

DHANLAXMI COTEX LIMITED



**23rd Annual Report
2008-2009**



DHANLAXMI COTEX LIMITED

23RD ANNUAL REPORT

Board of Directors

Shri Ramautar Jhawar - Chairman & Managing Director
Shri Mahesh Jhawar
Shri Ganesh Singh
Shri Vijay Kumar Moyal
Shri Navin Vyas

Registered & Administrative Office

285, Princess Street, 2nd Floor,
Chaturbhuj Jeevandas House Mumbai - 400 002.

Works

Sector B-2/15/16;
Parvati Co-op. Industrial Estate,
Post Yadrav, Tal. Shirol, Dist. KOLHAPUR (M.S.)

Bankers

Bank of Baroda
HDFC Bank Ltd.
State Bank of Travancore

Auditors

M/s. S.G.Kabra & Co.
Chartered Accountants
1st Floor, Wavell House,
1st Dhobi Talav Lane, Mumbai - 400 002.

**Registrar and Share
Transfer Agents**

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E) Mumbai - 400 072.

Listed on Stock Exchange

Bombay Stock Exchange Limited

CONTENTS	PAGE NO.
<i>Board of Directors</i>	
Notice	1-4
Directors' Report	5-7
Management Discussion And Analysis	12-13
Report on Corporate Governance	14-22
Auditors' Report	23-25
Balance Sheet	26
Profit & Loss Account	27
Schedules to Balance Sheet and Profit & Loss Account	28-38
Notes Forming part of Accounts	36-38
Balance Sheet Abstract	39
Cash Flow Statement	40-41



DHANLAXMI COTEX LIMITED

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Dhanlaxmi Cotex Limited will be held at the Registered Office of the Company at 285, Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai – 400 002 on Tuesday, the 29th day of September, 2009 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Navin Vyas, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
3. To appoint a Director in place of Shri Vijaykumar Moyal, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT as per the recommendation of the Remuneration Committee and pursuant to the provisions of section 198, 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such approvals as may be necessary, Shri Ramautar Jhavar be and is hereby re-appointed as a Managing Director of the Company for a period of three years with effect from 1st August, 2009 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri Ramautar Jhavar but to the provisions contained in Schedule XIII to the Companies Act, as amended from time to time.”

- a) Salary of Rs. 25000/- per month.
- b) Perquisites:
 - i. Company's contribution to Provident Fund
 - ii. Gratuity as per the rules of the Company
 - iii. Provisions for use of Company car for official duties and telephone at residence (including payment of local calls and long distance official calls)



DHANLAXMI COTEX LIMITED

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Section II of Part II of the Schedule XIII to the Companies, Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Managing Director."

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

"RESOLVED THAT as per the recommendation of the Remuneration Committee and pursuant to the provisions of section 198, 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such approvals as may be necessary, Shri Mahesh Jhawar be and is hereby re-appointed as a Whole Time Director of the Company for a period of three years with effect from 1st August, 2009 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri Mahesh Jhawar but to the provisions contained in Schedule XIII to the Companies Act, as amended from time to time."

- a) Salary of Rs. 25000/- per month.
- b) Perquisites:
 - i. Company's contribution to Provident Fund
 - ii. Gratuity as per the rules of the Company
 - iii. Provisions for use of Company car for official duties and telephone at residence (including payment of local calls and long distance official calls)

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole Time Director shall be governed by Section II of Part II of the Schedule XIII to the Companies, Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole Time Director."

For and behalf of the Board

Place: Mumbai
Date: 26th August, 2009

Ramautar S. Jhawar
Chairman & Managing Director

Registered Office:
285, Princess Street, 2nd Floor,
Chaturbhuj Jivandas House,
Mumbai- 400002



DHANLAXMI COTEX LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty-eight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Wednesday, 23rd September, 2009 to Tuesday, 29th September, 2009 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries so as to reach the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
5. Members are requested to notify immediately any change in their address to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Transfer Agent at Bigshare Services Private Limited at E-2/3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons, seeking re-appointment as Directors under Item No. 2 & 3 above, are annexed.

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

Particulars	Shri Navin Vyas	Shri Vijaykumar Moyal
Age	34 years	36 years
Date of Appointment	30-12-2005	30-12-2005
Qualifications	B.Com	B.Com
Nature of Expertise & Experience	Accounts	Accounts
Name of the other Companies in which also holds Directorship	Nil	Nil
Name of other Companies in Committees of which holds membership/chairmanship	Nil	Nil
Shareholding of Non-Executive	Nil	Nil



DHANLAXMI COTEX LIMITED

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956:

Item No.5:

Shri Ramautar Jhawar is acting as a Director of the Company since its incorporation.

The Board of Directors of the Company at their meeting held on 31st July, 2009 re-appointed Shri Ramautar Jhawar as a Managing Director of the Company for a period of three years with effect from 1st August, 2009 on terms and conditions as stated in the resolution.

The appointment of Shri Ramautar Jhawar as the Managing Director of the Company would require the consent of the shareholders of the Company pursuant to Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the said Act") and subject to the limits laid down in Schedule XIII to the said Act.

The said resolution is therefore, recommended for your approval.

Shri Ramautar Jhawar is concerned or interested in the resolution given under Item No. 5 of the Notice for his re-appointment as Managing Director.

None of the Directors of the Company except Shri Mahesh Jhawar is interested or concerned in the said resolution.

Item No.6:

The Board of Directors of the Company at their meeting held on 31st July, 2009 re-appointed Shri Mahesh Jhawar as the Whole Time Director of the Company for a period of three years with effect from 1st August, 2009 on the terms and conditions as stated in the resolution.

The appointment of Shri Mahesh Jhawar as the Whole Time Director of the Company would require the consent of the shareholders of the Company pursuant to Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the limits laid down in Schedule XIII to the said Act.

The said resolution is therefore, recommended for your approval.

Shri Mahesh Jhawar is concerned or interested in the resolution given under Item No. 5 of the Notice for his re-appointment as Whole Time Director.

None of the Directors of the Company except Shri Ramautar Jhawar is interested or concerned in the said resolution.



