

PRINTED MATTER  
BOOK - POST



To,

---

---

---

*If undelivered please return to :*

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

**DHANALAXMI ROTO  
SPINNERS LIMITED**



**ANNUAL REPORT  
2010 - 2011**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS :**

Sri. Rajkumar Inani	Whole Time Director
Sri Anirudh Inani	Whole Time Director
Sri. Narayan Inani	Executive Director
Sri. K.N. Prasad	Director
Sri. Simanth Roy Chowdhury	Director
Sri. Shyam Sunder Jakhotia	Director

**AUDITORS :**

**M/s. G.D. Upadhyay & Co.**  
**Chartered Accountants**  
15-1-53,  
2nd Floor, Upstairs Andhra Bank,  
Opp: Goshamahai High School,  
Siddiamber Bazar,  
HYDERABAD-500 012.

**REGISTERED OFFICE :**

Sy.No.114 & 115,  
Station Road,  
Thirmapur-509 325  
Mahaboobnagar Dist. (A.P)  
E-mail :  
dhanlaxmiroto@yahoo.co.in  
dhanroto@gmail.com

**BANKERS :**

**TAMILNAD MERCANTILE BANK LIMITED**

15-2-696,1st Floor, Siddiamber Bazar,  
Kishangunj, HYDERABAD-500 012.

**CITI BANK N.A., Ground Floor, Queens Plaza,**

S.P.Road, Begument, Hyderabad-500 003

**CANBANK FACTORS LIMITED**

(A SUBSIDIARY OF CANARA BANK)

Road No.19, Himayath Nagar, Hyderabad - 500 029.

**SHARE TRANSFER AGENTS / DEMAT REGISTRARS :**

**CIL SECURITIES LIMITED**

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



## NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of **DHANALAXMI ROTO SPINNERS LIMITED** will be held on Friday, the 30th September 2011, at 9.00 A.M. at the Registered Office of the Company at Sy.No.114 & 115, Thirmapur-509325, Mahaboobnagar District (A.P.) to transact the following Business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date, statements and schedules annexed or attached thereto, together with the report of the Board of Directors and Auditors' thereof.
2. To Appoint a Director in place of Sri Shyam Sunder Jakhotia, who retires by rotation and being eligible, offers himself for reappointment.
3. To Appoint M/s. G.D. Upadhyay & Company, Chartered Accountants, Hyderabad, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS :**

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

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

**"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 22<sup>nd</sup> Annual General Meeting of the Company held on 30th September, 2009 and pursuant to Section 198, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for revision in the maximum limit of remuneration including variable salary and other terms fixed by the Board of Directors payable to Shri Anirudh Inani, Whole Time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to Board of Directors or a committee thereof fix his remuneration including variable salary etc. within such maximum limit specified in Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government, with effect from 1st April, 2011 for the remaining tenure of his office as set out in the explanatory statement annexed to the notice convening this meeting."

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



"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."

BY Order of the Board

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

**(RAJKUMAR INANI)**  
Whole Time Director

Place : Thimmapur  
Date : 13-08-2011

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received by the company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books will remain closed from 24<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive) for the purpose of AGM.
5. Members holding shares in Demat are requested to intimate their respective Depository Holders relating to their change of addresses.
6. Members who hold their shares in dematerialized form are requested to bring their client ID and DP numbers for easy identification of attendance at the meeting.
7. The Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956 in respect of Item No(s). 4 to 6 is annexed hereto.

**EXPLANATORY STATEMENT**

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

**ITEM NO. 4, 5 and 6**

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

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

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

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



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

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

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

BY Order of the Board

For DHANALAXMI ROTO SPINNERS LIMITED

Sd/-

Place : Thimmapur

Date : 13-08-2011

(**RAJKUMAR INANI**)

Whole Time Director

Details of Directors Seeking Appointment /Re-appointment at the Annual General Meeting (Pursuant to Details As Required Under Clause 49 of the Listing Agreement)

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

**DIRECTORS' REPORT**

Dear Shareholders,

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

**FINANCIAL RESULTS**

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

**REVIEW OF OPERATIONS**

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



**DIVIDEND :**

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

**DIRECTORS**

Sri Sri Shyam Sunder Jakhotia, Director of your Company retires by rotation at the ensuing Annual General Meeting. Being eligible for re-appointment, offers himself for the re-appointment.

