

***DHANALAXMI ROTO  
SPINNERS LIMITED***



***ANNUAL REPORT  
2009 - 2010***

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS :**

<b>Sri Rajkumar Inani</b>	Whole Time Director
<b>Sri Anirudh Inani</b>	Whole Time Director
<b>Sri Narayan Inani</b>	Executive Director
<b>Sri K.N.Prasad</b>	Director
<b>Sri ShyamSunder Jakhotia</b>	Director
<b>Sri Simanth Roy Chowdhury</b>	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 :**

**DHANALAXMI ROTO SPINNERS LTD.,**  
Sy.No.114 & 115,  
Station Road,  
Thimmapur-509 325  
Mahaboobnagar Dist. (A.P)  
E-mail : dhanlaxmiroto@yahoo.co.in  
dhanroto@gmail.com

#### **BANKERS :**

**TAMILNAD MERCANTILE BANK LIMITED**  
Kishangunj Branch, HYDERABAD-500 012.

**CITI BANK**, Ground Floor, Queens Plaza,  
S.P. Road, Begumpet , Hyderabad-500 003.

**CANBANK FACTORS LIMITED**  
**(A SUBSIDIARY OF CANARA BANK)**  
Hyderabad Branch  
Road No.19. Himayath Nagar,Hyderabad - 500 029.

#### **SHARE TRANSFER 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 Third Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Thursday, the 30th September, 2010, at 9.00 A.M. at the Registered Office of the Company at 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 at 31st March, 2010 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.

#### **SPECIAL BUSINESS :**

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

**"RESOLVED** that pursuant to sections 269, 198, 309(3) and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to the approval of shareholders in general meeting and remuneration committee, and approval of Central Government (if applicable) Sri Narayan Inani be and is hereby appointed as Executive Director of the company for a period of 5 years from 1<sup>st</sup> July, 2010 on a monthly remuneration of Rs. 30,000/-."

**"RESOLVED FURTHER** that in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Sri Narayan Inani as Executive Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed in section II Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided aforesaid when the profits of the company are adequate."

**DHANALAXMI ROTO SPINNERS LIMITED**

**"RESOLVED FURTHER** that Sri Rajkumar Inani, Whole Time Director be and is hereby authorised to file necessary papers, forms, returns, documents with the Registrar of Companies, Andhra Pradesh."

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

**"RESOLVED** that pursuant to section 31 of the Companies Act, 1956, the Articles of Association of the company be altered by inserting the following new article 132 (3) after the existing article No.132 (2)"

**Article No. 132 (3)**

Every director shall be paid:

(a) Such sum not exceeding the limits of meeting fee laid down in the Companies Act, 1956 subject to minimum of Rs. 4,000 per director, per meeting of the Board of directors or as a member of any sub committee, or such higher amount as the Board of directors may fix from time to time for every meeting of the Board of directors of the company attended by him/her as a director/committee thereof.

(b) In addition to the above, all traveling and out of pocket expenses incurred, if any, for attending and returning from meeting of the Board of directors or any committee thereof.

By Order of the Board

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

**RAJKUMAR INANI**

Whole Time Director

Place : Thimmapur

Date : 14-08-2010

## **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 24<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (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.
7. The Explanatory Statement pursuant to Section 173 (2) of The Companies Act, 1956 in respect of Item No (s) 4 and 5 is annexed hereto

### **EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956 as required by Section 173 of the Companies Act, 1956 ("Act"), the following explanatory statements set out all material facts relating to the business mentioned under Item Nos. 5 to 7 of the accompanying Notice dated 14<sup>th</sup> August, 2010.

#### **Item No. 4**

The Board has appointed Sri Narayan Inani as Executive Director with effect from 1<sup>st</sup> July, 2010 subject to the approval of the Members. The appointment is for a period of five years.

The main terms and conditions of the appointment of Sri Narayan Inani is as follows:

#### **A. Tenure of Agreement:**

The appointment of Sri Narayan Inani is effective 1<sup>st</sup> July, 2010. The appointment is for a period of five years.

**B. Nature of Duties:**

The appointees shall devote their whole time and attention to the business of the Company and carry out such duties as may be powers as may be assigned to them, subject to the superintendence, control and directions of the board in connection with and in the best interests of the business of the company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Managing Directors and/or the Board from time to time. by serving on the Board of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

**C. Remuneration:**

(i) Remuneration – (a) Salary of Rs. 30,000/- per month (b) Benefits, perquisites and allowances as may be determined by the Board from time to time.