DHANLAXMI COTEX LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty-Third Annual Report on the business operations of the Company along with the Audited Statement of Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS:

Particulars	(Rupees in Lacs)	
	Year Ended 31 st March 2009	Year Ended 31 st March 2008
Income from Operations	926.04	4453.16
Profit/ (Loss) before Depreciation & Tax	8.18	152.26
Less: Depreciation	1.77	1.67
Profit/ (Loss) before Tax	6.41	150.59
Less: Provision for Tax	0.00	15.40
Less: Security Turnover Tax	0.00	7.91
Less: Fringe Benefit Tax	0.31	0.32
Less: Earlier Year Adjustment	0.00	8.59
Add: Deferred Tax Assets Adjustments	0.18	0.06
Net Profit/(Loss) after Tax	6.29	118.42
Add: Balance brought forward from previous year	1080.07	961.65
Balance carried to Balance Sheet	1086.36	1080.07

OPERATIONS:

During the year under review, your Company earned a total Income of Rs. 926.04 Lacs comprising mainly of Sale of Shares, interest & Dividend and long term share investments profit. Against this, the total expenses amounted to Rs. 917.85 Lacs. As a result of this the Company has earned Net Profit of Rs. 6.29 Lacs as against the profit of Rs. 118.42 Lacs for the previous year. After balance brought forward from last year of Rs.1080.07 Lacs, a balance of Rs. 1086.36 Lacs has been carried forward to the Balance Sheet.

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

DIVIDEND:

With a view to conserve the resources for the future operations, your Directors have thought it prudent not to declare dividend for the year ended 31st March, 2009.



DHANLAXMI COTEX LIMITED

DIRECTORS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- that the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Annual Accounts for the year ended March 31, 2009 have been prepared on a going concern basis.

AUDITORS:

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

AUDITORS' REPORT:

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

SECRETARIAL COMPLIANCE CERTIFICATE:

Pursuant to the recent amendment in Section 383A of the Companies Act, 1956, all such Companies whose paid up share capital is Rs.10 Lacs and above but less than Rs. 5 Crore are required to obtain a Compliance Certificate for the year ended 31st March, 2009 is obtained from M/s Rathi & Associates., Company Secretaries and the same is attached.



DHANLAXMI COTEX LIMITED

FIXED DEPOSITS:

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

CORPORATE GOVERNANCE:

A Report on Corporate Governance as also a Management Discussion and Analysis Report along with a certificate from M/s. Rath & Associates, Company Secretaries in practice, regarding compliance of requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is annexed herewith.

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

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

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

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board

Place: Mumbai
Dated: 26th August, 2009

Ramautar Jhawar
Chairman & Managing Director



DHANLAXMI COTEX LIMITED

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2009 IN RESPECT OF DHANLAXMI COTEX LIMITED.

CIN No. of the Company: L51100MH1987PLC042280

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

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

To,
The Members,
Dhanlaxmi Cotex Limited
Mumbai.

We have examined the registers, records, books and papers of **DHANLAXMI COTEX LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met **Four** times respectively on **30th April, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 22nd September, 2008 to 29th September, 2008 and necessary compliance of section 154 of the Companies Act, 1956 has been made.
6. The Annual General Meeting for the financial year ended on **31st March, 2008** was held on **29th September, 2008** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting were held during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has entered into any contracts falling within the purview of section 297 of the Act.



DHANLAXMI COTEX LIMITED

10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company was not required to deliver any securities as there was no allotment/transfer/transmission of securities during the financial year.
(ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company was not required to transfer any amount to the Investor Education and Protection Fund.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole Time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year. The Company has not obtained approval of the Regional Director pursuant to the provisions of Section 297 of the Companies Act, 1956 for contracts in which the directors of the Company interested.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans from public falling within the purview of Section 58A and Rules framed there under during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2009.



DHANLAXMI COTEX LIMITED

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**For Rathi & Associates
Company Secretaries**

**Place : Mumbai
Date : 26th August, 2009**

**(Narayan Rathi)
F.C.S. No: 5171
C. P. No. : 1104**



DHANLAXMI COTEX LIMITED

"Annexure A"

Statutory Registers as maintained by the Company

1. Register of Members u/s.150
2. Register of Directors, Managing Director, Manager and Secretary u/s.303
3. Register of Directors Shareholdings u/s.307
4. Register of Disclosures of Interest by Directors u/s. 301(3)
5. Register of Application and Allotment
6. Register of Contracts u/s 301
7. Register of Charges u/s 143

Other Registers

1. Register of Transfers

"Annexure B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2009.

Sr. No.	Form No. / Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No.
1.	Form No. 23 AC	220	Balance sheet as at 31st March, 2008	01.11.2008	Yes	N.A
2.	Form No. 23 ACA	220	Profit & Loss Account for the period ended 31st March, 2008	01.11.2008	Yes	N.A
3.	Form No: 20B	159	Annual Return upto 29 th September, 2008	29.11.2008	Yes	N.A



DHANLAXMI COTEX LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

TEXTILE DIVISION

Company did not undertake any manufacturing activities relating to textiles during the year due to non-viability.

INVESTMENT AND TRADING DIVISION (SECURITIES)

(a) Industry Structure & Development

The Indian Capital Markets continued their upsurge during past financial year. The continued confidence of the FIIs in Indian Capital Markets as a high potential emerging markets and strong belief making our capital markets as one of the favourite investment destinations, provide further growth opportunities to domestic and international players in the capital markets.

The Company over the past couple of years has developed its Investment and Trading Division (Securities) as a strong, profit earning sibling to its Textile division. The Company continues its focus on this division to achieve consistent improvement in its performance.

(b) Opportunities & threats

The strong fundamentals and depth of our finance and capital markets have enabled introduction of many new products and growth opportunities to the players. The Company expects this trend to continue and is fully geared up to reap the optimum benefits from emerging growth opportunities.

However, convergence of the Indian Capital Markets with leading capital markets of other countries and impact of their prevailing trends, volatility in the crude prices, continued tensions between US and Iran and its possible fallouts, are a few dampners to Indian Capital Markets growth story.

Your Company will continue to predominantly focus on broking services to Institutions to withstand the cyclical sluggish market trends.

(c) Outlook

The Company is proactively responding to the changing business environment and is confident of sustaining its market share by improving competitive position in the market. The overall business



DHANLAXMI COTEX LIMITED

outlook for the company is promising with improvement in overall economic environment. Efforts towards higher operational efficiencies shall continue. The company continues to examine the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

(d) Risks and concerns

The Company continues to remain focused on its competence product i.e. textile products and also concentrate on trading in Securities. Competition in the market continues to have an impact on the Company's operational performance and also exerts pressure on the margins.