Sri Shyam Sunder Jakhotia, is a Commerce Graduate, having vast experience in the Commercial Business Line.

**FIXED DEPOSITS**

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

**AUDITORS**

M/s. G.D. Upadhyay & Company, Chartered Accountants, the auditors of your company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a Certificate from the said Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment.

**PERSONNEL**

No employee of your company is in receipt of remuneration of Rs.24 Lacs per Annum and above and no employee is in receipt of remuneration of Rs.200000/- p.m. for any part of the Financial Year whose particulars are required to be disclosed pursuant to section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees), Rules, 1975 as amended.

**LISTING**

Your Company's shares are presently listed on The Mumbai Stock Exchange 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**

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

**CORPORATE GOVERNANCE**

Pursuant to the provisions of the Listing Agreement, a Management Discussion and Analysis Report and a report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of Corporate Governance are furnished as Annexures forming part of this report.

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 217 (2AA) of the Companies Act, 1956, we hereby state:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2011 and of the Profit of the Company for that period;



**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT :**

**a) Industry Structure and Developments :**

The Company is mainly engaged in Trading Activity in the line of Textiles, Paper and Wood Pulp Market.

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

**b) Opportunities and threats :**

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

During the year under review, the international market for wood pulp was stable. If the same trend continues company can further improve its presence in wood pulp market. The Company is still trying to stabilize its export market ( export of commodities as merchant exporter).

**c) Risk and Concerns:**

Wood Pulp rates fluctuate according to international market and being a trader Company is dependent on its buyers and suppliers. The Company is exposed to stiff competition and foreign currency fluctuations in its operation. Commodity export market has good scope however Company has to compete and supply goods at international prices. Government policies on commodity export keep on changing based on local production/consumption pattern.

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

4. That the Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS :**

We take this opportunity to thank the employees for the dedicated service and Contribution to the Company. We also thank our Bankers, Business Associates and Shareholders for their support towards conduct of operations of the Company.

BY Order of the Board

Sd/-

Place : Thimmapur

Date : 13-08-2011

Sd/-

(RAJKUMAR INANI)

Whole Time Director

(NARAYAN INANI)

Executive Director



**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.

**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 share holder 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 As seen from the above, 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, Whole Time Director and Sri Narayan Inani, Executive Director of the Company.

Sri Shyam Sunder Jakhotia 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.

During the period and under review 23 Board Meetings were held on, 10th April 2010, 30<sup>th</sup> April, 2010, 31<sup>st</sup> July, 2010, 14<sup>th</sup> August 2010, 19th August, 2010, 14<sup>th</sup> September, 2010, 30<sup>th</sup> October, 2010, 11<sup>th</sup> November, 2010, 12<sup>th</sup> November, 2010, 27<sup>th</sup> December, 2010, 31<sup>st</sup> January, 2011 and 16<sup>th</sup> March, 2011. 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 2010-2011 Board Meeting	Attendance At Last AGM	As on date	
				Committee Member	Position Chairman
Rajkumar Inani	Whole Time Director	16	Yes	2	--
Anirudh Inani	Whole Time Director	10	Yes	--	--
Narayan Inani	Executive Director	20	Yes	--	1
Simanth Roy Chowdhury	Non-Executive Independent Director	7	Yes	1	--
K.N.Prasad	Non-Executive Independent Director	14	Yes	2	--
Shyam Sunder Jakhotia	Non-Executive Independent Director	14	Yes	2	--



**3. Audit Committee :**

The Audit Committee of the Company consists of Two Non-Executive Independent Directors and One Executive Director 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.
  - 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 30th April, 2010, 31<sup>st</sup> July, 2010, 30th October, 2010 and 31st January, 2011. 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.3,60,000/-, Whole Time Director Sri Anirudh Inani is Rs. 3,90,000/- and to the Executive Director Mr. Narayan Inani is Rs.3,42,000/- as decided by the Board of Directors. Salaries of Staff was increased during the year due to the efforts put in by them to enhance the company performance.

**Sitting Fees :**

Sitting Fees to Non-Executive Directors is paid at Rs. 1000/- per meeting upto 30<sup>th</sup> September, 2010 and subsequently at Rs.4000/- per meeting as approved in last AGM. Details are as under:

Non-Executive Directors	Sitting Fees (Rs.)
Sri Simanth Roy Chowdhury	16,000/-
Sri K.N. Prasad	35,000/-
Sri Shyam Sunder Jakhotia	35,000/-

**5. Investors' Grievance Committee :**

The Investors' Grievance Committee of the Board is empowered to review the redressal of investors' complaints pertaining to Share 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 19<sup>th</sup> August, 2010 and 11<sup>th</sup> November, 2010.

