

**DHANALAXMI ROTO  
SPINNERS LIMITED**



**ANNUAL REPORT  
2012 - 2013**

**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 Simanth Roy Chowdhury</b>	Director
<b>Sri Shyam Sunder Jakhotia</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-500012

**REGISTERED OFFICE :**

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

**BANKERS :**

**TAMILNAD MERCANTILE BANK LIMITED**  
15-2-696, 1<sup>st</sup> 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 24<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> 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 24<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> 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 1<sup>st</sup> 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.**

## **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 / 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 24<sup>th</sup> September, 2013 to 30<sup>th</sup> 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

## DHANALAXMI ROTO SPINNERS LIMITED

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 1<sup>st</sup> 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 1<sup>st</sup> 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)**

<b>Particulars</b>	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 <b>Public Companies</b> (includes only Audit Committee and Shareholders/Investors Grievance Committee)	-Nil-
Number of Shares held in the Company	69000

## DHANALAXMI ROTO SPINNERS LIMITED

### 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.



## **DHANALAXMI ROTO SPINNERS LIMITED**

### **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 :**

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 :**

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

### **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.

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **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 31<sup>st</sup> 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

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **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.

The Company has established itself in Paper and Wood Pulp market. The Company is trying to improve on small beginning made in last few years in commodity trading and exports.

#### **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 services 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. Dollar Price fluctuation is major cause of worry.

#### **d) Internal Control system and their adequacy:**

The Company has a proper and adequate system of internal control proportionate to its size and volume of business. The internal control system of the Company is designed to ensure that the financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets.

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **e) Discussion of Financial Performance with respect to Operational Performance:**

The Financial Statements are prepared under the historical cost convention in accordance with Indian generally accepted accounting principles and the provisions of the Companies Act, 1956. All Income and Expenditure having a material bearing on the Financial Statements are recognized on accrual basis. The Management has taken utmost care for the integrity and the objectivity of these Financial Statements, as well as for various estimates and judgments used therein.

### **f) Material developments in Human Resources/Industrial Relations front, including number of people involved :**

The Company continues to maintain excellent relationship with its buyers and sellers. Relationship with the staff is quite cordial and supportive for continuous human resource development. During the year under review Company performance has improved due to efforts put in by the existing and additional staff recruited.

## **REPORT ON CORPORATE GOVERNANCE**

### **1) Company's Philosophy :**

We, at **Dhanalaxmi Roto Spinners Limited** are committed to the concept and philosophy of Corporate Governance as means of effective internal control, fair and transparent decision-making process and fullest support of the Board and Management for enhancing customer satisfaction and shareholder value.

Securities and Exchange Board of India has codified the code of Corporate Governance, which has been implemented by amending the listing agreement entered into by the Company with the Stock Exchange. Given below is a brief report of the practice followed at **Dhanalaxmi Roto Spinners Limited** towards achievement of good Corporate Governance.

### **2) Board of Directors:**

Board of Directors consists of 3 Promoter Directors and 3 Independent Directors. The Non-Executive Directors constitute half of the total number of Directors. The Company has no Chairman and 1/3rd of the total strength of the Board comprises of Independent Directors. The day to day operations of the Company are being managed by Sri RajKumar Inani and Sri Anirudh Inani, Whole Time Directors and Sri Narayan Inani, Executive Director of the Company.

Sri Simanth Roy Chowdhury, is liable to retire by rotation and being eligible, offers himself for re-appointment, information as required under Clause 49 (VI) of the Listing Agreement is mentioned in the Directors Report.

## DHANALAXMI ROTO SPINNERS LIMITED

During the period under review 5 Board Meetings were held on, 02.04.2012, 30.05.2012, 31.07.12, 31.10.2012, 31.01.2013 The composition of the Board, attendance at Board Meetings held during the financial year under review and the last Annual General Meeting (AGM), number of Directorships and members chairmanships in public companies (including the company) are given below :

Name of the Director	Category	Financial Year 2012-2013		As on date	
		Attendance At Board Meeting	Last AGM	Member	Chairman
<b>Rajkumar Inani</b>	Whole Time Director	5	Yes	2	--
<b>Anirudh Inani</b>	Whole Time Director	5	Yes	-	-
<b>Narayan Inani</b>	Executive Director	5	Yes	--	1
<b>Simanth Roy Chowdhury</b>	Non-Executive Independent Director	4	Yes	1	--
<b>K.N. Prasad</b>	Non-Executive Independent Director	4	Yes	2	--
<b>Shyam Sunder Jakhotia</b>	Non-Executive Independent Director	1	Yes	2	--

### 3. Audit Committee :

The Audit Committee of the Company consists of Two Non- Executive Independent Directors and One Executive Directors namely Sri K.N. Prasad, Sri Shyam Sunder Jakhotia and Sri Narayan Inani. Sri Narayan Inani is the Chairman of the Committee.

The scope of the committee includes:

- a) Reviewing the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment, re-appointment and removal of Statutory Auditors and fixation of the audit fee and approving payments for any other services.
- c) Reviewing with management the periodic financial statements before submission to the board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Significant adjustments arising out of audit
  - Compliance with Accounting Standards
  - Compliance with Stock Exchange and legal requirements concerning financial statements.

## DHANALAXMI ROTO SPINNERS LIMITED

Any related party transactions i.e. transactions of the Company of material nature, with promoters, or the management, their subsidiaries, or relatives etc., that may have a potential conflict with the interest of the Company at large.