(ii) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointees, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites and allowances and incentive remuneration, as specified above.

**D. Other terms of Appointment:**

The terms and conditions of the appointment of the Appointee(s) may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the concerned appointee, subject to such approvals as may be required.

The Directors are of the view that the appointment of Sri Narayan Inani as Executive Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate.

In compliance with the provision of Section 269 and 309 read with Schedule XIII of the Act, the terms of remuneration of the Appointees specified above, are now placed before the Members in the Annual General Meeting for their approval.

The Resolution at Item No. 4 of the Notice is commended for approval by the Members.

Except for Sri Narayan Inani, Sri Rajkumar Inani as a brother of appointee and Sri Anirudh Inani as a brother of appointee, no other Director of the Company is concerned or interested in the said resolution.

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **Item No.5**

It is proposed to increase the sitting fees payable to the Directors for attending Board or Committee Meetings. The Amendment of Articles of Association requires shareholders approval.

The Directors commend the Resolution for the approval of the members.

None of the Director are interested or concerned in the above resolution.

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

Sd/-

Place : Thimmapur

**RAJKUMAR INANI**

Date : 14.08.2010

Whole Time Director

**Details of Directors Seeking Appointment / Re-appointment at the Annual General Meeting (Pursuant to Details As Required Under Clause 49 of the Listing Agreement)**

Particulars	Sri Narayan Inani	Sri K.N.Prasad
Date of Birth	10.9.1968	22.12.1963
Date of Appointment	30/09/2003	30/01/1999
Qualifications	B.Com.,	B.Com.,
Expertise in specific functional area	Procurement and Distribution of goods	Accounts and Administration matters
Directorships held in other Public Companies(excluding foreign companies and Section 25 companies)	-Nil-	-Nil-
Memberships/Chairmanships of committees of other Public companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	-Nil-	-Nil-
Number of Shares held in the Company	20,000	1,500

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the TwentyThird Annual Report together with Audited statement of Accounts of the Company for the year ended 31st March, 2010

**FINANCIAL RESULTS**

(Rupees In Lacs)		
	Year Ended 31-3-2010	Year Ended 31-3-2009
Sales and other Income	1427.52	1297.22
Income before Interest and Depreciation	58.98	106.60
Depreciation and Amortization	6.99	4.87
Financial Expenses	23.55	53.24
Profit before Taxation and Exceptional Items	28.43	48.49
Exceptional Items / Prior Period Items	2.32	11.13
Profit before Tax	30.75	59.62
Provision for Taxation:		
a) Current	20.75	17.82
b) Deferred	0.15	0.26
c) Fringe Benefits	-	0.35
d) Earlier Year Tax	3.52	-
Profit after Tax	13.36	41.19

**REVIEW OF OPERATIONS**

During the year under review, your company has made a Gross Income of Rs. **1427.52** Lacs when compared to Rs. **1297.22** Lacs in the earlier year. Net profit before Taxation and exceptional items earned during the year under review amounted to Rs. **28.43** Lacs, as against Rs. **48.49** Lacs in the previous year. Profit after Tax was at Rs. **13.36** Lacs against Rs. **41.19** Lacs of earlier year.

**DIVIDEND :**

To conserve the reserves of the Company, the Company has not proposed any dividend during the year.



## **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. 2,00,000 per month 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, Scrip Code 521216 and Scrip ID : DHANROTO.

### **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 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**

	2009-10	2008-09
Earnings	Rs. 18,06,514	Rs. 2,42,02,075
Out flow	Rs. 6,25,95,386	Rs. 6,81,40,881

**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, we hereby state :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures; if any;
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, 2010 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 for preventing and detecting fraud and other irregularities; and
4. That the Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS :**

We take this opportunity to thank the employees for their dedicated service and contribution to the Company. We also thank our Bankers, Business Associates and Shareholders for their support towards conduct of operations of the Company.

By Order of the Board

Place : Thimmapur

Date : 14.8.2010

Sd/-  
(RAJKUMAR INANI)  
Whole Time Director

Sd/-  
(NARAYAN INANI)  
Executive Director