

**DHANALAXMI ROTO
SPINNERS LIMITED**



**ANNUAL REPORT
2012 - 2013**

DHANALAXMI ROTO SPINNERS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS :

Sri Rajkumar Inani
Sri Anirudh Inani
Sri Narayan Inani
Sri K.N. Prasad
Sri Simanth Roy Chowdhury
Sri Shyam Sunder Jakhotia

Whole Time Director
Whole Time Director
Executive Director
Director
Director
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-500012

REGISTERED OFFICE :

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

BANKERS :

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

CITI BANK N.A., 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 :

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

DHANALAXMI ROTO SPINNERS LIMITED

NOTICE

Notice is hereby given that the **Twentysixth** Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Monday, the 30th September, 2013, at 9.15 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, 2013 and the Statement of Profit and Loss for the year ended on that date, together with the report of the Board of Directors and Auditors' thereon.
2. To Appoint a Director in place of Sri Simanth Roy Chowdhury, 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 24th Annual General Meeting of the Company held on 30th September, 2011 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, 2013 for the remaining tenure of his office as set out in the explanatory statement annexed to the notice convening this meeting."

"**RESOLVED 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 24th Annual General Meeting of the Company held on 30th September, 2011 and pursuant to Section 198,

DHANALAXMI ROTO SPINNERS LIMITED

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, 2013 for the remaining tenure of his office as set out in the explanatory statement annexed to the notice convening this meeting."

"RESOLVED 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 pursuant to Section 269 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the reappointment of Shri Rajkumar Inani as the *Whole Time Director of the Company for a period of five years commencing from the 1st April, 2013, on the remuneration, as set out in the Explanatory Statement*".

"RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee is hereby authorised to revise the said remuneration, on the completion of each financial year such that the increase in remuneration per annum is not more than 20% of the remuneration prevalent in the financial year immediately preceding the year for which the remuneration is being fixed and is subject to the limits set out under Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII thereof."

By Order of the Board

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

Place : Thimmapur

RAJKUMAR INANI

Whole Time Director

Date : 30.05.2013

Important Communication to Members.

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository Participants. Members who hold shares in physical form are requested to register their email address with Company's Registrar and Transfer Agents i.e., **M/s. CIL SECURITIES LTD., 214, RAGHAVA RATNA TOWERS, CHIRAG ALI LANE, ABIDS, HYDERABAD-500 001.**

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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.
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, 2013 to 30th September, 2013(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 .

By Order of the Board

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

Place : Thimmapur

RAJKUMAR INANI

Date : 30.05.2013

Whole Time Director

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Company's Act, 1956 as required by section out of all material facts relating to the business mentioned at item Nos. 4 to 6 of the Accompanying Notice dated 30.5.2013)

ITEM NO. 4 and 5

The Turnover of the Company for Financial Year 2012 – 13 is Rs. 2599.60 Lacs as compared to Rs. 3014.87 Lacs during the previous year and Net Profit after tax for Financial Year 2012 – 13 is Rs. 41.42 Lacs against Rs. 54.34 Lacs during the previous year.

In view of services rendered by Shri Narayan Inani as Executive 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

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Description	Narayan Inani	Anirudh Inani
Consolidate Salary	Rs . 85,000 Per Month	Rs . 85,000 Per Month

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 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 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 and Shri Anirudh Inani respectively under Section 302 of the Companies Act, 1956.

Shri Rajkumar Inani, Director of the Company, being related to Shri Narayan Inani and Shri Anirudh Inani is considered to be interested in this resolution.

Item No 6

The Board of the Company at its meeting held on 30.4.2013 resolved to reappoint Shri Rajkumar Inani as Whole Time Director of the Company, for a further period of 5 years with effect from 1st April, 2013. Also the Board of Directors, on the recommendation of Remuneration Committee, has recommended payment of Rs. 85,000/- Per Month as remuneration to Shri Rajkumar Inani with effect from 1st April, 2013:

In respect of the rest of the years, it is recommended that the Board of Directors of the Company on the recommendation of the Remuneration Committee be authorised to fix his remuneration for any year such that the increase in remuneration per annum is not more than 20% of the remuneration prevalent in the immediately preceding year. Subject however, that such increase be in compliance with Sections 198 and 309 of the Companies Act, 1956.

Shri Rajkumar Inani's brief resume is as below:

Shri Rajkumar Inani is a Diploma holder in Textile Engineering and he has been on the Board of the Company since inception and has contributed significantly to the growth of the Company.

The Directors recommend the resolution for adoption.

Shri Narayan Inani and Shri Anirudh Inani Directors of the Company, being related to Shri Rajkumar Inani are considered to be interested in this resolution.

This notice may be considered as notice under Section 302 of the Companies Act, 1956.

By Order of the Board

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

Place : Thimmapur

RAJKUMAR INANI

Date : 30.05.2013

Whole Time Director

DHANALAXMI ROTO SPINNERS LIMITED**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	Simanth Roy Chowdhury
Date of Birth	23-04-1968
Date of Appointment	02-04-2009
Qualification	Commerce Graduate
Expertise in specific functional area	Administrative & Statutory matters
Directorships held in other Public Companies(excluding foreign Companies Under Section 25 of Companies Act,1956)	-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	69000

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twentysixth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS		(Rupees In Lacs)
	Year Ended 31-3-2013	Year Ended 31-3-2012
Sales and other Income	2599.60	3014.87
Income before Interest and Depreciation	96.47	128.10
Depreciation and Amortization	10.88	11.13
Financial Expenses	23.45	36.22
Profit before Taxation and Exceptional Items	62.14	80.75
Exceptional Items / Prior Period Items	1.08	0.93
Profit before Tax	61.06	79.82
Provision for Taxation:		
a) Current	18.26	24.46
b) Deferred	1.38	1.01
Profit after Tax	41.42	54.34

REVIEW OF OPERATIONS :

During the year under review, your Company has made a Gross Income of Rs. **2599.60** Lacs when compared to Rs. 3014.87 Lacs in the earlier year. Net profit before Taxation and exceptional items earned during the year under review amounted to Rs. **62.14** Lacs, as against Rs 80.75 Lacs in the previous year. Profit after Tax was at Rs. **41.42** Lacs against Rs. 54.34 Lacs of earlier year.

DIVIDEND :

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

DIRECTORS :

Sri Simanth Roy Chowdhury, 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 Simanth Roy Chowdhury is a Commerce Graduate, experienced in Administration & Statutory Matters.

FIXED DEPOSITS :

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

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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 :

There is no employee of your company drawing a remuneration requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 as amended by Companies (Particulars of Employees) Amendment Rules, 2011.

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 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 :

	Financial Year 2012-13	Financial Year 2011-12
Earnings	Rs. 18,23,919	Rs. 1,43,67,112
Out flow	Rs. 19,69,51,319	Rs. 20,64,45,418

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 Annexure forming part of this report.

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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, 2013 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

For **DHANALAXMI ROTO SPINNERS LIMITED**

Place : Thimmapur

Date : 30.05.2013

Sd/-
(**RAJKUMAR INANI**)
Whole Time Director

Sd/-
(**NARAYAN INANI**)
Executive Director