**Compliance Officer :**

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

**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 2010-11 :

Months	High	Low
April 2010	18.25	13.60
May 2010	18.50	14.00
June 2010	30.45	15.00
July 2010	27.90	13.00
August 2010	15.15	10.08
September 2010	13.59	10.65
October 2010	14.20	10.23
November 2010	15.80	10.50
December 2010	13.74	9.61
January 2011	12.69	9.21
February 2011	10.24	7.23
March 2011	9.80	7.50

**9. Registrar and Transfer Agents :**

Company has appointed New Registrar and Share Transfer Agent. Members are requested to correspond with the Company's Registrar and Share Transfer Agents for transfer lodgement, delivery and other 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

**10. General Body Meetings :**

Location and time of last three Annual General Meetings :

Year	Type	Date	Venue	Time
2009-2010	AGM	30-09-2010	Sy.No.114 & 115, Thimmapur	9.00 AM
2008-2009	AGM	30-09-2009	Sy.No.114 & 115, Thimmapur	9.00 AM
2007-2008	AGM	30-09-2008	Sy.No.114 & 115, Thimmapur	9.00 AM

**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 www.bseindia.com
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 : 30th September, 2011 at 9.00 AM  
Venue : Survey No.114 & 115, Thimmapur-509 325  
Dist : Mahaboobnagar.(A.P)  
Date of Book Closure : 24th September, 11 to 30th September, 11  
(both days inclusive)  
Financial Calender : The following is the tentative financial  
(2011-12) calender of the Company which is  
subject to Change.  
1st Quarter results : 30.07.2011 (Already sent to Stock Exchange(s))  
2nd Quarter/Half-year results : 31.10.2011  
3rd Quarter results : 31.01.2012  
4th Quarter results : 30.04.2012  
AGM 2011-2012 : 30.09.2012



**13. Share Transfer System :**

Securities lodged for transfers at the Registrar's address are normally processed within 15 days from the date of lodgement, 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.

**14. Distribution of Share Holdings as on 31.3.2011**

Share Holding of Nominal Value (Rs)	Share Holders		Share Amount	
	Number	% to Total	Number	% to Total
Upto - 5000	3,943	86.34	60,21,370	15.44
5001 - 10000	265	5.80	21,74,390	5.57
10001 - 20000	149	3.26	22,69,950	5.83
20001 - 30000	61	1.34	15,45,230	3.96
30001 - 40000	15	0.33	5,38,880	1.38
40001 - 50000	26	0.57	11,99,190	3.07
50001 - 100000	38	0.83	25,12,420	6.44
100001 and above	70	1.53	2,27,41,570	58.31
<b>Total</b>	<b>4567</b>	<b>100.00</b>	<b>39,003,000</b>	<b>100.00</b>

**15. Share Holding Pattern as on 31-3-2011**

Sl. No.	Type of Shareholders	Number of Shares Held	% of Total
1	Promoters and Promoters Group	781450	20.04
	a) Individuals / Hindu Undivided Family	-	-
	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	154744	3.97
	b) Individuals	2757869	70.71
7.	Non Resident Individuals	2212	0.04
		<b>3900300</b>	<b>100.00</b>

**16. Dematerialization of Shares :**

Electronics holding by Members comprises 65.73% of the paid up ordinary Share Capital of the Company held through National Securities Depositories Ltd. (23.81%) and Central Depository Services (India) Ltd. (41.92%) as on 31st March, 2011.

**17. Share Transfer Agent /Demat Registrars Address for****Correspondence :**

M/s. CIL SECURITIES LTD.,  
214, RAGHAVA RATNA TOWERS,  
CHIRAG ALI LANE, ABIDS,  
HYDERABAD -500 001  
Tel.No. (040) 23202465,29203155  
E-mail: advisors@cilsecurities.com /  
cilsec@rediffmail.com



**CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, 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 2010 - 11

For **DHANALAXMI ROTO SPINNERS LIMITED**

Sd/-

Place : Thimmapur

Date : 13-08-2011

**RAJKUMAR INANI**

Whole Time Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Dhanalaxmi Roto Spinnners Limited.**

We have examined the compliance of conditions of Corporate Governance by **Dhanalaxmi Roto Spinnners Limited** during the year ended 31st March, 2011 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 the future viability of the Company nor 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.058834S

Sd/-

**(G.D. UPADHYAY)**

Partner

Membership No.027187

Place: Thimmapur

Date : 13-08-2011



## AUDITORS' REPORT

TO  
THE MEMBERS OF  
DHANALAXMI ROTO SPINNERS LTD.

