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**DHANALAXMI ROTO SPINNERS LIMITED**  
Sy. No.114 & 115, Station Road, THIMMAPUR - 509 325.  
Mahaboobnagar District (Telangana)

# **DHANALAXMI ROTO SPINNERS LIMITED**



**ANNUAL REPORT**  
**2013 - 2014**

# DHANALAXMI ROTO SPINNERS LIMITED

**DHANALAXMI ROTO SPINNERS LTD.**  
Sy.No.114 & 115, Thimmapur-509 325

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)  
27th Annual General Meeting -30th September, 2014

I/We hereby record my/our presence at 27th AGM of the Company to be held on Tuesday the 30th September, 2014 at 9.30 A.M. at Registered Office, Sy.No.114 & 115, Station Road, Thimmapur-509 325, Mahabubnagar District (Telangana) and at the adjournment thereof.

NAME & ADDRESS OF THE MEMBER	FOLIO NO./ CLIENT ID NO./ DPID NO.	NO. OF SHARE HELD

## Full Name of Proxy :

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

## DHANALAXMI ROTO SPINNERS LTD.

Regd. Office: Sy.No.114 & 115, Station Road,  
THIMMAPUR-509 325, Mahabubnagar Dist. (Telangana)

## PROXY FORM

Reg.Folio No./Client ID No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_ or  
D.P.I.D.No. \_\_\_\_\_ Client Id.No. \_\_\_\_\_ No. of Share held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district  
of \_\_\_\_\_ Being a member/members of **DHANALAXMI ROTO SPINNERS LTD.**, hereby appoint \_\_\_\_\_ in the district  
of \_\_\_\_\_ failing him/her \_\_\_\_\_ in the district  
as my/our proxy to attend and vote for me/us and on my/our behalf  
at the 27th Annual General Meeting of the Company to be held on Tuesday, the 30th September, 2014 at 9.30A.M. at the Registered Office, Sy.No.114 & 115, Station Road, Thimmapur-509325, Mahabubnagar District (Telangana) and at any adjournment thereof.

As Witness my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2014  
Signature \_\_\_\_\_

Affix  
Revenue Stamp

**NOTE :** This form in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company 48 hours before the meeting.

# DHANALAXMI ROTO SPINNERS LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS :

Sri Rajkumar Inani	Whole Time Director (DIN : 00885466)
Sri Narayan Inani	Executive Director Cum CFO(DIN : 00525403)
Sri Anirudh Inani	Whole Time Director (DIN : 02253588)
Sri K.N. Prasad	Director (DIN : 00562599)
Sri Simanth Roy Chowdhury	Director (DIN : 02479099)
Sri Shyam Sunder Jakholia	Director (DIN : 00562306)

### AUDIT COMMITTEE

K. N. Prasad	Chairman
Shyamsunder Jakholia	Member
Narayan Inani	Member

### NOMINATION AND REMUNERATION COMMITTEE

Shyamsunder Jakholia	Chairman
K.N. Prasad	Member
Simanth Roy Chowdhury	Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

(Shareholders/ Investors Grievance Committee and Share Transfer Committee)

Shyamsunder Jakholia	Chairman
K.N. Prasad	Member
Rajkumar Inani	Member

### Auditors

M/s G.D Upadhyay & Co  
Chartered Accountants

15-1-53, 2<sup>nd</sup> Floor, Upstairs Andhra Bank,  
Opp. Goshamahai High School,  
Siddiamber Bazar, Hyderabad-500012  
Registered Office  
Dhanalaxmi Roto Spinnners Limited  
Sy. No. 114 & 115, Station Road,  
Thimmapur-509325  
Mahabubnagar Dist. (Telangana)  
E-mail: dhanalaxmiroto@yahoo.co.in  
dhanroto@gmail.com  
CIN : L18100TG1987PLC007769

### Bankers:

Tamilnad Mercantile Bank Limited 15-2-696, 1 <sup>st</sup> Floor, Kishanguni, Siddiamber Bazar, Hyderabad-500012	CIT BANK N.A. Ground Floor, Queens Plaza, S.P Road, Begumpet, Hyderabad-500003
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### CANBANK FACTORS LIMITED