- d) Reviewing with the management, reports by statutory and the adequacy of internal control system and recommending improvements to the management. During the period under review four Audit Committee meetings were held on 28.04.2012, 30.07.2012, 29.10.2012 and 30.01.2013 all the members of the Audit Committee were present at all the meetings. In these meetings, inter alia, the committee considered the audit reports covering operational, financial and other business risk related areas. The Audit Committee meetings were held at the registered office of the Company.

#### 4. Remuneration :

##### Remuneration to Directors :

The remuneration and perks paid during the year to the Whole Time Director Sri Rajkumar Inani is Rs.7,20,000/- , Whole Time Director Sri Anirudh Inani is Rs. 7,20,000/- and to the Executive Director Sri Narayan Inani is Rs.7,80,000/- as decided by the Board of Directors.

##### Sitting Fees :

Sitting Fees to Non-Executive Directors is paid at Rs. 4000/- per meeting details are as under :

Non-Executive Directors	Sitting Fees (Rs.)
Sri Simanth Roy Chowdhary	20,000/-
Sri K.N. Prasad	36,000/-
Sri Shyam Sunder Jakhotia	12000/-

#### 5. Investors' Grievance Committee :

The Investors' Grievance Committee of the Board is empowered to review the redressal of investors' complaints pertaining to Share Transfers, non-receipt of Annual Reports, issue of duplicate certificates, transmission (with and without legal representation) of shares. Its scope also includes delegation of powers to the executives of the Company Share Transfer Agents to process share transfers and other investor allied matters. The Investors' Grievance Committee comprises of Sri Rajkumar Inani, Sri K.N. Prasad and Sri Shyam Sunder Jakhotia. During the year under review two Investors Grievance Committee meetings were held on 10.08.2012 and 08.11.2012.

Compliance Officer:  
Mr. Anirudh Inani  
DHANALAXMI ROTO SPINNERS LIMITED  
Survey No. 114 & 115  
THIMMAPUR-509 325, Phone: 040-32990707

## DHANALAXMI ROTO SPINNERS LIMITED

### 6. Listing :

Presently, the Company's securities are listed on The Mumbai Stock Exchange Limited (BSE).

### 7. Other Details :

The ISIN Number of the Company's ordinary shares is INE220C01012. The stock code for the Company's ordinary shares at the BSE is 521216 (rolling settlement).

### 8. Market Information :

Monthly closing high and low quotations of your Companies Shares traded on BSE for the Financial Year 2012-2013:

Months	High	Low
April 2012	8.58	6.16
May 2012	8.77	6.43
June 2012	8.80	6.70
July 2012	7.08	6.01
August 2012	6.81	5.44
September 2012	7.00	5.35
October 2012	7.00	5.31
November 2012	6.73	5.03
December 2012	6.61	4.72
January 2013	6.20	4.50
February 2013	5.79	4.35
March 2013	4.83	4.21

### 9. Registrar and Transfer Agents :

**M/s. CIL SECURITIES LTD.,**  
214, RAGHAVA RATNA TOWERS,  
CHIRAG ALI LANE, ABIDS,  
HYDERABAD -500 001  
Tel.No. (040) 23202465,23203155  
E-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com) /  
[cilsec@rediffmail.co](mailto:cilsec@rediffmail.co)

### 10. General Body Meetings :

Location and time of last three Annual General Meetings :

Year	Type	Date	Venue	Time
2011-2012	AGM	29-09-2012	Sy.No.114 & 115,Thimmapur	9.30 AM
2010-2011	AGM	30-09-2011	Sy.No.114 & 115,Thimmapur	9.00 AM
2009-2010	AGM	30-09-2010	Sy.No.114 & 115,Thimmapur	9.00 AM

## DHANALAXMI ROTO SPINNERS LIMITED

### 11. Disclosures :

There have been no transactions of material nature with the Promoters, Directors or the management or their subsidiaries or relatives during the year under review. There has been no non-compliance of any legal requirements by the Company; nor has there been any strictures imposed by any stock exchanges, SEBI or any statutory authority, on any matters relating to the capital market over the last three years.

### 12. Means of Communication :

Quarterly and half yearly results	Sent to all the Stock Exchanges
Any Web site where displayed	Yes <a href="http://www.bseindia.com">www.bseindia.com</a>
Whether it displays official news release and presentations made to institutional investors or to the analysts.	Yes
Whether MD & A report is part of the Annual Report	Yes

### Annual General Meeting :

Date and Time	: 30 <sup>th</sup> September, 2013 at 9.15 AM
Venue	: Survey No.114&115, Thimmapur-509 325 Dist: Mahabubnagar. (A.P)
Date of Book Closure	: 24 <sup>th</sup> September, 2013 to 30 <sup>th</sup> September, 2013 (both days inclusive)
Financial Calendar	: The following is the tentative financial (2013-14) calendar of the Company which is subject to change.
1st Quarter results	: 31-07-13 Already sent to Stock Exchange(s)
2nd Quarter/Half-year results	: 31-10-13
3rd Quarter results	: 31-01-14
4th Quarter results	: 30-05-14
AGM 2013 -14	: 30-09-14

### 13. Share Transfer System :

Securities lodged for transfers at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Senior Executives of the Company are empowered to approve transfer of shares. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrars within 30 days. The Company extends the facility of Simultaneous transfer and dematerialization of shares to the shareholders.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis have been issued by the Company Secretary in Practice for due compliance of Share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary in Practice for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.



