 2007, 21st November, 2007, 5th December, 2007, 12th December, 2007, 13th December, 2007, 4th January, 2008, 31st January, 2008, 16th February, 2008, and 11th March, 2008. The composition of the Board, attendance at Board Meetings held during the financial year under review and the last Annual General Meeting (AGM), number of Directorships and memberships/ chairmanships in public companies (including the company) are given below :