We have audited the attached Balance Sheet of **Dhanalaxmi Roto Spinners Ltd** as at 31<sup>st</sup> March, 2011, and also the Profit and Loss Account for the year ended as on that date annexed there to and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report), (Amendment) Order, 2004 (herein after referred to as "The Order") issued by the Central Government of India in terms of section 227-(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to in Para 3 above, we report that:

- 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:
- 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 the books.

c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement deal with by this report comply with the accounting standards referred to in sub-sec. (3C) of Sec. 211 of the Companies Act, 1956;

e. On the basis of written representations received from directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31<sup>st</sup>, 2011 from being appointed as a director in terms of clause (g) of sub-sec (1) of section 274 of the Companies Act, 1956; and

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Company's accounting policies and the Notes thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March, 2011;
- in the case of the Profit and Loss Account, of the Profit for the year ended as on that date; and
- in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **G.D. UPADHYAY & CO.**

Chartered Accountants  
Firm Regd.No.05834S

Sd/-

**(G.D. UPADHYAY)**

Partner

Membership No.027187

Place: Thimmapur  
Date : 13-08-2011



**Annexure referred to in paragraph 1 of our report dated: 13th August, 2011 to the members of Dhanalaxmi Roto Spinners Limited on the financial statements for the year ended 31st March, 2011**

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 and other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- a) The Company has granted unsecured loans to 2 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 283.60 Lacs and the year end balances of such loans is Rs. 80.23 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.
5. a) In our opinion and according to the information and explanations given to us, the 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, 2011 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.

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, the during the year company has not obtained any term loan from banks or financial institutions. Accordingly, clause 4(xvi) of the order is not applicable.

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.027187

Place: Thimmapur

Date : 13-08-2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As at 31.3.2011	As at 31.3.2010
<b>SOURCES OF FUNDS :</b>			
1) Share Holders' Funds :			
a) Share Capital	1	39,003,000	39,003,000
b) Reserves and Surplus	2	13,741,139	9,382,923
2) Loan Funds			
Secured Loans	3	9,979,878	11,525,974
3) Deferred Tax Liability (Net)		964,152	764,764
4) Total Funds Employed		63,688,169	60,676,661
<b>APPLICATION OF FUNDS :</b>			
5) Fixed Assets :	4		
a) Gross Block		21,988,742	14,777,929
b) Less : Depreciation		6,802,411	5,989,932
		15,186,331	87,87,997
c) Capital work in progress			3,880,000
d) Net Block		15,186,331	12,667,997
6) Investments	5	759,750	2,759,750
7) Current Assets, Loans And Advances			
a) Inventories	6	1,323,198	3,009,486
b) Sundry Debtors	7	24,133,361	36,446,250
c) Cash and Bank Balances	8	30,547,016	10,057,162
d) Loans and Advances	9	28,135,894	27,651,020
8) Current Liabilities and Provisions:		84,139,469	77,163,918
a) Current Liabilities	10	35,077,914	28,946,892
b) Provisions	11	1,319,467	2,968,112
9) Net Current Assets		47,742,088	45,248,914
10) Total Assets		63,688,169	60,676,661
11) Significant Accounting policies and notes to Accounts	16		