## DHANALAXMI ROTO SPINNERS LIMITED

### 14. Distribution of Share Holdings as on 31.3.2013 :

Share Holding of Nominal Value	(Rs)	Share Holders		Share Amount	
		Number	% to Total	Value in Rs.	% to Total
Upto	5000	3820	86.80	5800880	14.87
5001	10000	247	5.61	2058140	5.28
10001	20000	128	2.90	1922060	4.93
20001	30000	57	1.30	1423570	3.65
30001	40000	17	0.39	600710	1.54
40001	50000	25	0.57	1149690	2.95
50001	100000	38	0.86	2606150	6.68
100001	and above	69	1.57	23441800	60.10
<b>Total</b>		<b>4401</b>	<b>100.00</b>	<b>39003000</b>	<b>100.00</b>

### 15. Share Holding Pattern as on 31-3-2013 :

Sl. No.	Type of Shareholders	Number of Shares Held	% of Total
1	Promoters and Promoters Group		
	a) Individuals / Hindu Undivided Family	1205175	30.90
	b) Central / State Government(s)	-	-
	c) Bodies Corporate	203825	5.23
2.	Foreign Promoters	-	-
3.	Financial Institutions / Banks	200	0.01
4.	FII's & OCB's	-	-
5.	Mutual Funds / UTI	-	-
6.	Non Government Institutions		
	a) Bodies Corporate	183151	4.70
	b) Individuals	2306571	59.13
7.	Any Other		
	a) Non Resident Individuals	1224	0.03
	b) Clearing Member	154	0.00
	<b>TOTAL</b>	<b>3900300</b>	<b>100.00</b>

### 16. Dematerialization of Shares :

Electronics holding by Members comprises 66.23 % of the paid up ordinary Share Capital of the Company held through National Securities Depositories Ltd. (33.75 %) and central Depository Services (India) Ltd. (32.48 %) as on 31st March, 2013.

### 17. Share Transfer Agent / Demat Registers Address for Correspondence :

**M/s. CIL SECURITIES LTD.,**  
 214, RAGHAVA RATNA TOWERS,  
 CHIRAG ALI LANE ,ABIDS,  
 HYDERABAD -500 001  
 Tel.No. (040) 23202465,23203155  
 E-mail: advisors@cilsecurities.com /  
 cilsec@rediffmail.com

**DHANALAXMI ROTO SPINNERS LIMITED**

**CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchange, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the Financial Year 2012-13.

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

**RAJKUMAR INANI**

Place : Thimmapur

Date : 30.05.2013

Whole Time Director

**DHANALAXMI ROTO SPINNERS LIMITED**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of

**Dhanalaxmi Roto Spinners Limited.**

We have examined the compliance of conditions of Corporate Governance by **Dhanalaxmi Roto Spinners Limited** for the year ended **31st March, 2013** as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the listing agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-

**(G.D. UPADHYAY)**  
Partner  
Membership No.027187

Place : Thimmapur

Date : 30.05.2013

## DHANALAXMI ROTO SPINNERS LIMITED

### AUDITORS' REPORT

To

**The Members of  
Dhanalaxmi Roto Spinners Limited**

#### **Report on Financial Statements:**

We have audited the accompanying financial statements of **Dhanalaxmi Roto Spinners Limited**, which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are *free from material misstatement, whether due to fraud or error.*

#### **Auditors' Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of Act.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the Director is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a Director in terms of section 274(1)(g) of the Act.

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

Sd/-

**G.D. UPADHYAY**  
Partner

Membership No.27187

Place: Thimmapur

Date : 30.05.2013

## DHANALAXMI ROTO SPINNERS LIMITED

**Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements"** of our report dated 30.05.2013 to the members of **Dhanalaxmi Roto Spinners Limited**, on the financial statements for the year ended 31<sup>st</sup> March, 2013

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
b) The Company has phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.  
  
c) In our opinion, a substantial part of fixed assets has not been disposed off by the company during the year.
2. a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year.  
  
b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
  
c) In our opinion and according to the information and explanations given to us, and the basis of our examination of the records of the inventory, the company is maintaining proper records of its inventory and no material discrepancies were noticed on the reconciliation as mentioned above, as compared with records.
3. In respect of loans, secured or unsecured granted/taken by Company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
  
a) The Company has granted unsecured loans to 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 107.10 Lacs and the year end balance of such loan is Rs. 81.42 Lacs.  
  
b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima- facie prejudicial to the interest of the Company.  
  
c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.  
  
d) In respect of the aforesaid loans granted, there is no overdue amount more than Rupees one Lakh.  
  
e) The Company has not taken any loans from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the company has not taken any loans, the provisions of sub clause (e), (f) and (g) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets, shares and securities, and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

## DHANALAXMI ROTO SPINNERS LIMITED

5. a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, having regard to the comments in (a) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from the public and consequently, the directive issued by the Reserve Bank of India, and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- 7) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- 8) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- 9) a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Value added Tax, Service Tax, Investor Education and Protection Fund, Wealth Tax and any other material Statutory dues applicable to it. As per information and explanations given to us, the Provident fund act and Employees State Insurance Act is not applicable to the company.
- b) According to the information and explanations given to us, no undisputed dues payable in respect of Sales Tax, Income Tax, Service Tax, Wealth Tax, Customs Duty and Cess were outstanding at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- 10) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year or in the immediately preceding financial year.
- 11) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the payment of dues to its bankers, financial institutions and debenture holders.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Order is not applicable.
- 14) According to the information and explanations given to us and the record examined by us, the Company is not dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and the contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

**DHANALAXMI ROTO SPINNERS LIMITED**

15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.

