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DHANALAXMI ROTO SPINNERS LTD.,
Sy.No.114 & 115, Station Road, THIMMAPUR - 509 325.
Mahaboobnagar District (A.P.)

DHANALAXMI ROTO SPINNERS LIMITED

24th

ANNUAL REPORT
2010 - 2011

CORPORATE INFORMATION

BOARD OF DIRECTORS :

Sri. Rajkumar Inani	Whole Time Director
Sri Anirudh Inani	Whole Time Director
Sri. Narayan Inani	Executive Director
Sri. K.N. Prasad	Director
Sri. Simanth Roy Chowdhury	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
dhanroto@gmail.com

BANKERS :

TAMILNAD MERCANTILE BANK LIMITED
15-2-696,1st Floor, Siddiamber Bazar,
Kishangunj, HYDERABAD-500 012.

CITI BANK N.A, Ground Floor, Queens Plaza,
S.P.Road, Begument, Hyderabad-500 003

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

SHARE TRANSFER AGENTS / DEMAT REGISTRARS :

CIL SECURITIES LIMITED
214, RAGHAVA RATNA TOWERS, CHIRAG ALI LANE, ABIDS
HYDERABAD - 500 001.

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Friday, the 30th September 2011, 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, 2011 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 Shyam Sunder Jakhotia , 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 :

Item No 4 :To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** subject to requisite approvals as may be necessitated from time to time, in partial modification of Resolution No. 4 passed at the 23rd Annual General Meeting of the Company held on 30th September, 2010 and pursuant to Section 198, 309, 310, 311. Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for revision in the maximum limit of remuneration including variable salary and other terms fixed by the Board of Directors payable to Shri Narayan Inani, Executive Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appoint) with liberty to Board of Directors or a committee thereof fix his remuneration including variable salary etc. within such maximum limit specified in Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government, with effect from 1st April, 2011 for the remaining tenure of his office as set out in the explanatory statement annexed to the notice convening this meeting."

"**RESOVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Item No 5 : To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** subject to requisite approvals as may be necessitated from time to time, in partial modification of Resolution No. 5 passed at the 22nd Annual General Meeting of the Company held on 30th September, 2009 and pursuant to Section 198, 309, 310, 311. Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for revision in the maximum limit of remuneration including variable salary and other terms fixed by the Board of Directors payable to Shri Anirudh Inani, Whole Time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appoint) with liberty to Board of Directors or a committee thereof fix his remuneration including variable salary etc. within such maximum limit specified in Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government, with effect from 1st April, 2011 for the remaining tenure of his office as set out in the explanatory statement annexed to the notice convening this meeting."

"**RESOVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Item No 6 : To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** subject to requisite approvals as may be necessitated from time to time, in partial modification of Resolution No. 4 passed at the 20th Annual General Meeting of the Company held on 29.9.2007 and pursuant to Section 198, 309, 310, 311. Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for revision in the maximum limit of remuneration including variable salary and other terms fixed by the Board of Directors payable to Shri Rajkumar Inani, Whole Time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appoint) with liberty to Board of Directors or a committee thereof fix his remuneration including variable salary etc. within such maximum limit specified in Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government, with effect from 1st April, 2011 for the remaining tenure of his office as set out in the explanatory statement annexed to the notice convening this meeting."

"**RESOVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

BY Order of the Board

For DHANALAXMI ROTO SPINNERS LIMITED

Sd/-

(RAJKUMAR INANI)
Whole Time Director

Place : Thimmapur
Date : 13-08-2011

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, 2011 to 30th September, 2011(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 to 6 is annexed hereto.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Company's Act, 1956 as required by section out all material facts relating to the business mentioned under ite Nos. 4 to 6 of the accompanying Notice dated 13th August, 2011.)

ITEM NO. 4,5 and 6

The members of the Company at their 23rd Annual General Meeting held on 30th September, 2010 approved the re - appointment of Shri Narayan Inani as Executive Director for a period of 5 years w.e.f. 1st July, 2010 and at their 22nd Annual General Meeting held on 30.09.2009 approved the appointment of Shri Anirudh Inani as whole time Director for a period of 5 years w.e.f 30.06.2009 and at their 20th Annual General Meeting held on 29.09.2007 approved the re appointment of Shri Rajkumar Inani as Whole Time Director for a period of 5 years w.e.f 26.08.2007 The Company did not increase the remuneration and continued with the same remunerations to Shri Narayan Inani and Shri Rajkumar Inani. Members of Remuneration Committee and Board of Directors have recommended to increase the salary based on improved performance of company due to their efforts, for the year 2010-11.

The Income of the Company for 2010-11 is **Rs. 2296.42** Lacs as compared to Rs.1427.52 Lacs during the previous year and Net Profit after tax for 2010-11 is **Rs. 43.58** Lacs against Rs 13.36 Lacs during the previous year.