As per our report of even date attached

For **G.D. UPADHYAY & CO.**

Chartered Accountants

Firm Regd No.05834S

Sd/-

**(G.D. UPADHYAY)**

Partner

Membership No.027187

For and on behalf of the Board

Sd/-

**(RAJKUMAR INANI)**

Whole Time Director

**(NARAYAN INANI)**

Executive Director

Place : Thimmapur

Date : 13-08-2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

Income :	For the year ended	
	31-3-2011	31-3-2010
1) Sales	229,964,866	144,796,961
2) Other Income	(323,284)	(2,045,412)
	<b>229,641,582</b>	<b>142,751,549</b>
<b>Expenditure:</b>		
3) Material	204,163,296	126,299,902
4) Staff Cost	1,781,235	1,503,951
5) Administrative and Selling Expenses	11,767,476	9,049,518
6) Financial Expenses	4,493,474	2,355,483
7) Depreciation	812,479	699,638
Profit Before Tax and Exceptional Items	<b>223,017,960</b>	<b>139,908,492</b>
8) Exceptional Items	6,623,622	2,843,057
Prior period Adjustments (Net)	99,224	232,001
<b>Net Profit before Taxation</b>	<b>6,524,398</b>	<b>3,075,058</b>
<b>9) Provision for Taxation</b>		
a) Current	1914,589	2,075,243
b) Deferred	199,389	14,963
c) Earlier Year Tax	52,204	(351,548)
<b>Net Profit after Taxation</b>	<b>4,358,216</b>	<b>1,336,400</b>
Profit/(Loss) forward from Previous year	5,974,057	4,637,657
<b>Balance Carried to Balance Sheet</b>	<b>10,332,273</b>	<b>5,974,057</b>
Earnings per Share, of par value Rs.10/ each including exceptional items Basic and Diluted	1.12	0.34
(See Note No.16 on Page No. 39)		

**Significant Accounting Policies and notes to Accounts**

As per our report of even date attached

For **G.D. UPADHYAY & CO.**  
Chartered Accountants  
Firm Regd No.058345

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

For and on behalf of the Board

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

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

Place:Thimmapur  
Date : 13-08-2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	(Amount in Rupees)	
	31.3.2011	31.3.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
a) <b>NET PROFIT / (LOSS) BEFORE TAX</b>	<b>6,524,398</b>	<b>3,075,058</b>
Adjustments for :		
Depreciation	812,479	699,638
Profit/(Loss) on Investments and Transaction of Shares, Securities and Commodities	2,643,416	(1,897,595)
Dividend Income	(19,940)	(2,045)
Other Income and Rent	(2,483,667)	(1,382,794)
Interest Expenses	4,493,474	2,355,483
Prior Period Adjustments	99,224	232,001
<b>b) OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>12,069,384</b>	<b>3,079,747</b>
Adjustments for :		
Trade & Other Receivables	12,312,889	(22,722,703)
Inventory	1,686,288	(2,398,125)
Other Current Assets	(484,874)	(3,217,880)
Trade payables	4,963,805	20,815,580
Other Current Liabilities	(481,428)	(1,161,347)
Interest Paid	(4,493,474)	(2,355,483)
Direct Taxes paid	(1,966,793)	(1,723,695)
<b>c) CASH FLOW BEFORE EXTRAORDINARY ITEM</b>	<b>23,605,797</b>	<b>(9,683,906)</b>
Prior Period Adjustments	(99,224)	(232,001)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A) :</b>	<b>23,506,573</b>	<b>(9,915,908)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(3,330,813)	(5,132,937)
(Increase)/Decrease in Investment	2,000,000	4,382,107
Profit/(Loss) on Investments and Transaction of Shares, Securities and Commodities	(2,643,416)	1,897,595
Other Income and Rent	2,483,667	1,382,794
Dividend received	19,940	2,271
<b>NET CASH FLOW/ (USED) IN INVESTING ACTIVITIES (B) :</b>	<b>(1,470,622)</b>	<b>2,531,603</b>



(Amount in Rupees)

	Year ended	
	31.3.2011	31.3.2010
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings (/- Repayment of loan)	(1,546,097)	5,496,709
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C) :</b>	<u>(1,546,097)</u>	<u>5,496,709</u>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	20,489,854	(1,887,596)
Cash and Cash equivalent as at the beginning of the year	10,057,162	11,944,758
Cash and Cash equivalent as at the end of the year	<u>30,547,016</u>	<u>10,057,162</u>

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 Spinnners Limited derived from the Audited Financial Statement for the year ended 31st March, 2011 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