16) In our opinion and according to the information and explanations given to us, during the year company has not obtained a term loan from banks or financial institutions and the Term Loans outstanding at the beginning of the year have been applied for the purpose for which they were raised.

17) On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, no funds raised on short- term basis have been used for long term investment.

18) The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

19) The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable.

20) The Company has not raised any money through a public issue during the year.

21) Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Sd/-

**G.D. UPADHYAY**  
Partner  
Membership No.27187

Place: Thimmapur  
Date : 30.05.2013





**DHANALAXMI ROTO SPINNERS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2013**

S. No.	Particulars	Note No.	As At 31st March, 2013	As At 31st March, 2012
	<b>Income :</b>			
I	Revenue from operations	18	25,50,68,062	29,65,48,391
II	Other Income	19	48,92,112	49,38,663
III	<b>Total Revenue (I + II)</b>		<b>25,99,60,174</b>	<b>30,14,87,054</b>
IV	<b>Expenses:</b>			
	Purchases & its related expenses		22,70,03,793	26,93,61,433
	Changes in inventories of finished goods and Stock-in-Trade	20	22,13,479	(51,80,076)
	Employee Benefits Expenses	21	50,76,930	52,16,207
	Financial Costs	22	23,44,741	36,22,341
	Depreciation & Amortization Expenses	23	10,87,963	11,12,650
	Other Administrative Expenses	24	1,60,19,388	1,92,79,197
	<b>Total Expenses (IV)</b>		<b>25,37,46,294</b>	<b>29,34,11,752</b>
V	<b>Profit Before exceptional, extraordinary items &amp; tax</b>	(III - IV)	<b>62,13,880</b>	<b>80,75,302</b>
VI	<b>Exceptional Items</b> Prior period Adjustments		<b>1,08,385</b>	<b>93,479</b>
VII	<b>Profit before Tax</b>	(V - VI)	<b>61,05,495</b>	<b>79,81,823</b>
VIII	<b>Tax expenses:</b>			
	(1) Current Tax		18,25,800	24,46,397
	(2) Deferred Tax		1,37,545	1,01,114
IX	<b>Profit for the year</b>	(VII - VIII)	<b>41,42,150</b>	<b>54,34,312</b>
X	<b>Earnings per equity share of face value of Rs. 10/- Each :</b>			
	(1) Basic		1.06	1.39
	(2) Diluted		1.06	1.39
	<b>Significant Accounting Policies and notes on Financial Statements</b>	1 to 25		

Notes referred to above attached there to form an integral part of balance sheet.  
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

Sd/-

**(NARAYAN INANI)**  
Executive Director

Place:Thimmapur

Date : 30.05.2013

**DHANALAXMI ROTO SPINNERS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Amount in Rupees)

	Year Ended	
	31.3.2013	31.3.2012
<b>A .CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>a) NET PROFIT / (LOSS) BEFORE TAX</b>	61,05,495	79,81,823
<b>Adjustments for :</b>		
Depreciation	10,87,962	11,12,651
(Profit)/Loss on Investments and Transaction of Securities and Commodities	(1,80,716)	(2,25,281)
Dividend Income	(21,583)	(47,615)
Other Income and Rent	(15,55,264)	(23,94,904)
Interest Expenses	23,44,741	36,22,341
Prior Period Adjustments	1,08,385	93,479
<b>b) OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	78,89,020	1,01,42,494
<b>Adjustments for :</b>		
Trade Receivables	(70,92,638)	(1,36,96,267)
Inventory	22,13,480	(51,80,077)
Trade and Other Payables	(1,47,77,263)	2,05,06,119
<b>Cash generated from Operations</b>	(1,17,67,400)	1,17,72,269
Taxes Paid (Net)	(26,33,078)	(26,60,016)
<b>c) CASH FLOW BEFORE EXTRAORDINARY ITEM</b>	(1,44,00,478)	91,12,253
Prior Year Adjustments	(1,08,385)	(93,479)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A) :</b>	(1,45,08,863)	90,18,774
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(32,21,452)	(2,61,210)
(Increase)/Decrease in Investment	-	(1,37,061)
Profit/(Loss) on Investments and Transaction of Shares, Securities and Commodities	1,80,716	2,25,281
Movement in Loans & Advances	(30,60,142)	41,54,446
Other Income and Rent	15,55,264	23,94,904
Dividend received	21,583	47,615
<b>NET CASH FLOW/ (USED) IN INVESTING ACTIVITIES (B) :</b>	(45,24,031)	64,23,975

**DHANALAXMI ROTO SPINNERS LIMITED**

(Amount in Rupees)

	Year Ended	
	31.3.2013	31.3.2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Borrowings /( Repayment of loan)	10,22,470	(5,83,104)
Short Term Borrowings	1,00,66,436	(1,27,52,630)
Interest Paid	(23,44,741)	(36,22,341)
<b>Net Cash Flow from Financing Activities (C) :</b>	<b>87,44,165</b>	<b>(1,69,58,075)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,02,88,729)</b>	<b>(15,15,326)</b>
<b>Cash and Cash equivalent at the beginning of the year</b>	<b>2,88,57,257</b>	<b>3,03,72,583</b>
<b>Cash and Cash equivalent at the end of the year</b>	<b>1,85,68,527</b>	<b>2,88,57,257</b>

This is the Cash Flow Statement referred to in our report of even date

We have verified the above Cash Flow Statement of M/s. **Dhanalaxmi Roto Spinners Limited** derived from the Audited Financial Statements for the year ended 31st March, 2013 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges.