(A SUBSIDIARY OF CANARA BANK) Hyderabad Branch, Road No. 19, Himayath Nagar, Hyderabad-500029	Share Transfer Agents / Demat Registrars CIL Securities Limited 214, Raghuva Raina Towers, Chirag Ali Lane, Abids, Hyderabad-500 001
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## DHANALAXMI ROTO SPINNERS LIMITED

### NOTICE

Notice is hereby given that the **Twenty seventh** Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Tuesday, the 30th September, 2014, at 9.30 A.M. at the Registered Office of the Company at Sy.No.114 & 115, Thimmapur-509325, Mahabubnagar District, Telangana to transact the following Business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 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 thereof.
  2. To Appoint a Director in place of Mr. Anurudh Inani, who retires by rotation and being eligible offers himself for re-appointment.
  3. Appointment of Auditors
- To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s G. D. Upadhyay & Company, Chartered Accountants, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shyamunder Jakholia (holding DIN 00562306) Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 not liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K. N. Prasad (holding DIN 00562599) Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office

## DHANALAXMI ROTO SPINNERS LIMITED

### NOTES



## DHANALAXMI ROTO SPINNERS LIMITED

### 25.11 Earnings Per share :

Basic and Diluted Earnings per Share ('EPS') computed in accordance with Accounting Standard (AS)20 'Earnings per Share'

Particulars	2 013 -14	2012-13
Basic		
Profit after Tax as per Statement of Profit and Loss	A	45,53,461
Number of Shares subscribed	B	39,00,300
Basic EPS (Rupees)	A/B	1.17
Diluted		
Profit after Tax as per Statement of Profit and Loss	A	45,53,461
Number of Shares subscribed	B	39,00,300
Diluted EPS (Rupees)	A/B	1.17

25.12 Figures in brackets in these notes are in respect of previous year.

### As per our report of even date

For and on behalf of the Board

For **G.D. UPADHYAY & CO.**  
Chartered Accountants  
Firm Regd No.05834S

Sd/-  
**(G.D. UPADHYAY)**  
Partner  
Membership No.027187

Sd/-  
**(RAJKUMAR INANI)**  
Whole Time Director  
(DIN:00885466)

Sd/-  
**(NARAYAN INANI)**  
Executive Director cum CFO  
(DIN:00525403)

Place : Thimmapur  
Date : 30.05.2014

## DHANALAXMI ROTO SPINNERS LIMITED

for five consecutive years for a term up to 31st March, 2019 not liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Simanth Roy Chowdhury (holding DIN 02479098) Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 not liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force)

a. Following existing Articles of the Articles of Association of the Company be and is hereby replaced and to be now read as follows:

**Article 113 - Limit on number of non-rotational Directors that may be appointed**

The provisions in these Articles empowering the Debenture Trustees and the Financial Corporations to appoint non-rotational directors shall be subject to the provisions of Companies Act and the total number of such Directors so appointed shall not in the aggregate, exceed one third of the total number of Directors for the time being in Office.

**Article 123- Appointment of Directors and liability to retire by rotation**

Directors other than Debentures Directors, Corporation Directors and Independent Directors may be persons whose period of the office is liable to determination on conclusion of each Annual general meeting and save as otherwise expressly provided in the Articles a Director appointed whose office is liable to determination as aforesaid is in these Articles referred to as Retiring Director"

**Article 127- Provisions to which Managing Director/Whole time Director would be subject to**

Subject to the provisions of the Act, and these Article a Managing Director or Whole time Director may be, while he continues to hold that office, liable to retirement by rotation. He shall, subject to the provisions of any contract between him and the company, be subject to the same provisions as to resignation and removal as the other Directors of the company and he shall ipsofact and immediately cease to be Managing or Whole time Director, as the case may be, they ceases to hold the office of Directors for any reason

## DHANALAXMI ROTO SPINNERS LIMITED

- b. A new Article 175 is being inserted after Article 174 which is as under:

### Article 175- General Clause – Overriding effect of Companies Act, 2013

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made there under, the provisions of Companies Act, 2013 and rules made there under shall override the provisions of these Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/ provisions of the Companies Act, 2013 if any.