(e) Internal Control Systems and their adequacy

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

(f) Human Resource Development

The Company believes that the human resources are vital resource in giving the company a competitive edge in the current business environment. The company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. As in the past, the company enjoyed cordial relations with the employees at all levels.



DHANLAXMI COTEX LIMITED

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance:

Dhanlaxmi Cotex Limited (DCL) is committed to the adoption of the best governance practices and its adherence in the true spirit, at all times. The Company emphasizes on maintaining highest respect for the laws of the land and the rights of its stakeholders – both of which are the fundamental platforms on which the decision making powers of the Board of Directors are based.

A. Board of Directors:

Size and Composition of the Board:

The Composition of the Board is in conformity with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange. The Board of Directors of the Company consists of optimal combination of Executive, Non-executive and Independent Directors.

The present strength of the Board is Five Directors comprising of Two (2) Executive Directors and Three (3) Non-Executive and Independent Directors.

The Chairman of the Board is an Executive Director.

The constitution of the Board as on 31st March 2009 is as under:

Director	Category	Number of other		
		Director -ships**	Committee Memberships#	Committee Chairmanships#
Shri Ramautar Jhawar	Chairman & Managing Director, Executive	1	2	1
Shri Mahesh Jhawar	Executive	1	1	-
Shri Ganesh Singh	Non Executive	-	-	-
ShriNavinVyas	Non Executive	-	-	-
Shri Vijay Kumar Moyal	Non Executive	-	-	-
	Independent	-	-	-

* Other Directorships exclude directorships held in Private Limited Companies.

Committee Membership does not include Membership/ Chairmanship in Committee of Directors of Dhanlaxmi Cotex Limited.

B. Board Meetings and Attendance of Directors:

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

During the year ended 31st March 2009, the Board meeting were held Four times i.e. on 30th April 2008, 31st July 2008, 31st October 2008, 31st January 2009.



DHANLAXMI COTEX LIMITED

Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2008-09 and the last AGM:

Name of the director	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri. Ramautar Jhawar	4	4	Yes
Shri. Mahesh Jhawar	4	4	Yes
Shri. Ganesh Singh	4	4	Yes
Shri Navin Vyas	4	4	Yes
Shri Vijay kumar Moyal	4	4	Yes

C. Board Committees:

To enable better and more focused attention on the affairs of the Corporation, the Board delegates particular matters to Committees of the Board set up for the purpose. The Committees prepare the groundwork for decision making and report at the subsequent Board meeting.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

1. Audit Committee:

Terms of reference

(a) Primary Objectives of the Audit Committee:

The Primary objective of the Audit Committee (the "committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process – by the management, including the independent auditor – and notes the process and safeguards employed by each.

(b) Scope of the Audit Committee:

1. Provide an open avenue of communication between the Independent Auditor and the Board of Directors ("BOD");
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services;
3. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
4. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary;
5. Confirm and assure the independence of the external Auditor;
6. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources;
7. Consider and review with the Independent Auditor, the adequacy of internal controls including the computerized information system controls and security;
8. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;



DHANLAXMI COTEX LIMITED

9. Reviewing with the management, performance of statutory auditors and adequacy of the internal control systems.
 10. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - a. Any changes in the accounting policies and practices
 - b. Disclosure of related party transactions
 - c. The going concern assumption
 - d. Compliance with accounting standards
 - e. Compliance with stock exchange and legal requirements concerning financial statements
 - f. Significant adjustment arising out of audit findings
 - g. Qualifications, if any, in the draft audit report
 - h. Matters required to be included in the Directors' Responsibility Statement to be included in the Board of Directors' Report.
 11. Consider and review with the management and the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations,
 - b. Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
 12. Review of the following information:
 - a. Management discussion and analysis of financial condition and results of operations
 - b. Statement of significant related party transactions submitted by the management
 - c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors
- (c) **Composition of the Audit Committee as on 31st March 2009:**
- The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provision of the Companies Act, 1956. The Statutory Auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.
- The Committee comprises of the following Members:
1. Shri Ganesh Singh (Chairman)
 2. Shri Navin Vyas
 3. Shri Vijaykumar Moyal

(d) **Audit Committee Meetings and Attendance for the financial year ended 31st March 2009:**

During the financial year ended 31st March 2009, Five (5) Audit Committee Meetings were held on 30th April 2008, 31st July 2008, 31st October 2008, 31st January 2009.

The table hereunder gives the attendance record of the Audit Committee Members:

Name of Members	No. of meetings held	No. of meetings attended
Shri Ganesh Singh	4	4
Shri Navin Vyas	4	4
Shri. Vijaykumar Moyal	4	4

The Committee has recommended to the Board the appointment of M/s. S. G. Kabra & Co., Chartered Accountants, as the statutory and independent auditors of the Company for the Financial Year ending March 31, 2010 and that necessary resolution for appointing them as auditors has been placed before the shareholders.



DHANLAXMI COTEX LIMITED

2. Remuneration Committee:

- (a) The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.
- (b) The Remuneration Committee comprises of following Directors:
1. Shri Ganesh Singh (Chairman)
 2. Shri Navin Shyamsundar Vyas
 3. Shri Vijaykumar Moyal

(c) Remuneration Policy:

Some of the Non-Executive Directors are paid sitting fees for each meeting of the Board attended by them. The appointment and remuneration of the Managing Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Managing Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

Details of Remuneration to all the Directors for the Financial Year ended 31st March 2009 are as under:

(Rs. in Lacs)

Name of the Directors	Sitting Fees paid for		Salary & Perks
	Board Meetings	Committee Meetings	
Shri Ramautar Jhavar	Nil	Nil	3.00
Shri Mahesh Jhavar	Nil	Nil	3.00
Shri Ganesh Singh	Nil	Nil	Nil
Shri Navin Vyas	Nil	Nil	Nil
Shri Vijaykumar Moyal	Nil	Nil	Nil

Shares held by Non-Executive Directors:

Name of the Non-Executive Director	Equity Shares held (No.)
Shri. Ganesh Singh	Nil
Shri Navin Vyas	Nil
Shri Vijaykumar Moyal	Nil

(d) Meetings and Attendance:

Meeting of the Remuneration Committee was not held during the financial year ended on 31st March 2009.

3. Shareholders/Investors Grievance Committee:

The Shareholders / Investor Grievance Committee looks into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. and recommends measures to improve the level of investor services.