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

For and on behalf of the Board

Sd/-

**(G.D. UPADHYAY)**  
Partner  
Membership No.027187

Sd/-

**(RAJKUMAR INANI)**  
Whole Time Director

Sd/-

**(NARAYAN INANI)**  
Executive Director

Place : Thimmapur

Date : 30.05.2013

## **DHANALAXMI ROTO SPINNERS LIMITED**

### **Notes on Financial Statements:**

#### **1. General Information :**

**Dhanalaxmi Roto Spinners Limited** is mainly engaged in Trading Activity in the line of Textiles, 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 is a Public Listed Company Listed on the Bombay Stock Exchange.

#### **2. SIGNIFICANT ACCOUNTING POLICIES :**

##### **2.1 Basis of preparation of Financial Statements:**

The accompanying financial statements are prepared under the historical cost convention in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis. These accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted by the company.

##### **2.2 Use of Estimates:**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

##### **2.3 Fixed Assets :**

All Fixed Assets are stated at cost of acquisition, less accumulated depreciation. Cost is inclusive of freight, installation cost, duties, taxes and other direct incidental expenses.

Subsequent expenditure relating to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible assets are stated at cost of acquisition, net of accumulated amortization and accumulated impairment loss if any. Intangible assets are amortised on straight line basis over their estimated useful lives.

##### **2.4 Capital Work-in-Progress :**

Capital Work-in-Progress is carried at cost, comprising direct cost and related incidental expenses.

##### **2.5 Impairment :**

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset materially exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

## DHANALAXMI ROTO SPINNERS LIMITED

### 2.6 Depreciation:

Depreciation has been provided on straight line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956.

### 2.7 Inventories:

Inventories are valued at lower of cost and net realizable value whichever is lower.

### 2.8 Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximate the actual rate at the date of the transaction.

Monetary items denoted in foreign currencies at the year end are restated at year end rates.

Non monetary items are carried at cost.

### 2.9 Investments:

#### Quoted Investments:

Investments are valued at cost. No provision is made for the temporary decrease in the value of the long term investments

**Unquoted Investments:** In the opinion of the management Investment in the Unquoted Investment in Associates and other Companies are of Long Term nature meant to be held permanently and any diminution in the latest available book value as compared to the cost of such shares is considered temporary by the management and hence not provided (not ascertained)

### 2.10 Revenue Recognition :

Revenue from sale of goods and services rendered is recognized upon passage of title and rendering of services.

### 2.11 Dividend:

Income from Dividend is recognized as and when received.

### 2.12 Financial Derivatives and Commodity Hedging transactions :

In respect of derivative contracts premium paid gain/losses on settlement and losses on restatement are recognised in the statement of profit and loss.

### 2.13 Employee Benefits :

#### a) Short term employee benefits :

Employee Benefits such as salaries, allowances, and non-monetary benefits which fall due for payment within a period of twelve months after rendering of services, are charged as expense to the profit and loss account in the period in which the service is rendered.

#### b) Post- employment benefits :

No provision has been made towards retirement benefits as in the opinion of the board; none of the employees are eligible for the same.

## DHANALAXMI ROTO SPINNERS LIMITED

### 2.14 Taxation :

Tax expense comprises of current, and deferred. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Provision for current tax is made on the basis of Taxable Income of the Current Accounting Year in accordance with Income Tax Act, 1961.

*Deferred Tax is recognized for all the timing differences. The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.*

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liability are offset when there is legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.15 Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.16 Earnings per share:

In determining Earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 3.Share Capital:

Sr.No.	Particulars	Current Year	Previous Year
1	<b>AUTHORISED CAPITAL</b> 50,00,000 Equity Shares of Rs. 10/-each	5,00,00,000	5,00,00,000
		5,00,00,000	5,00,00,000
2	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 39,00,300 Equity Shares of Rs. 10/-each fully Paid up Share Capital by Allotment	3,90,03,000	3,90,03,000
	<b>Total</b>	<b>3,90,03,000</b>	<b>3,90,03,000</b>

3.1 During the year there was no fresh issue of equity shares, hence number of shares outstanding at the beginning of the year and at the end of the year are same i.e., 39,00,300 Equity Shares.

3.2 No Shareholder is holding more than 5% of Share holding in the Company.

## DHANALAXMI ROTO SPINNERS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 4: Reserves & Surplus:

Sr.No.	Particulars	Current Year	Previous Year
1	<b>Capital Reserve</b> As per Last Balance Sheet	20,000	20,000
2	Central Subsidy	15,00,000	15,00,000
3	Investment Allowance Utilised Reserve	18,88,866	1,888,866
	Balance brought forward from Pervious Year	1,56,71,696	1,03,32,273
	Add: Profit for the period	41,42,150	54,34,312
		1,98,13,846	1,57,66,585
	Less: Earlier Year Taxes Paid	23,911	94,889
	Surplus in Statement of Profit and Loss	1,97,89,935	1,56,71,696
	<b>Total</b>	<b>2,31,98,801</b>	<b>1,90,80,562</b>

### 5: Long Term Borrowings:

Sr.No.	Particulars	Current Year	Previous Year
1	<b>Secured</b> Long Term Maturities of Term Loans from Bank	13,74,370	3,51,900
	<b>Total</b>	<b>13,74,370</b>	<b>3,51,900</b>

5.1 Term Loans from Banks have been obtained for purchase of vehicles for use of company and the same vehicles have been mortgaged.