8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** subject to the provisions of Section 149, 196 of the Companies Act, 2013 and rules made there under read with Section 197 and Schedule V of the Act and other applicable provisions of the Companies Act, 2013 consent of the members of the Company be and is hereby given for appointment of Mr. Anirudh Inani as Whole Time Director of the Company w.e.f. 30th September, 2014 for a term of five year and whose office shall be liable to determination by retirement of directors by rotation."

**"RESOLVED THAT** subject to the provisions of Section 196 & 197 of the Companies Act, 2013 and rules made there under read with Schedule V of the Act and other applicable provisions of the Companies Act, 2013, Mr. Anirudh Inani be paid a remuneration of Rs. 80,000/- per month "

9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** subject to the provisions of Section 149, 196 of the Companies Act, 2013 and rules made there under read with Section 197 and Schedule V of the Act and other applicable provisions of the Companies Act, 2013 and in partial modification of resolution No. 6 passed at the Twenty Sixth Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013 consent of the members is be and hereby given for change in designation of Mr. Rajkumar Inani, Whole-Time Director to Managing Director on the same terms and conditions for the remaining tenure of his office as set out in the explanatory statement annexed to the notice conveying this meeting and whose office shall be liable to determination by retirement of directors by rotation."

By Order of the Board

For DHANALAXMI ROTO SPINNERS LIMITED

Sd/-

Place : Thimmapur  
Date : 31.07.2014  
RAJKUMAR INANI  
Whole Time Director  
(DIN : 00885466)

## DHANALAXMI ROTO SPINNERS LIMITED

S.No.	Particulars	31-03-2014	31-03-2013
25.7	Value of Imports on CIF Basis Raw Materials Spare parts and consumables Capital Goods	NIL NIL NIL NIL	NIL NIL NIL NIL
25.8	Expenditure in Foreign Currency Towards Purchases Towards Travelling	28,37,36,973 8,95,009	19,66,47,164 3,04,155
25.9	Earnings in Foreign Currency	NIL	18,23,919

### 25.10 Related Party Disclosure as per Accounting Standard -18:

During the year, the Company entered into transactions with the related parties. Those transactions along with related balances as at 31<sup>st</sup> March, 2014 and for the year ended are presented in the following table.  
(The information is given as compiled and certified by the management).

The information is given as compiled and certified by the Management

Sl.No	Associate Concerns
1	Anirudh Marketing
2	Inani Distributors

### Directors/Key Management Personnel

1	Rajkumar Inani
2	Narayan Inani
3	K.N.Prasad
4	Shyam Sunder Jakholia
5	Siranth Roy Chowdary
6	Anirudh Inani

### Relatives of Directors/Key Management Personnel

1	Keshav Inani
2	Natasha Inani
3	Sangita Inani
4	Divya Inani
5	Sri Gopal Inani

### RELATED PARTY TRANSACTIONS

(Amount in Rs.)

Particulars	Key Person/Relatives	Associates
Remuneration	41,45,000	-
Advance given/ repayment	-	49397390/48998500
Sitting Fees	80,000	-



## DHANALAXMI ROTO SPINNERS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014

**25.4** The company does not have Whole Time Company Secretary, as per requirements of Section 383A of the Companies Act, 1956. Hence, the accounts have not been signed by the Company Secretary.

**25.5** The company operates in only one segment i.e. 'India'. Hence separate information on geographical segment is not required. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information of the Company.