The Company has set up a Shareholders / Investors Grievance Committee consisting of Three Non-Executive Directors, all of them being Independent Directors. The Chairman of the said Committee is a Non-Executive, Independent Director.



DHANLAXMI COTEX LIMITED

The Shareholders / Investor Grievance Committee of DCL comprises of the following Directors:

1. Shri Ganesh Singh (Chairman)
2. Shri Navin Vyas
3. Shri Vijay kumar Moyal

Meetings and Attendance:

One Shareholder's/Investor's Grievance Committee were held during the year ended 31st March. 2009.

The attendance record of the members is given in the table hereunder.

Name of the Shareholders/ Investors grivance Committee members	No. of meetings held	No. of meetings attended
Shri Ganesh Singh	1	1
Shri Navin Vyas	1	1
Shri Vijaykumar Moyal	1	1

Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31st March, 2009:

There was no complaints received form the Shareholders during the year ended March 31, 2009.

D. General Body Meetings:

The Details of last three Annual General Meetings are given hereunder:

Year	Date	Venue/Details of Special Resolution passed	Time
2006	29/09/2006	285, 2 nd Floor, C.J. House, Princess Street, Mumbai-400 002.	4:00 P.M.
2007	29/09/2007	285, 2 nd Floor, C.J. House, Princess Street, Mumbai-400 002.	4.00 P.M.
2008	29/09/2008	285, 2 nd Floor, C.J. House, Princess Street, Mumbai-400 002.	4.00 P.M.

Special Resolution:

No Special Resolution were passed in the previous three Annual General Meetings of the Company.

Postal Ballot:

No Special/Ordinary resolution requiring postal ballot was placed before the last Annual General Meeting.

No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

E. DISCLOSURES:

Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31st March, 2009.

Compliance by the Company:

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.



DHANLAXMI COTEX LIMITED

Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:
The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements, except the constitution of Remuneration Committee, enlisted by way of annexure to Clause 49 of the listing agreement.

F. MEANS OF COMMUNICATION:

The quarterly results of the Company are published in *Asian Age (English language)* and *Mumbai Lakshyadeep (Marathi language)*. As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to Bombay Stock Exchange Limited immediately after the conclusion of the respective meeting. No presentations were made to the institutional investors or to analysts during the year under review.

G. CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. Rathi & Associates, Practicing Company Secretaries, regarding compliance with Corporate Governance norms is given as an annexure to this Report.

H. CEO CERTIFICATION:

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Managing Director's declaration on compliance of the Company's Code of Conduct is provided as an annexure to this Report.

I. GENERAL SHAREHOLDERS' INFORMATION:

- | | |
|---|---|
| 1. Date, time and venue of Annual General Meeting of Shareholders | Tuesday, 29 th September 2009 at 4.00 P.M.
285, 2 nd Floor, C.J. House, Princess Street,
Mumbai- 400 002. |
| 2. Dates of book closures | 23 rd September, 2009 to 29 th September, 2009
(both days inclusive) |
| 3. Financial Calendar
(tentative and subject to change) | Financial Reporting for quarter ended:
June 30, 2009 : By July 31, 2009
September 30, 2009 : By October 31, 2009
December 31, 2009 : By January 31, 2010
March 31, 2010 : By April 30, 2010
Annual General Meeting for year ended
31 st March 2010 – By 30 th September, 2010. |
| 4. Listing on Stock Exchanges | Bombay Stock Exchange Limited |
| 5. Stock Exchange Code | 512485 |
| 6. Demat ISIN No. in NSDL & CDSL | INE977F01010 |
| 7. Listing fees | Paid for year 2009-2010 |

8. Disclosures regarding appointment or re-appointment of Directors:

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Navin Vyas and Shri Vijaykumar Moyal shall retire by rotation in the forthcoming Annual General Meeting. The Board has recommended the re-appointments of the said Directors to the shareholders. The detailed resume of Directors proposed to be re-appointed is provided in the notice of the Annual general Meeting.



DHANLAXMI COTEX LIMITED

9. Stock Market Price Data:

Monthly High and Low at the Bombay Stock Exchange Limited for the financial year ended 31st March 2009:

<i>Month</i>	<i>High (Rs.)</i>	<i>Low (Rs.)</i>	<i>BSE Sensex (High)</i>
April 2008	*	*	17,480.74
May 2008	*	*	17,735.70
June 2008	*	*	16,632.72
July 2008	*	*	15,130.09
August 2008	*	*	15,579.78
September 2008	*	*	15,107.01
October 2008	*	*	13,203.86
November 2008	*	*	10,945.41
December 2008	*	*	10,188.54
January 2009	*	*	10,469.72
February 2009	*	*	9,724.87
March 2009	*	*	10,127.09

* No trading was done during the month and hence, the details of the Stock Market Price data have not been produced.

10. Registrar and Share Transfer Agents:

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.

TelNo. 28473474/28470653/28473747. Fax No: 091-022-28475207 E-mail: bigshare@bom7.vsnl.net.in

11. Share Transfer System:

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Shareholders/ Investors Grievance Committee of the Company meets as and when required.

The Number of Shares transferred for the year ended 31st March 2009 was Nil.

12. Distribution of Shareholding as on March 31, 2009:

<i>No. of Equity Shares held</i>	<i>No. of Shareholders</i>	<i>% of Shareholders</i>	<i>Amt. In Rs.</i>	<i>% of Total Share Capital</i>
1 - 5,000	1467	79.95	3421600	7.02
5,001 - 10,000	133	7.25	1016000	2.09
10,001- 20,000	76	4.14	1207500	2.48
20,001- 30,000	24	1.31	644000	1.32
30,001- 40,000	6	0.33	227000	0.47
40,001- 50,000	12	0.65	579000	1.19
50,001- 1,00,000	15	0.82	1073500	2.20
1,00,001 & Above	102	5.55	40544900	83.23
Total	1835	100	48713500	100



DHANLAXMI COTEX LIMITED

13. Categories of Shareholding as on March 31, 2009:

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	36	1.96	741400	15.22
Nationalized Banks	1	0.05	5000	0.10
Private Corporate Bodies	19	1.04	885750	18.18
Indian Public	1779	96.95	3239200	66.50
Total	1835	100	4871350	100

14. Dematerialization of Shares and liquidity:

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE977F01010.