	Particulars	Amount Sanctioned	Rate of Interest
1	ICICI Bank (against Innova Car)	13,92,000	9.25%
2	ICICI Bank (against Etios Car)	5,98,000	9.50%

### 6: Deffered Tax Liability (Net):

Sr.No.	Particulars	Current Year	Previous Year
1	Opening Balance	10,65,266	9,64,152
2	Timing Difference on account of Depreciation	1,37,545	1,01,114
	<b>Total</b>	<b>12,02,811</b>	<b>10,65,266</b>



**DHANALAXMI ROTO SPINNERS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**7: Short Term Borrowings:**

Sr.No.	Particulars	Current Year	Previous Year
1	<u>Loan Repayable on Demand Secured</u>		
	-From Banks	56,01,143	(44,65,293)
	Total	56,01,143	(44,65,293)

7.1 Working Capital Loans Sanctioned by Tamilnad Mercantile Bank Ltd., are repayable on demand from banks, it is secured by Hypothecation of Inventories, Book Debts and Receivables and against Collateral Security of open land and premises in the name of the Company and Personal Guarantees of Directors.

7.2 Limits Sanctioned by Can Bank Factors Ltd is secured against the PDC's for the full value of factored invoices of 3 parties.

**8: Trade Payables :**

Sr.No.	Particulars	Current Year	Previous Year
1	Sundry Creditors	3,96,14,923	5,47,54,549
	Total	3,96,14,923	5,47,54,549

8.1 As confirmed by the management, there are no dues above Rs. 1.00 Lakh Outstanding for more than 45 days to Micro and Small Scale Undertakings.

**9: Other Current Liabilities:**

Sr.No.	Particulars	Current Year	Previous Year
1	Advance From Customers	4,35,075	8,48,409
2	Other Payables	8,23,740	3,50,382
3	Current Maturities of Long Term Loans	8,85,440	5,83,104
	Total	21,44,255	17,81,895

9.1 Other Payables includes statutory Dues such as TDS Payable, Service Tax Payable, Outstanding Liabilities etc.,

**10: Short Term Provisions:**

Sr.No.	Particulars	Current Year	Previous Year
1	Provision for Taxation	47,838	8,31,203
	Total	47,838	8,31,203

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**11 : Fixed Assets**

Sr. No.		Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
			Rate	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31-03-2013	WDV as on 31-03-2012
I		Tangible Assets											
1		Land											
		Industrial Plot	0.00%	1,07,438	-	-	1,07,438	-	-	-	-	1,07,438	1,07,438
2		Building	3.34%	1,48,41,783	-	-	1,48,41,783	53,96,954	4,95,716	-	58,92,670	89,49,113	94,44,829
3		Borewell	4.75%	88,174	-	-	88,174	70,497	4,188	-	74,685	13,489	17,677
4		Furniture and Fixtures	6.33%	15,76,395	-	-	15,76,395	782,244	99,786	-	8,82,030	6,94,365	7,94,151
5		Vehicles (Cars)	9.50%	43,36,595	2,449,067	-	67,87,662	920,888	4,12,167	-	13,33,055	54,54,607	34,17,707
6		Office Equipment	4.75%	518,897	245,385	-	764,282	37,512	32,927	-	70,439	6,93,843	4,81,385
7		Computer and Printers	16.21%	735,120	254,700	-	989,820	699,491	38,933	-	7,38,424	2,51,396	35,629
8		Live Stock	0.00%	4,550	-	-	4,550	-	-	-	-	4,550	4,550
9		Honda generator	4.75%	-	85,500	-	85,500	-	3,828	-	3,828	81,672	-
10		Old Steel Containers	4.75%	-	1,86,800	-	1,86,800	-	24	-	24	1,86,776	-
		<b>SUB TOTAL(A)</b>		<b>22,210,952</b>	<b>3,221,452</b>	-	<b>25,432,404</b>	<b>7,907,586</b>	<b>10,87,569</b>	-	<b>89,95,155</b>	<b>1,64,37,249</b>	<b>1,43,03,366</b>
II		Intangible Assets		39,000	-	-	39,000	7,476	394	-	7,870	31,130	31,524
		<b>SUB TOTAL(B)</b>		<b>39,000</b>	-	-	<b>39,000</b>	<b>7,476</b>	<b>394</b>	-	<b>7,870</b>	<b>31,130</b>	<b>31,524</b>
		<b>Total (A + B)</b>											
		(Current Year)		22,249,952	3,221,452	-	25,471,404	7,915,062	10,87,963	-	90,03,025	1,64,68,379	1,43,34,890
		(Previous Year)		21,988,742	261,210	-	22,249,952	6,802,411	11,12,650	-	79,15,061	1,43,34,891	1,51,86,331

**DHANALAXMI ROTO SPINNERS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**12: Non Current Investment (Long Term Investments):**

Sr.No.	Particulars	Current Year	Previous Year
1	Investment in Equity Shares <b>Unquoted Investments:</b> Ketki Finance Limited (75000 shares of Rs.10/-each fully paid up)	7,53,750	7,53,750
	Rajyalaxmi Petro Chemicals Pvt. Ltd. (100 shares of Rs. 10/-each fully paid up)	1,000	1,000
	Karmanghat Securities (P) Ltd (500 shares of Rs 10/- each fully paid up)	5,000	5,000
	Investment in Gold	1,37,061	1,37,061
	<b>Total</b>	<b>8,96,811</b>	<b>8,96,811</b>

