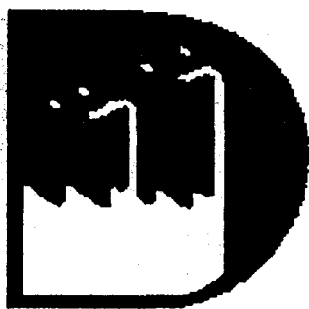


DHANLAXMI COTEX LIMITED



**24th Annual Report
2009-2010**



DHANLAXMI COTEX LIMITED

24TH ANNUAL REPORT

Board of Directors	Shri Ramautar Jhawar - Chairman & Managing Director Shri Mahesh Jhawar Shri Ganesh Singh Shri Vijay Kumar Moyal Shri Navin Vyas
Registered & Administrative Office	285, Princess Street, 2nd Floor, Chaturbhuj Jeevandas House Mumbai - 400 002.
Works	Sector B-2/15/16; Parvati Co-op. Industrial Estate, Post Yadrav, Tal. Shirol, Dist. KOLHAPUR (M.S.)
Bankers	Bank of Baroda HDFC Bank Ltd. State Bank of Travancore
Auditors	M/s. S.G.Kabra & Co. Chartered Accountants 1st Floor, Wavell House, 1st Dhobi Talav Lane, Mumbai - 400 002.
Registrar and Share Transfer Agents	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E) Mumbai - 400 072.
Listed on Stock Exchange	Bombay Stock Exchange Limited

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DHANLAXMI COTEX LIMITED

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Dhanlaxmi Cotex Limited will be held at the Registered Office of the Company at 285, Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai – 400 002 on Thursday, the 30th day of September, 2010 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vijay Kumar Moyal who retires by rotation at the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
3. To appoint 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 of Directors to fix their remuneration.

SPECIAL BUSINESS:

1. To consider and if thought fit pass with or without modification the following Resolutions as a Special Resolution :

REVISION OF SALARY OF MR. RAMAUTAR JHAWAR AS MANAGING DIRECTOR OF THE COMPANY:

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 310 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to increase in remuneration of Mr. Ramautar Jhavar, Managing Director of the company as follows:

1. **Salary:** Rs. 66,500 – 25,000 - 1,41,500 – per month.
2. **Perquisites:** The Managing Director shall be entitled to perquisites, the total value of which shall be restricted to an amount equal to the monthly salary i.e. Rs. 66,500 – 25,000 - 1,41,500 – per month.
3. **Encashment of leave:** As per company's rules, encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
4. **Gratuity & Provident Fund:-** Payable in accordance with applicable laws.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Mr. Ramautar Jhavar's appointment, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections , 309 and 310 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government.”



DHANLAXMI COTEX LIMITED

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Mr. Ramautar Jhawar under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

2. To consider and if thought fit pass with or without modification the following Resolutions as a Special Resolution :

REVISION OF SALARY OF MR. MAHESH JHAWAR AS WHOLE TIME DIRECTOR OF THE COMPANY:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and 310 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to increase in remuneration of Mr. Mahesh Jhawar as Executive Director of the company which is as follows:

1. **Salary:** Rs. 66,500 – 25,000 - 1,41,500 –per month
2. **Perquisites:** The Whole Time Director shall be entitled to perquisites, the total value of which shall be restricted to an amount equal to the monthly salary i.e. Rs. 66,500 – 25,000 - 1,41,500 – per month
3. **Encashment of leave:** As per company's rules. Encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
4. **Gratuity & Provident Fund:-** Payable in accordance with applicable law.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Mr. Mahesh Jhawar's appointment, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections , 309 and 310 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government."

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Mr. Ramautar Jhawar under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

For and behalf of the Board

Place: Mumbai

Date: 13th August, 2010

Registered Office:

285, Princess Street, 2nd Floor,

Chaturbhuj Jivandas House,

Mumbai- 400002

Ramautar S. Jhawar

Chairman & Managing Director



DHANLAXMI COTEX LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty-eight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Friday, 24th September, 2010 to Saturday, 30th September, 2010 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries so as to reach the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
5. Members are requested to notify immediately any change in their address to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Transfer Agent at Bigshare Services Private Limited at E-2/3, Ansa Industrial Estate, Saki-vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons, seeking re-appointment as Directors under Item No. 2 above, are annexed.



DHANLAXMI COTEX LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SUB SECTION (2) OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING

Item No. 4

Mr. Ramautar Jhawar, is a Promoter of the company. He is also the Managing director of the company and is a member of the board since the incorporation of the company. Taking into account his contribution to the company and commitment to the well being of the company , the Board at its meeting held on 13th August, 2010 and the Remuneration committee at their meeting held on 13th August, 2010 decided to increase the remuneration of Mr. Ramautar Jhawar Managing Director of the Company.