As on 31st March 2009, 4,34,800 Equity Shares representing 8.93% had been dematerialized.

15. Plant Location:

B-2, 15/16 Parvati Co-op. Industrial Estate, Yadrav, Ichalkaranji, Kolhapur, Maharashtra.

16. Outstanding GDR's /ADR's /Warrants or any Convertible Instruments, conversion date and likely impact on Equity:

There are no GDR's / ADR's / Warrants or any convertible instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.

17. Address for Correspondance:

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E),

Mumbai 400 072

TelNo. 28473474/28470653/28473747.

Fax No: 091-022-28475207

E-mail: bigshare@bom7.vsnl.net.in

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49I(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended on 31st March, 2009.

Place: Mumbai

Dated: 26th August, 2009

Ramautar Jhawar
Chairman & Managing Director



DHANLAXMI COTEX LIMITED

PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Dhanlaxmi Cotex Limited

We have examined the compliance of conditions of Corporate Governance by Dhanlaxmi Cotex Limited ("the Company") for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further 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 and on behalf of
M/s. Rathi & Associates
Company Secretaries

Place: Mumbai
Dated: 26th August, 2009

Narayan Rathi
Partner
FCS No.: 1433
CP No.: 1104



DHANLAXMI COTEX LIMITED

AUDITORS REPORT

To the Members
DHANLAXMI COTEX LIMITED

We have audited the attached Balance Sheet of Dhanlaxmi Cotex Limited, as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date annexed thereto 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.

1. 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 of material misstatement. An audit 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.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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, Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as at 31st March, 2009 from being appointed as a Director in terms of Clause (g) of Sub – Section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

Place : Mumbai
Date : 26th August, 2009.

For S. G. Kabra & Co.,
Chartered Accountants

(S. G. Kabra)
Partner
(M.N.38867)



DHANLAXMI COTEX LIMITED

Annexure to Auditors' Report

Referred to in paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, Inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification if inventory as compared to the book records.
3. In respect to loans, secured or unsecured, granted or taken by the 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 not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. The Company has also not taken any loans during the year.
 - b) In our opinion and according to the information and explanation given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respect of loans taken by the Company, the loan has been repaid by the company and there is no any outstanding.
 - d) There is no overdue amount in respect of loans taken by the Company, as the same are repayable on demand.
2. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
3. In respect of transactions covered under Sanction 301 of the Companies Act, 1956
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in 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 explanation given to us, the transactions made in pursuance of contract or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding Rupees 5,00,000/- or more in respect of each party during the year, have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
4. The Company has not accepted any deposits from the public.
5. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
6. The Central Government has not prescribed any maintenance of Cost Records under Sanction 209 (1) (d) of the Companies Act, 1956. Therefore, the provisions of Clause (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. In respect of statutory dues.



DHANLAXMI COTEX LIMITED

- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally & regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating to Rs. 19.14 lacs have not been deposited on account of matters pending before the concerned authorities are given as under

Name of the Statute	Nature of Dues (Rs. In lacs)	A.Y pending	Disputed Amount	Forum where Dispute is
Income Tax Act, 1961	Income Tax	2003-04	07.85	Commissioner of Income tax (Appeal)
Income Tax Act, 1961	Income Tax	2005-06	11.29	Commissioner of Income Tax (Appeal)

8. The Company has no accumulated losses and has not incurred any cash losses during the financial year under audit or in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, or banks.
10. In our opinion and according to the information and explanation given to us, loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
12. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
13. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
14. The Company has not raised any term loans during the year. Therefore, clause 4(xvi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
15. In our Opinion, the funds raised on short term or long term basis have been used for the purpose for which they were raised.
16. During the year, 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.
17. The Company has not raised any money by way of a debenture issue. Therefore, the provisions of Clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
18. The Company has not raised any money by way of public issue during the year. Therefore, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
19. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

Place : Mumbai
Date : 26th August, 2009.

For S. G. Kabra & Co.,
Chartered Accountants

(S. G. Kabra)
Partner
(M.N.38867)



DHANLAXMI COTEX LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

(AMOUNT IN RUPEES)

PARTICULARS	SCHEDULE	AS AT 31/03/2009	AS AT 31/03/2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	"A"	48713500.00	48713500.00
Reserve & Surplus	"B"	199649069.52	199019190.47
Deferred Tax Liability (Refer note 8 of Schedule "J")		<u>727796.00</u>	<u>746775.00</u>
		249090365.52	248479465.47
LOANS FUND			
Unsecured Loans	"C"	<u>0.00</u>	<u>400000.00</u>
		0.00	400000.00
	TOTAL	<u><u>249090365.52</u></u>	<u><u>248879465.47</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	"D"	3063664.75	2962164.75
Less : Depreciation		<u>1809804.18</u>	<u>1632894.23</u>
		1253860.57	1329270.52
Net Block			
Investments	"E"	72379725.34	75409137.11
Current Assets, loans and Advances			
Less : Current Liabilities and provisions.	"F"	194312106.46	175249343.21
	"G"	<u>18855326.85</u>	<u>3108285.37</u>
		175456779.61	172141057.84
	TOTAL	<u><u>249090365.52</u></u>	<u><u>248879465.47</u></u>
Notes on The Accounts	"J"		

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.G.KABRA & CO.**
CHARTERED ACCOUNTANTS

S.G.KABRA
Partner
(M.N. 38867)

RAMAUTAR JHAWAR
Chairman & Managing Director

MAHESH JHAWAR
Whole Time Director

Place : MUMBAI
Dated : 26th August, 2009.