#### 25.6 Quantitative Particulars :

Product	Opening Stock 01/04/2013	Purchases	Sales	Closing Stock 31/03/2014
Wood Pulp	99,862 MT	9373,368 MT	9418,918 MT	54,312 MT
	(202,157 MT)	(6418,266 MT)	(6520,561 MT)	(99,862MT)
Paper	NIL MT	20,230 MT	20,230 MT	NIL MT
	(NIL MT)	(14,090 MT)	(14,090 MT )	(NIL MT)
Waste Paper	NIL MT	145,402 MT	145,172 MT	0,230 MT
	(NIL MT)	(60,510MT)	(60,510MT)	(NIL MT)
Carboxy Methyl Cellulose	NIL MT	6,000 MT	NIL MT	6,000 MT
	(NIL MT)	(NIL MT)	(NIL MT)	(NIL MT)
Micro Crystalline Cellulose Powder	NIL MT	64,890 MT	42,765 MT	22,125 MT
	(NIL MT)	(NIL MT)	(NIL MT)	(NIL MT)
Cotton Seed Hull	104,560 MT	NIL MT	104,560 MT	NIL MT
	(NIL MT)	(104,560 MT)	(NIL MT)	(104,560 MT)
Clinical & Baby Diapers	2,697 MT	NIL MT	2,697 MT	NIL MT
	(6,524 MT)	(NIL MT)	(3,827 MT)	(2,697 MT)
Cattle Feed (Dudh Nahar)	140 PACKETS	NIL PACKETS	140 PACKETS	NIL PACKETS
	(NIL PACKETS)	(900 PACKETS)	(760 PACKETS)	(140 PACKETS)
Hosiary Cuttings	NIL MT	3,161 MT	2,269 MT	0,892 MT
	(NIL MT)	(NIL MT)	(NIL MT)	(NIL MT)
SCMC Technical Grade	NIL MT	12,900 MT	12,900 MT	NIL MT
	(NIL MT)	(NIL MT)	(NIL MT)	(NIL MT)
Cotton Seed Decolled cake	NIL MT	NIL MT	NIL MT	NIL MT
	(NIL MT)	(103,305 MT)	(103,305 MT)	(NIL MT)

## DHANALAXMI ROTO SPINNERS LIMITED

### 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 in the below mentioned format :

Name :

e-mail Id :

Address :

Folio No. :

No. of Equity Shares held :

Signature of Member :

**NOTES**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
2. 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.
3. 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.
4. The Register of Members and Share Transfer Books will remain closed from 24<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014 (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/Proxies should bring their attendance slip duly filled in for attending the meeting. 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. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. Electronic copy of the Annual Report for 2013-2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-2014 is being sent in the permitted mode.
9. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or CIL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

By Order of the Board

**For DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

Place : Thimmapur  
Date : 31.07.2014

RAJKUMAR INANI  
Whole Time Director  
(DIN : 00885466)

**23: Depreciation & Amortization Expenses:**

Sr.No.	Particulars	Current Year	Previous Year
1	Depreciation	14,53,121	10,87,963
	Total	14,53,121	10,87,963

**24: Other Administrative Expenses:**

Sr.No.	Particulars	Current Year	Previous Year
1	Rent, Rates, Taxes and Renewals	3,84,750	2,56,226
2	Postage, Telegram & Telephone Expenses	2,40,223	2,19,615
3	Conveyance	1,93,458	1,82,422
4	Repairs & Maintenance	16,49,685	11,57,532
5	Electricity Expenses	2,57,545	2,04,898
6	Insurance	1,25,132	1,36,030
7	Travelling Expenses	15,67,038	9,32,584
8	Directors' Sitting Fees	80,000	68,000
9	Auditors' Remuneration	67,416	56,180
10	AGM Expenses	55,425	58,600
11	Business Promotion Expenses	2,63,500	7,82,138
12	Advertisement	63,052	51,780
13	Commission and Brokerage	84,14,349	84,46,234
14	Other Miscellaneous Expenses	5,53,685	2,22,729
15	Consultancy and Service Charges	70,271	53,618
16	Charities & Donations	2,500	17,100
17	Foreign Exchange Fluctuation	61,79,471	31,34,549
18	Loss On Derivative Transaction	35,32,555	-
19	Share Transfer Expenses	4,03,436	37,153
	Total	2,41,03,491	1,60,19,388

**25) NOTES TO ACCOUNTS :**

S.No.	Particulars	31/03/2014	31/03/2013
25.1	Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	NIL	NIL
25.2	Contingent Liabilities not provided for ( Bank Guarantee) FLC issued by the Bank	2,78,29,296	2,17,71,427
25.3	Auditors Remuneration :		
	Audit Fees	40,000	30,000
	Tax Representation	20,000	20,000
	Service Tax	7,416	6,180