**13: Long Term Loans and Advances:**

Sr.No.	Particulars	Current Year	Previous Year
1	<b>Security Deposit</b> <u>Unsecured, Considered Good:</u> Deposits	3,43,860	3,41,860
	<b>Total</b>	<b>3,43,860</b>	<b>3,41,860</b>

13.1 Deposits includes deposits paid towards amenities i.e., Electricity, Telephone, Rent etc.,

**14: Inventories:**

Sr.No.	Particulars	Current Year	Previous Year
1	Wood Pulp	34,08,770	64,83,703
2	Cattle Feed (Dudh Nahar)	21,000	-
3	Cotton Seed Hull	8,36,480	-
4	Clinical and Baby Diapers	23,545	19,572
	<b>Total</b>	<b>42,89,795</b>	<b>65,03,275</b>

**15: Trade Receivables:**

Sr.No.	Particulars	Current Year	Previous Year
1	<b>Unsecured and Considered Good:</b> Over Six Months	2,44,658	2,07,699
	Others	4,46,77,608	3,76,21,929
	<b>Total</b>	<b>4,49,22,266</b>	<b>3,78,29,628</b>

## DHANALAXMI ROTO SPINNERS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 16: Cash and Bank Balances:

Sr.No.	Particulars	Current Year	Previous Year
1	<b>Cash-in-hand</b> Cash Balance	2,38,981	2,15,402
	<b>Sub Total (A)</b>	2,38,981	2,15,402
2	<b>Bank Balance</b> In Current Accounts	61,722	2,70,372
	Fixed Deposits with Banks	1,82,67,824	2,83,71,483
	<b>Sub Total (B)</b>	1,83,29,546	2,86,41,855
	<b>Total (A+B)</b>	1,85,68,527	2,88,57,257

16.1 Fixed Deposits with Bank includes deposits of Rs.129.49 Lakhs with maturity of more than 12 Months.

### 17: Short Term Loans and Advances:

Sr.No.	Particulars	Current Year	Previous Year
1	Loans & Advances <u>Unsecured, Considered Good:</u> Advances to Related Parties	81,42,224	22,67,145
	Others	15,093,767	1,88,14,884
2	Others Advance Recoverable in cash or in Kind or for value to be considered good		
	Advance to Suppliers	2,651,526	1,495,196
	Advance Income Tax/Refund Due	153,909	1,52,899
	Balance with Revenue Authorities (Indirect Taxes)	509,221	751,207
	Prepaid Expenses	146,856	158,030
	<b>Total</b>	2,66,97,503	2,36,39,361

17.1 Advance to others includes an amount of Rs.11,00,000/- paid to Anand Solvex Limited which is overdue and the case is pending in the court for the recovery of the same.

### 18: Revenue from Operations

Sr.No.	Particulars	Current Year	Previous Year
1	Sales	25,32,02,906	28,19,85,942
2	Export Sales	18,65,156	1,45,62,449
	<b>Total</b>	25,50,68,062	29,65,48,391

**DHANALAXMI ROTO SPINNERS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**19: Other Income:**

Sr.No.	Particulars	Current Year	Previous Year
1	Interest Income	38,48,746	42,24,511
2	Profit /(Loss) on Currency Transactions	1,80,716	2,25,281
3	Dividend	21,583	47,615
4	Other Receipts	8,41,067	4,41,256
	<b>Total</b>	<b>48,92,112</b>	<b>49,38,663</b>

**20: Changes in Inventories:**

Sr.No.	Particulars	Current Year	Previous Year
1	Opening Stock	65,03,274	13,23,198
	Closing Stock	42,89,795	65,03,274
	<b>Total</b>	<b>22,13,479</b>	<b>(51,80,076)</b>

**21: Employee Benefits Expenses:**

Sr.No.	Particulars	Current Year	Previous Year
1	Salaries & Bonus	28,18,000	28,68,000
2	Directors Remuneration	22,20,000	22,20,000
3	Staff Welfare & Other Benefits	38,930	1,28,207
	<b>Total</b>	<b>50,76,930</b>	<b>52,16,207</b>

**22: Financial Costs:**

Sr.No.	Particulars	Current Year	Previous Year
1	Interest Expenses	2,91,226	4,09,062
2	Other Borrowing Cost	20,53,515	32,13,279
	<b>Total</b>	<b>23,44,741</b>	<b>36,22,341</b>

**23: Depreciation & Amortization Expenses:**

Sr.No.	Particulars	Current Year	Previous Year
1	Depreciation	10,87,963	11,12,650
	<b>Total</b>	<b>10,87,963</b>	<b>11,12,650</b>

## DHANALAXMI ROTO SPINNERS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2013

### 24: Other Administrative Expenses:

Sr.No.	Particulars	Current Year	Previous Year
1	Rent ,Rates,Taxes and Renewals	2,11,187	2,28,429
2	Postage,Telegram and Telephone Charges	2,58,853	2,78,023
3	Conveyance and Vehicle Maintenance	5,62,667	4,91,652
4	Electricity Expenses	2,04,898	1,79,563
5	Insurance	1,36,030	1,31,167
6	Travelling Expenses	9,32,584	6,51,293
7	LIC Keyman Policy Premium	-	1,13,087
8	Directors' Sitting Fee	68,000	84,000
9	Auditors' Remuneration	56,180	84,270
10	Written off	-	2,25,565
11	Repairs & Maintenance	7,53,122	4,45,600
12	AGM Expenses	58,600	1,27,080
13	Printing & Stationery	42,333	54,320
14	Discount	51,457	54,432
15	Commission and Brokerage	84,48,234	63,92,358
16	Other Miscellaneous Expenses	10,47,076	25,60,069
17	Consultancy and Service Charges	53,618	1,17,618
18	Foreign Currency Fluctuation	31,34,549	70,60,671
	<b>Total</b>	<b>1,60,19,388</b>	<b>1,92,79,197</b>