In view of services rendered by Shri Narayan Inani as Executive Director, Shri Rajkumar Inani as Whole Time Director and Shri Anirudh Inani as Whole Time Director and responsibilities shouldered by them providing their able leadership in steering the organization in the crucial period in the Company, subject to approval of shareholders/Central Government Company will pay remuneration by way of salary/variable salary, commission/ choice pay and perquisites as provided herein below

Description	Narayan Inani	Rajkumar Inani	Anirudh Inani
	Rs.	Rs.	Rs.
Consolidate Salary up to 2010-2011,	30,000	30,000	32,500
2011- 2012 on wards unless the terms altered/varied	65,000	60,000	60,000

In compliance with the provisions of section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the revised terms of remuneration of Shri Narayan Inani, Shri Rajkumar Inani and Shri Anirudh Inani as specified above are now being placed before the members for their approval.

None of the Director of the Company except for Shri Narayan Inani, Shri Rajkumar Inani and Shri Anirudh Inani are interested in the resolution placed before the meeting directly or indirectly.

The above particulars may be treated as an abstract of the draft agreement between the Company, and Shri Narayan Inani, Shri Rajkumar Inani and Shri Anirudh Inani respectively under Section 302 of the Companies Act, 1956.

BY Order of the Board

For DHANALAXMI ROTO SPINNERS LIMITED

Sd/-

Place : Thimmapur

Date : 13-08-2011

(RAJKUMAR INANI)
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	**Mr. Shyam Sunder Jakhotia**
Date of Birth	16-04-1969
Date of Appointment	30-09-2006
Qualification	B.Com.,
Expertise in specific functional area	Vast experience in the Commercial Business Line
Directorships held in other Public Companies(excluding foreign Companies and Section 25 of companies)	-Nil-
Memberships/Chairmanships of committees of other **Public companies** (includes only Audit Committee and Shareholders/Investors Grievance Committee)	-Nil-
Number of Shares held in the Company	-Nil-

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Tweny Fourth Annual Report together with Audited statement of Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

		(Rupees In Lacs)
	Year Ended 31-3-2011	Year Ended 31-3-2010
Sales and other Income	**2296.42**	1427.52
Income before Interest and Depreciation	**119.29**	58.98
Depreciation and Amortization	**8.12**	7.00
Financial Expenses	**44.93**	23.55
Profit before Taxation and Exceptional Items	**66.24**	28.43
Exceptional Items/Prior Period Items	**1.00**	2.32
Profit before Tax	**65.24**	30.75
Provision for Taxation:		
a) Current	**19.15**	20.75
b) Deferred	**1.99**	0.15
c) Earlier Year Tax	**0.52**	3.51
Profit after Tax	**43.58**	13.36

REVIEW OF OPERATIONS

During the year under review, your company has made a Gross Income of Rs.**2296.42** Lacs when compared to Rs. **1427.52** Lacs in the earlier year. Net profit before Taxation and exceptional items earned during the year under review amounted to Rs. **66.24** Lacs, as against Rs.**28.43** Lacs in the previous year. Profit after Tax was at Rs. **43.58** Lacs against Rs. **13.36** Lacs of earlier year.

DIVIDEND :

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

DIRECTORS

Sri Sri Shyam Sunder Jakhotia, 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 Shyam Sunder Jakhotia, is a Commerce Graduate, having vast experience in the Commercial Business 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 reappointment. 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 Limitec. Your Company is regular in payment of listing fees to The Mumbai Stock Exchange Limited, Scrip Code is 521216 & 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

	2010-11	2009-10
Earnings	**Rs. 14,28,628**	Rs. 18,06,514
Out flow	**Rs. 16,69,40,441**	Rs. 6,25,95,386

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, 2011 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 the 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

	Sd/-	Sd/-
Place : Thimmapur	**(RAJKUMAR INANI)**	**(NARAYAN INANI)**
Date : 13-08-2011	Whole Time Director	Executive Director

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 Market.

The Company has established itself in Paper and Wood Pulp market. The Company is trying to improve on small beginning made in last couple of years in commodity trading and exports. The Company intent to set up Manufacturing Enterprise for production of "Agro Briquetters and Forestry/Logging Products , for that purpose company got itself registered as a Small Scale Industry.

b) Opportunities and threats :

The Company feels happy to inform that it has established itself in the Indian Wood Pulp Market. Giving timely and excellent service company has established dedicated customers whose base is steadily improving. However, the Wood Pulp market fluctuates according to international rates which effect margins and being a trader the company is very much dependent on buyers and sellers for its growth.

During the year under review, the international market for wood pulp was stable. If the same trend continues company can further improve its presence in wood pulp market. The Company is still trying to stabilize its export market (export of commodities 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 and foreign currency fluctuations in its operation. Commodity export market has good scope however Company has to compete and supply goods at international prices. Government policies on commodity export keep on changing based on local production/consumption pattern.