NAVIN VYAS
Director



DHANLAXMI COTEX LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(AMOUNT IN RUPEES)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31/03/2009	FOR THE YEAR ENDED 31/03/2008
BUSINESS INCOME			
Sale of Shares		42907810.46	380575167.34
Interest Income		19374.45	663402.00
Dividend Income		1321117.69	1463715.19
Interest On I.T.Refund		0.00	555944.00
Other Business Income		9885.50	0.00
Long Term Gain on Sale of Flat		0.00	3535880.00
Increase in Stock in Trade	"H"	43960638.68	51499826.97
Short Term Investment Profit		0.00	187826.78
Long Term Investment Profit		4385225.63	6835049.95
TOTAL		92604052.41	445316812.23
EXPENDITURE			
Purchase of Shares		87974867.70	425685971.72
Expenses	"I"	3810803.69	4404334.05
Depreciation		176909.97	166970.23
TOTAL		91962581.36	430257276.00
PROFIT			
Profit for the year before Taxation		641471.05	15059536.23
Less : Provision for Taxation		0.00	1540407.00
Less : Security Turnover Tax for the year		0.00	791520.74
Less : Fringe Benefit Tax Paid		30571.00	32000.00
Less : Earlier Year Adjustment		0.00	859997.00
Add : Deferred Tax Assets Adjustment		18979.00	6102.00
Net Profit /Loss for the year after Taxation		629879.05	11841713.49
Balance brought forward from Last Year		108006587.47	96164873.98
Balance carried to Balance Sheet		108636466.52	108006587.47

Notes on Accounts

"J"

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.G.KABRA & CO.**
CHARTERED ACCOUNTANTS

RAMAUTAR JHAWAR
Chairman & Managing Director

S.G.KABRA
Partner
(M.N. 38867)

MAHESH JHAWAR
Whole Time Director

Place : MUMBAI
Dated : 26th August, 2009.

NAVIN VYAS
Director



DHANLAXMI COTEX LIMITED

SCHEDULE "A"

(AMOUNT IN RUPEES)

	AS AT 31/03/2009	AS AT 31/03/2008
SHARE CAPITAL		
Authorised:		
55,00,000 Equity Shares of Rs.10/- each	55000000.00	55000000.00
Issued, Subscribed & Paid-up :		
48,71,350 Equity Shares of Rs.10/- each fully paid-up in cash	48713500.00	48713500.00
TOTAL	48713500.00	48713500.00

SCHEDULE "B"

(AMOUNT IN RUPEES)

	AS AT 31/03/2009	AS AT 31/03/2008
RESERVES & SURPLUS		
1. Special Capital Incentive	745930.00	745930.00
2. Investment Allowance Reserve (Utilised)	439673.00	439673.00
3. Securities Premium A/c	89827000.00	89827000.00
4. Profit & Loss A/c	108636466.52	108006587.47
TOTAL	199649069.52	199019190.47

SCHEDULE "C"

(AMOUNT IN RUPEES)

	AS AT 31/03/2009	AS AT 31/03/2008
UNSECURED LOANS		
Promtech Impex Pvt. Ltd.	0.00	400000.00
TOTAL	0.00	400000.00

**SCHEDULE "D"****FIXED ASSETS**

ITEM NO. PARTICULARS	COST				DEPRECIATION				NET BLOCK	
	AS ON 01/04/2008	ADDITIONS DURING THE YEAR	SOLD/ADJ. DURING THE YEAR	AS ON 31/03/2009	UP TO 01/04/2008	ADJUSTED DURING THE YEAR	PROVIDED DURING THE YEAR	UP TO 31/03/2009	AS ON 31/03/2009	AS ON 31/03/2008
Air Conditioner	286025.00			286025.00	173765.55		13586.19	187351.74	98673.26	112259.45
Computer	64712.00	56500.00		121212.00	18087.82		17599.82	35687.64	85524.36	46624.18
Electric Installation	172675.85			172675.85	133126.98		8202.10	141329.08	31346.77	39548.87
Furniture & Fixtures	448403.64			448403.64	376475.13		28383.95	404859.08	43544.56	71928.51
Fax Machine	80000.00			80000.00	65263.43		3800.00	69063.43	10936.57	14736.57
Factory Bulding	832657.26			832657.26	507632.03		27810.75	535442.78	297214.48	325025.23
Leasehold Land	187311.00			187311.00	27167.99		1873.11	29041.10	158269.90	160143.01
Motor Car	654000.00	45000.00		699000.00	208212.00		64426.00	272638.00	426362.00	445788.00
Office Equipment	186005.00			186005.00	92844.52		8835.24	101679.76	84325.24	93160.45
Refrigerator	35500.00			35500.00	18424.25		1686.25	20110.50	15389.50	17075.75
Washing Machine	14875.00			14875.00	11894.52		706.56	12601.08	2273.92	2980.46
TOTAL	2962164.75	101500.00	0.00	3063664.75	1632894.22	0.00	176909.97	1809804.18	1253860.56	1329270.48
Previous Year	3799279.75	27005.00	864120.00	2962164.75	1465924.01	0.00	166970.23	1632894.23	1329270.52	2333355.74



DHANLAXMI COTEX LIMITED

SCHEDULE "E"

(AMOUNT IN RUPEES)

SR. NO.	INVESTMENT (AT COST)	AS AT 31.03.2009		AS AT 31.03.2008	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
1	Aftek Info Ltd. @ 69.96 Each	13630	953580.00	13630	953580.00
	Aftek Info Ltd. (Bonus)	7565	0.00	7565	0.00
2	Ajay Multi Projects Ltd. @ 2.03 Each	56800	115304.00	56800	115304.00
3	Ashima Ltd. @ 24.35 Each	7000	170419.10	7000	170419.10
4	Birmingham Tele @ 4.75 Each	14000	66500.00	14000	66500.00
5	Bombay Burma Ltd. @ 845.19 Each	3201	2705458.96	3201	2705458.96
6	Computech Int. @ 22.71 Each	15000	340695.00	15000	340695.00
7	Crest Com @ 159.67 Each	7315	1167985.65	7315	1167985.65
8	Dhanlaxmi Fabrics Ltd. @ 1.46 Each	347079	508114.74	347079	508114.74
9	DGP Windsor @ 23.56 Each	7000	164920.00	7000	164920.00
10	Design Auto @ 1.81 Each	10000	18100.00	10000	18100.00
11	Dhar. Morarjee Chem. @ 19.36 Each	9675	187308.00	9675	187308.00
12	Dhanlaxmi Bank Ltd. @ 62.00 Each	7000	434000.00	7000	434000.00
13	Encore Software @ 43.80 Each	14100	617568.05	14100	617568.05
14	Gas Authority of India Ltd. @ 532.57 Each	5000	2662825.60	5000	2662825.60
15	Garden Silk Ind. Ltd. @ 50.92 Each	14889	758161.56	14889	758161.56
16	Grasim Ind. Ltd. @ 60.00 Each	450	27000.00	450	27000.00
17	GTL Ltd. @ 55.05 Each	11277	607771.00	35029	1928290.40
18	GTL Infra @ 27.88 Each	0	0.00	51232	1428444.17
19	Gonterm Peip @ 9.17 Each	7651	70166.94	7651	70166.94
20	GTN Textiles Ltd. @ 37.23 Each	5000	186150.00	5000	186150.00
21	GTN Ind. @ 37.23 Each	5000	186150.00	5000	186150.00