### 25) NOTES TO ACCOUNTS :

S.No.	Particulars	31/03/2013	31/03/2012
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 and FLC issued by the Bank	2,17,71,427	88,22,281
25.3	Auditors Remuneration :		
	Audit Fees	30,000	50,000
	Tax Representation	20,000	25,000
	Service Tax	6,180	9,270

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

**DHANALAXMI ROTO SPINNERS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2013**

**25.6 Quantitative Particulars :**

<b>Product</b>	<b>Opening Stock 01/04/2012</b>	<b>Purchases</b>	<b>Sales</b>	<b>Closing Stock 31/03/2013</b>
Wood Pulp	<b>202.157 MT</b> (8.158 MT)	<b>6418.266 MT</b> (7674.040 MT)	<b>6520.561 MT</b> (7480.041 MT)	<b>99.862 MT</b> (202.157MT)
Paper	<b>NIL MT</b> (NIL MT)	<b>14.09 MT</b> (1.820 MT)	<b>14.09 MT</b> (1.820 )	<b>NIL MT</b> (NIL MT)
Waste Paper	<b>NIL MT</b> (NIL MT)	<b>60.51 MT</b> (NIL MT)	<b>60.51 MT</b> (NIL MT)	<b>NIL MT</b> (NIL MT)
Cotton Seed Oil Cake	<b>NIL MT</b> (NIL MT)	<b>NIL MT</b> (48.930 MT)	<b>NIL MT</b> (48.930 MT)	<b>NIL MT</b> (NIL MT)
Cotton Seed Deoiled Cake	<b>NIL MT</b> <b>(0.830 MT)</b>	<b>103.305 MT</b> (479.415 MT)	<b>103.305 MT</b> (480.245 MT)	<b>NIL MT</b> (NIL MT)
Cotton Seed Hull	<b>NIL MT</b> <b>(102.535 MT)</b>	<b>104.56 MT</b> (1106.810 MT)	<b>NIL MT</b> (1209.345 MT)	<b>104.56 MT</b> (NIL MT)
Clinical & Baby Diapers	<b>6.524 MT</b> (15.264 MT)	<b>NIL MT</b> (NIL MT)	<b>3.827 MT</b> (8.740 MT)	<b>2.697 MT</b> (6.524 MT)
Cattle Feed (Dudh Nahar)	<b>NIL PACKETS</b> (NIL PACKETS)	<b>900 PACKETS</b> ( 520 PACKETS)	<b>760 PACKETS</b> (520 PACKETS)	<b>140 PACKETS</b> (NIL PACKETS)

<b>S.No.</b>	<b>Particulars</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
<b>25.7</b>	<b>Value of Imports on CIF Basis</b>		
	Raw Materials	NIL	NIL
	Spare parts and consumables	NIL	NIL
	Capital Goods	NIL	NIL
<b>25.8</b>	<b>Expenditure in Foreign Currency</b>		
	Towards Purchases	<b>19,66,47,164</b>	20,64,20,483
	Towards Travelling	<b>3,04,155</b>	24,935
<b>25.9</b>	<b>Earnings in Foreign Currency</b>	<b>18,23,919</b>	1,43,67,112

**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, 2013 and for the year ended are presented in the following table.

## DHANALAXMI ROTO SPINNERS LIMITED

The information is given as compiled and certified by the Management

Sl.No	Associate Concerns
1	Anirudh Marketing
2	Inani Distributors
3	Karmanghat Securities (P) Ltd

### Directors/Key Management Personnel

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

### 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	33,10,000	-
Advance given/ repayment	-	3,58,86,479 / 2,99,70,000
Sitting Fees	68000	-



## 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		2012-13	2011-12
<b>Basic</b>			
Profit after Tax as per Statement of Profit and Loss	A	41,42,150	54,34,312
Number of Shares subscribed	B	39,00,300	39,00,300
Basic EPS (Rupees)	A/B	1.06	1.39
<b>Diluted</b>			
Profit after Tax as per Statement of Profit and Loss	A	41,42,150	54,34,312
Number of Shares subscribed	B	39,00,300	39,00,300
Diluted EPS (Rupees)	A/B	1.06	1.39

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

Sd/-

**(NARAYAN INANI)**  
Executive Director

Place : Thimmapur

Date : 30.05.2013

**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)  
26th Annual General Meeting -30h September, 2013

I/We hereby record my/our presence at 26th AGM of the Company to be held on Monday the 30th September, 2013 at 9.15 A.M. at Registered Office, Sy.No.114 & 115, Station Road, Thimmapur-509 325, Mahaboobnagar District (A.P) 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, Mahaboobnagar Dist. (A.P.)

**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 \_\_\_\_\_ falling him/her \_\_\_\_\_ of \_\_\_\_\_ in the district  
of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf  
at the 26th Annual General Meeting of the Company to be held on Monday, the 30th  
September, 2013 at 9.15 A.M. at the Registered Office, Sy.No.114 & 115, Station  
Road, Thimmapur-509325, Mahaboobnagar District (A.P.) and at any adjournment  
thereof.

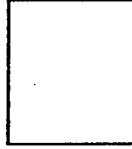
As Witness my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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.

**PRINTED MATTER  
BOOK - POST**



To,

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*If undelivered please return to :*

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