Item No. 5

Mr. Mahesh Jhawar, is a Promoter of the company. He is an Executive director of the company and is a member of the board since the incorporation of the company. Taking into account his contribution to the company and commitment to the well being of the company , the Board at its meeting held on 13th August, 2010 and the Remuneration committee at their meeting held on 13th August, 2010 decided to increase the remuneration of Mr. Mahesh Jhawar .

BRIEF RESUME OF THE PERSONS PROPOSED TO BE RE-APPOINTED AS THE DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Particulars	ShriVijaykumar Moyal
Age	36 Years
Date of Appointment	30-12-2005
Qualifications	B.Com
Nature of Expertise & Experience	Accounts
Name of the other Companies in which also holds Directorship	Nil
Name of other Companies in Committees of which holds membership/chairmanship	Nil



DHANLAXMI COTEX LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty-Forth Annual Report on the business operations of the Company along with the Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	
	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Income from Operations	4050.24	926.04
Profit/Loss before Depreciation & Tax	69.74	8.18
Less: Depreciation	01.81	1.77
Profit/ Loss before Tax	67.93	6.41
Less: Provision for Tax	08.81	0.00
Less: Fringe Benefit Tax	00.0	0.31
Add: Deferred Tax Assets Adjustments	0.18	0.18
Net Profit/Loss after Tax	59.30	6.29
Add: Balance brought forward from previous year	1086.36	1080.07
Balance carried to Balance Sheet	1145.66	1086.36

OPERATIONS:

During the year under review, your Company earned a total Income of Rs. 4050.24 Lacs comprising mainly of Sale of Shares, interest & Dividend and long term share investments profit. Against this, the total expenses amounted to Rs. 3982.30 Lacs. As a result of this the Company has earned Net Profit of Rs. 59.30 Lacs as against the profit of Rs.6.29 Lacs for the previous year. After balance brought forward from last year of Rs.1086.36 Lacs, a balance of Rs. 1145.66 Lacs has been carried forward to the Balance Sheet.

Barring unforeseen circumstances, your Directors are optimistic that the Company would be able to report better performance during the current year.

DIVIDEND:

With a view to conserve the resources for the future operations, your Directors have thought it prudent not to declare dividend for the year ended 31st March, 2010.



DHANLAXMI COTEX LIMITED

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Vijaykumar Moyal Director are liable to retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting. A brief profile of the Directors proposed to be re-appointed is annexed to the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- 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 as at 31st March, 2010 and of the profit of the Company for that period;
- 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.
- that the Annual Accounts for the year ended March 31, 2010 have been prepared on a going concern basis.

AUDITORS:

M/s. S. G. Kabra & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The members are requested to appoint the Auditors for the current year and to authorize the Board to fix their remuneration.

AUDITORS' REPORT:

Observations made by the Auditors in their report read with the relevant Notes to the Accounts are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

SECRETARIAL COMPLIANCE CERTIFICATE:

Pursuant to the recent amendment in Section 383A of the Companies Act, 1956, Compliance Certificate for the year ended 31st March, 2010 obtained from Mr. Ramesh Mishra Company Secretary practice forms a part of the Annual Report.



DHANLAXMI COTEX LIMITED

FIXED DEPOSITS:

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

CORPORATE GOVERNANCE:

A Report on Corporate Governance as also a Management Discussion and Analysis Report along with a certificate from Mr. Ramesh Mishra , Company Secretary in practice, regarding compliance of requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is annexed herewith.

PARTICULARS AS PER SECTION 217(2A) OF COMPANIES ACT, 1956:

During the year under review, none of the employees of the Company, whether employed for the whole year or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, and hence, no particulars are required to be furnished in connection with the same.

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

There are no foreign exchange earnings and outgo during the year under review. Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not applicable in view of the nature of operations of your Company.

ACKNOWLEDGEMENTS:

The Board would like to express their gratitude for the continued support which the Company has received from its Shareholders, Customers, Suppliers, Bankers, Statutory Authorities and all other business associates.

The Board wishes to place on record their sincere appreciation to all the Company's employees for their collective contribution to the Company's improved performance.

For and on behalf of the Board

Place: Mumbai
Dated: 13th August, 2010

Ramautar Jhawar
Chairman & Managing Director



DHANLAXMI COTEX LIMITED

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2010 IN RESPECT OF DHANLAXMI COTEX LIMITED.

CIN No. of the Company: L51100MH1987PLC042280

Nominal Capital: Rs. 5,50,00,000/-

Paid up Capital: Rs. 4,87,13,500/-

To,
The Members,
Dhanlaxmi Cotex Limited
Mumbai.

We have examined the registers, records, books and papers of DHANLAXMI COTEX LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met Six times respectively on 27th April, 2009, 31st July, 2009, 26th August, 2009, 31st October, 2009, 30th January, 2010 and 24th February, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2009 to 29th September, 2009 and necessary compliance of section 154 of the Companies Act, 1956 has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 29th September, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting were held during the financial year.