Sd/-

**(G.D. UPADHYAY)**

Partner

Membership No.027187

Sd/-

**(RAJKUMAR INANI)**

Whole Time Director

Sd/-

**(NARAYAN INANI)**

Executive Director

Place : Thirmapur

Date : 13-08-2011

## SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

	As at 31.3.2011	As at 31.3.2010
<b>SCHEDULE 1 :</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED</b>		
50,00,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
39,00,300 Equity Shares of Rs.10/- each fully paid up	39,003,000	39,003,000
<b>SCHEDULE 2 :</b>		
<b>RESERVES AND SURPLUS :</b>		
Central Subsidy	1,500,000	1,500,000
Capital Reserve	20,000	20,000
Investment Allowance Utilized Reserve	1,888,866	1,888,866
Profit & Loss Account	10,332,273	5,974,057
	<u>13,741,139</u>	<u>9,382,923</u>
<b>SCHEDULE 3 :</b>		
<b>SECURED LOANS :</b>		
<b>Canbank Factors Ltd.</b> (Secured against the PDC's for the full value of Factored Invoices of 3 parties)	6,523,172	5,306,824
Taminad Mercantile Bank Ltd (Refer note no 5 of notes to accounts)	1,456,933	1,363,617
The A.P Mahesh Co-op Urban Bank Ltd-OD 6077 (Secured Against FDRs)		3,368,268
Vehicle Loans (Secured by hypothecation of vehicles)	1,999,773	1,487,265
	<u>9,979,878</u>	<u>11,525,974</u>







(Amount in Rupees)

(Amount in Rupees)

## SCHEDULES FROMING PART OF THE PROFIT AND LOSS ACCOUNT

	As at 31.3.2011	As at 31.3.2010
<b>SCHEDULE 8 :</b>		
<b>Cash and Bank Balances :</b>		
Cash in hand	22,233	77,280
Bank Balance (with Scheduled Banks)		
In Current Accounts	288,093	160,567
In Fixed Deposit Accounts	30,236,690	9,819,315
	<b>30,547,016</b>	<b>10,057,162</b>
<b>SCHEDULE 9 :</b>		
<b>Loans and Advances :</b>		
Advance (Recoverable in cash or in kind or for the value to be received)	27,769,034	27,310,712
Deposits with Public Bodies, Government etc.	366,860	340,308
	<b>28,135,894</b>	<b>27,651,020</b>
<b>SCHEDULE 10 :</b>		
<b>Current Liabilities :</b>		
Sundry Creditors	33,030,551	28,066,746
Advances Received from Customers	7,561	524,589
Other Current Liabilities	2,039,802	355,557
	<b>35,077,914</b>	<b>28,946,892</b>
<b>SCHEDULE 11 :</b>		
<b>PROVISIONS :</b>		
TDS Payable	15,330	3,477
CST Payable	21,492	185,400
Professional Tax Payable	3,460	54,040
VAT Payable	329,026	648,544
Income Tax Payable	950,159	2,075,243
Service Tax Payable	-	1,408
	<b>1,319,467</b>	<b>2,968,112</b>

**SCHEDULE 12 :**For the Year ended  
31-3-2011      31-3-2010**OTHER INCOME :**

Foreign Exchange Currency Fluctuation	602,409	
Dividend	19,940	2,045
Profit / Loss on Currency Transactions	(183,475)	(350,594)
Profit ( Loss) on Investments	-	(3,079,657)
Profit(Loss) on Dealing in Derivative Transactions	(2,643,416)	(1,897,595)
Interest and Other receipts	3,802,740	2,677,980
	<b>(323,284)</b>	<b>(2,045,412)</b>

**SCHEDULE 13 :****STAFF COST :**

Salaries	1,686,000	1,446,000
Staff Welfare and other benefits	95,235	57,951
	<b>1,781,235</b>	<b>1,503,951</b>



(Amount in Rupees)  
For the Year ended  
31-3-2011 31-3-2010

**SCHEDULE 14 :****ADMINISTRATIVE AND SELLING EXPENSES :**

Rent, Rates, Taxes and Renewals	286,110	140,421
Postage, Telegram and Telephone charges	217,309	240,274
Conveyance and Vehicle Maintenance	311,100	264,232
Electricity Expenses	156,211	114,457
Insurance	99,738	48,590
Travelling Expenses	905,868	247,462
LIC Keyman Policy Premium	113,087	113,087
Directors' Remuneration	1,092,000	940,500
Directors' Sitting Fee	86,000	35,000
Auditors' Remuneration	44,120	44,120
Written off	106,714	971,954
Repairs & Maintenance	138,749	43,090
AGM Expenses	73,675	82,700
Printing and Stationery	40,177	21,679
Discount	10,039	110,918
Commission and Brokerage	5,653,609	3,039,722
Other Miscellaneous Expenses	2,390,970	2,534,312
Consultancy and Service Charges	42,000	57,000
	<b>11,767,476</b>	<b>9,049,518</b>

**SCHEDULE 15 :****FINANCIAL EXPENSES :**

Bank Charges	3,314,111	1,425,789
Interest	1,179,363	929,694
	<b>4,493,474</b>	<b>2,355,483</b>

**SCHEDULE 16 :**

Significant Accounting Policies and Notes forming part of the Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011.