DHANLAXMI COTEX LIMITED

22	Gujrat Inc. Ltd. @ 7.01 Each	520000	3645307.67	520000	3645307.67
23	Hathway Bhaw @ 22.45 Each	3200	71831.00	3200	71831.00
24	HPCL @ 334.82 Each	2000	669630.00	2000	669630.00
25	Hindustan Development @ 5.60 Each	3500	19600.00	3500	19600.00
26	Henkel Spic @ 33.36 Each	15000	500336.20	15000	500336.20
27	HFCL @ 44.58 Each	23420	1044139.00	23420	1044139.00
28	Indian Oil Ltd. @ 602.83 Each	7500	4521252.85	7500	4521252.85
29	JCT Ltd. @ 13.23 Each	42500	562140.00	42500	562140.00
30	Jhavar Trade & Investment @1000.00 Each	13000	13000000.00	13000	13000000.00
31	Kohinoor Broadcasting @ 18.01 Each	100000	1801000.00	100000	1801000.00
32	Kesar Enterprises @ 127.36 Each	15626	1990111.66	15626	1990111.66
33	Maral Overseas @ 22.51 Each	10000	225060.00	10000	225060.00
34	Marrs Software (Bonus)	25000	0.00	25000	0.00
35	Mas. Global @ 40.33 Each	23600	951734.80	23600	951734.80
36	Metalman Ind. Ltd. @ 36.60 Each	12990	475466.60	12990	475466.60
37	M R Shares Broking @ 10.00 Each	600000	6000000.00	600000	6000000.00
38	Moschip Semi. Ltd. @ 43.25 Each	22110	956213.10	22110	956213.10
39	MRF Ltd. @ 1461.55 Each	1000	1461550.84	1000	1461550.84
40	Nahar Investments @ 49.68 Each	14925	741534.75	14925	741534.75
41	Nahar Spg. Ltd. @ 56.30 Each	34389	1936061.33	34389	1936061.33
42	Nahar Capital Ltd. @ 56.30 Each	34389	1936061.33	34389	1936061.33
43	Nahar Industry Enterprises @73.42 Each	15987	1173719.00	15987	1173719.00
44	NIIT Technology Ltd. @ 280.10 Each	371	104660.00	371	104660.00
45	Orient Info @ 29.85 Each	18660	557001.00	18660	557001.00
46	Pantaloon Retail @ 500 Each	1566	783000.00	1566	783000.00
47	Raj Rayon @ 38.53 Each	10283	396186.62	10283	396186.62
48	Ram Ratan Wires @ 16.32 Each	13766	222282.00	15251	248938.75
49	Reliance Industries Ltd. @ 1562.30 Each	1119	1748529.90	1119	1748529.90



DHANLAXMI COTEX LIMITED

50	Reliance Petroleum Ltd. @ 214.44 Each	7500	1608325.00	7500	1608325.00
51	Riga Sugars @ 35.44 Each	9682	343087.00	9682	343087.00
52	Roman Tarmat @ 175.00 Each	292	51100.00	292	51100.00
53	Shonk Techno @ 41.61 Each	7000	291245.00	7000	291245.00
54	Shyam Telelink Ltd. @ 8.45 Each	9170	77512.00	9170	77512.00
55	Striven Multi @ 9.05 Each	3000	27150.00	3000	27150.00
56	SQL Star Ltd. @ 43.90 Each	3000	131686.50	3000	131686.50
57	Sterlite Opticals @ 84.53 Each	2250	190196.00	2250	190196.00
58	Tips Ind. Ltd. @ 23.60 Each	7634	180186.00	11634	270178.14
59	Vardhman Tex @ 220.51 Each	13898	3064712.20	13898	3064712.20
60	Vardhman Tex (Bonus)	8275	0.00	8275	0.00
61	Vardhaman Holdings @ 289.01 Each	3985	1151722.35	3985	1151722.35
62	Ventron Poly @ 3.60 Each	1000	3600.00	1000	3600.00
63	VJIL Consultants @ 18.85 Each	7000	131950.00	7000	131950.00
64	Visu Software @ 211.65 Each	5500	1164094.60	5500	1164094.60
65	Vikram @ 33.74 Each	12850	433539.80	12850	433539.80
66	V.R.M. Share Broking @ 10.00 Each	350000	3500000.00	350000	3500000.00
67	Whirlpool India @ 35.07 Each	14500	508542.44	19000	672341.75
68	Weizmen Ltd. @ 39.92 Each	1320	52688.20	1320	52688.20

DEBENTURES

1	Insilco Ltd. @ 150/-	172	25800.00	172	25800.00
TOTAL			72379725.34		75409137.11

Market Value of Investments :-

(Quoted Shares)	23949146.00	58689331.00
(Unquoted Shares)	23123418.74	23123418.74
(Debentures)	25800.00	25800.00
TOTAL	47098364.74	81838549.74



DHANLAXMI COTEX LIMITED

SCHEDULE "F"

(AMOUNT IN RUPEES)

CURRENT ASSETS LOANS & ADVANCES	AS AT 31/03/2009	AS AT 31/03/2008
A. CURRENT ASSETS :		
1. Closing Stock (Valued & certified by Directors of the company)		
a) Raw Materials	0.00	0.00
b) Stock of Shares	<u>119576869.60</u>	<u>75616230.92</u>
	119576869.60	75616230.92
2. Sundry Debtors for Goods (unsecured considered good)		
a) More than Six Months	302147.00	302147.00
b) Less than Six Months	<u>39342737.40</u>	<u>48960718.00</u>
	39644884.40	49262865.00
3. Cash in hand (as certified & counted by the management)	475623.79	464141.79
4. Bank Balance with Scheduled Banks		
a) In Current Account	<u>177367.47</u>	<u>4438171.19</u>
	652991.26	4902312.98
B. LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
1. Loans	5185882.76	16210000.00
2. Advances		
a) Income Tax.	19247408.13	19243417.00
b) Advances recoverable in cash or kind	13380.00	13827.00
c) Advances to Customers	<u>0.00</u>	<u>0.00</u>
	19260788.13	19257244.00
3. Deposits	9990690.31	10000690.31
TOTAL	194312106.46	175249343.21