**1. SIGNIFICANT ACCOUNTING POLICIES :**

- 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) 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.
- 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.
- 4) Capital Work-in-Progress**  
Capital Work-in-Progress is carried at cost, comprising direct cost and related incidental expenses.
- 5) 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.



**6) 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.

**7) Revenue Recognition :**

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

**8) Inventories:**

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

**9) Dividend:**

Income from Dividend is recognized as and when received.

**10) 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)

**11) 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.

**12) Taxation :**

Tax expenses comprises of current, and deferred. Current Income 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. The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

**13) 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.

In determining Earnings per share, the company considers the net profit after tax and includes the post tax effect of any

**14) Earnings per Share:**

In determining Earnings per share, the company considers the net profit after tax and includes the past 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.



**II) Notes to Accounts :**

Sl.No	Particulars	31/03/2011	31/03/2010
1)	Estimated amount of contracts remaining to be executed on Capital account not provided for (Net of advances)	Nil	4,000,000
2)	Contingent Liabilities not provided for the Bank Guarantee and FLC issued By The Bank	42005570	97,79,433
3)	Managerial Remmueration to directors		
	Salary	10,92,000	9,40,500
	Contribution to Provident fund	Nil	Nil
	Perquisites	Nil	Nil
	Other/Allowances	Nil	Nil
4)	Auditors Remuneration :		
	Audit Fees	30,000	30,000
	Tax Representation Fees	10,000	10,000
	Service Tax	4,120	4,120

**5) Secured Loans:**

Cash Credit (Stock) and Foreign Letter of Credit from Tamilnad Mercantile Bank Ltd are Secured against hypothecation of Stocks, Receivables, Collateral Security of open land and premises in the name of Company and Personal guarantees of Directors .

6) In the opinion of the Board of Directors, Current Assets and Loans and Advances have the value at which these are stated in the Balance Sheet, if, realized in the ordinary course of business, unless otherwise stated and adequate provisions of all known liabilities have been made and are not in excess of the amount reasonably required

7) As confirmed by the management, there are no dues above Rs.1.00 Lac outstanding for more than 45 days to Micro and Small Scale Undertakings.

8) 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.

**10) Deferred Tax Liability :**

Particulars	2010-11	2009-10
Deferred Tax Liability / (Asset)		
Opening Balance	7,64,763	7,49,800
Timing Difference on account of Depreciation	1,99,389	14,963
Closing Balance	9,64,152	7,64,763

**11) Quantitative Particulars :**

Product	Opening Stock 01/04/10	Purchases	Sales	Closing Stock 31/03/2011
Wood Pulp	98.39 MT (23.67 MT)	5583.47 MT (1709.62 MT)	5673.700 MT (1634.90 MT)	8.160 MT (98.39 MT)
Paper	Nil MT (Nil MT)	Nil MT (92.056 MT)	Nil MT (92.056 MT)	Nil MT (Nil MT)
Waste Paper	Nil MT (Nil MT)	15.980 MT (Nil MT)	15.980 MT (Nil MT)	Nil MT (Nil MT)
Cotton Seed Oil Cake	Nil MT (Nil MT)	16.980 MT (17.040 MT)	16.980 MT (17.040 MT)	Nil MT (Nil MT)
Cotton Seed Decolled Cake	Nil MT (Nil MT)	50.830 MT (Nil MT)	50.000 MT (Nil MT)	0.830 MT (Nil MT)
Cotton Seed Hull	Nil MT (Nil MT)	193.435 MT (Nil MT)	90.900 MT (Nil MT)	102.535 MT (Nil MT)
Clinical & Baby Diapers	Nil MT (Nil MT)	20.294 MT (Nil MT)	5.030 MT (Nil MT)	15.264 MT (Nil MT)



12)	Value of imports on CIF Basis	31-03-2011	31-03-2010
	Raw Materials	NIL	NIL
	Spare parts and consumables	NIL	NIL
	Capital Goods	NIL	NIL
13)	Expenditure in Foreign Currency		
	Towards Purchases	16,66,51,359	6,24,72,586
	Towards Travelling	2,89,082	1,22,800
14)	Earnings in Foreign Currency	14,28,628	18,06,514

**15. 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, 2011 and for the year ended are presented in the following table.

(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	Simanthi Raj Chowdhury
6	Anirudh Inani

#### Relatives of Directors/Key Management Personnel

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

#### RELATED PARTY TRANSACTIONS

(Amount in Rs.)

Particulars	Key Person/Relatives	Associates
Remuneration	22,32,000	-
Investment	-	5000
Advance given/ repayment	-	89678450/ 90417000
Sitting Fees	86000	-

#### 16) Earnings Per share :

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

Particulars	2010-11	2009-10
<b>Basic</b>		
Profit after Tax as Per Profit and Loss account	4358216	1336400
Number of Shares subscribed	3900300	3900300
Basic EPS (Rupees)	1.12	0.34
<b>Diluted</b>		
Profit after Tax as Per Profit and Loss account	4358216	1336400
Number of Shares subscribed	3900300	3900300
Diluted EPS (Rupees)	1.12	0.34

17) Figures in brackets in these notes are in respect of previous year.

18) Figures of previous have been regrouped/rearranged/reclassified, wherever considered necessary to confirm to current years presentation.

As per our report of even date attached.

For G.D. UPADHYAY & CO.

Chartered Accountants

Firm Regd No.058345

For and on behalf of the Board

Sd/-

(G.D. UPADHYAY)

Partner

Membership No. 027187

Place: Thimmapur

Date : 13-08-2011

Sd/-

(RAJKUMAR INANI)

Whole Time Director

(NARAYAN INANI)

Executive Director



FOR SHARE HOLDERS NOTING

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details  
Registration No. 7 7 6 9 State Code No. 0 1

Balance Sheet Date 3 1 0 3 2 0 1 1

II. Capital raised during the year (Rs. in thousand)

Public Issue Nil Rights Issue Nil Private Placements Nil

III. Position of Mobilisation and Deployment of Funds (Rs. in thousand)

Total Liabilities 6 3 6 8 8  
Total Assets 6 3 6 8 8

Sources of Funds

Paid up Capital 3 9 0 0 3 Reserves and Surplus 13 7 4 1 Deferred Tax Liabilities 9 6 4

Application of Funds

Net Fixed Assets 1 5 1 8 6 Investments 7 6 0 Net Current Assets 4 7 7 4 2  
Misc. Expenditure Nil Accumulated Losses Nil

IV. Performance of the Company

Total Income 2 2 9 6 4 2 Total Expenditure 2 2 3 0 1 8  
Profit/(Loss) before Tax and Exceptional Items 6 6 2 4 Profit/(Loss) after Tax and Exceptional Items 4 3 5 8 Earning per share in Rs. 1 1 2 Dividend Rate % Nil

V. Generic Names of the three Products/Services of the Company

Item Code No. (ITC Code) -  
Production Description -  
Item Code No. (ITC Code) -  
Production Description -

Place : Thirmapur  
Date : 13-08-2011  
For and on behalf of the Board  
Sd/- (RAJKUMAR INANI) Sd/- (NARAYAN INANI)  
Whole Time Director Executive Director



FOR SHARE HOLDERS NOTING

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

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)  
 24th Annual General Meeting - 30th September, 2011

I/We hereby record my/our presence at 24th AGM of the Company to be held on Friday the 30th September, 2011 at 9.00 A.M. at Registered Office, Sy.No.114 & 115, Station Road, Thimmapur-509 325, Mahabubnagar District (A.P.) and at the adjournment thereof.

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

**Full Name of Proxy :**

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

**DHANALAXMI ROTO SPINNERS LTD.**

Regd. Office: Sy.No.114 & 115, Station Road,  
 THIMMAPUR-509 325, Mahabubnagar Dist. (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 \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 at 9.00 A.M. at the Registered Office, Sy.No.114 & 115, Station Road, Thimmapur-509325, Mahabubnagar District (A.P.) and at any adjournment thereof.

As Witness my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2011  
 Signature

Affix 1/- Rupee  
 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.