DHANLAXMI COTEX LIMITED

SCHEDULE "G"

(AMOUNT IN RUPEES)

CURRENT LIABILITIES & PROVISIONS	As At 31/03/2009	As At 31/03/2008
A) CURRENT LIABILITIES		
Sundry Creditors for Expenses	216814.00	248486.00
Sundry Creditors for Goods	2399344.85	2701824.87
Outstanding Liabilities	20488.00	56974.50
Advances from Customers	<u>16218680.00</u>	<u>101000.00</u>
	18855326.85	3108285.37
B) PROVISIONS		
Provisions for Income Tax	0.00	0.00
TOTAL	18855326.85	3108285.37

SCHEDULE "H"

(AMOUNT IN RUPEES)

STATEMENT SHOWING INCREASE/DECREASE IN STOCK	AS ON 31/03/2009	AS ON 31/03/2008
I. CLOSING STOCK		
Shares	<u>119576869.60</u>	<u>75616230.92</u>
	119576869.60	75616230.92
II. LESS : Opening Stock		
Shares	<u>75616230.92</u>	<u>24116403.95</u>
	75616230.92	24116403.95
INCREASE/(DECREASE) IN STOCK	43960638.68	51499826.97



DHANLAXMI COTEX LIMITED

SCHEDULE "I"

(AMOUNT IN RUPEES)

S.NO.	OTHER EXPENSES	AS ON 31/03/2009	AS ON 31/03/2008
1	Audit Fees (See Notes)	22060.00	22472.00
2	Advertisement & Exhibition Expenses	11470.00	27836.00
3	Bank & Demat Charges	5643.54	11954.00
4	Company's Contributoin to Provident Fund	67404.00	67404.00
5	Computer Repair Maintinance	40869.00	52415.00
6	Conveyance Expenses	77425.00	128559.00
7	Club / Membership Fees	16000.00	0.00
8	Directors Remuneration	600000.00	600000.00
9	Donation	0.00	25000.00
10	Electricity Charges	0.00	12602.00
11	Filing Fees	1224.00	5500.00
12	Insurance Charge	11059.00	17396.00
13	Misc Expenses	0.00	366052.00
14	LIC Keyman Premium	1337379.30	1235942.00
15	Legal & Professional Fees & Administration	160243.00	68801.00
16	Listing Fees & Depository Expenses	20074.00	18989.00
17	Mediclaime Insurance Premium	32727.00	33337.00
18	Office Expenses	94323.98	222337.77
19	Office Rent	12000.00	12000.00
20	Printing & Stationery	53057.96	105250.00
21	Postage,Courier & Telegram	29012.00	78549.00
22	Profession Tax	7500.00	7500.00
23	Repair & Maintenance	65491.00	149859.00
24	Staff Salary & Bonus	678089.00	747399.00
25	Staff Welfare	76917.00	82705.00
26	Telephone Expenses	112371.11	130256.68
27	Travelling Expenses	8916.00	54081.00
28	Vehicle Expenses	140594.00	120137.60
29	Security Transaction Tax	128953.80	0.00
TOTAL		3810803.69	4404334.05



DHANLAXMI COTEX LIMITED

SCHEDULE - "J"

NOTES FORMING PART OF ACCOUNTS

Statements of Significant Accounting Policies :

1. Fixed Assets : Valued at Cost.
2. Depreciation and Amortisation :
 - a. Depreciation is provided as per straight line method according to the rates specified in Schedule XIV of the Companies Act, 1956.
 - b. The Company writes off Leasehold land over the period of Lease on Straight line basis.
3. Investments : Investments are stated at cost.
4. Inventories :

Basis of Valuation

Raw Material	:	At Cost
Finished Goods	:	At Cost or Market Value whichever is lower.
Shares	:	At Cost or Market Value whichever is lower.
5. Sales :

Sales of Products are recognised as on the date of the Invoices.
6. Gratuity :

No provision has been made in the accounts on account of gratuity which are not quantified as it is not applicable.
7. Basis Of Accounting :

The Financial Statements are prepared under the Historical cost convention accordance with the requirements of the Companies Act, 1956 and accepted Accounting Standards. In the opinion of the Management, the Current Assets, Loans & Advances are not less than the value stated, if realised in the ordinary course of Business.
8. Deferred Tax :
 - a. The Company has adopted Accounting Standard-22 "Accounting for taxes on Income" with effect from 1st April 2001.

During the current year the Company has a Deferred Tax Assets due to higher depreciation adjusted as per the Companies Act, 1956 compared to depreciation admissible as per the Income Tax Act, 1961 which is credited to the Profit & Loss Account of the current year.
 - b. The break up of net Deferred Tax Liability / Assets on 31st March, 2009 is under.

	(Rupees In Lakhs)
Deferred Tax Liability as on 01/04/2008	7.47
Less : Deferred Tax Assets for the year	0.19
(Difference between book & tax depreciation)	
Net Deferred Tax Liability	7.28

The Deferred Tax balances have arisen principally on account of the timing difference between the depreciation adjusted in account. Though adjustment has been made in term of Accounting Standard 22, having regard to the Normal Capital Expenditure which the Company is expected to continue to make in likely to materialize on account thereof.
9. Figures pertaining to previous year have been regrouped and recast wherever necessary so as to make them comparable with those of the current year.



DHANLAXMI COTEX LIMITED

10. Remuneration to Directors

(Amount in Rupees)

	<u>2008-2009</u>	<u>2007-2008</u>
Director Remuneration	600000.00	600000.00

11. Break up of expenditure of employees

	<u>2008-2009</u> (Rupees in Lacs)		<u>2007-2008</u> (Rupees in Lacs)	
	No. of Employees	Salary & Bonus	No. of Employees	Salary & Bonus
a. Employed throughout the year and in receipt of remuneration of Rs.2400000/- or more.	Nil	Nil	Nil	Nil
b. Employed for part of the year & in remuneration of Rs.200000/- or more	Nil	Nil	Nil	Nil

12. Related Party Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below.

- a. List of related parties with whom the company entered in to transactions during the year in the Ordinary Course of Business.

Associate Companies.

1. Sohanlal Jhavar Family Trust
2. M R Share Broking Pvt. Ltd.
3. V R M Share Broking Pvt. Ltd.

Key Management Personnels and Relatives

1. Ramautar S. Jhavar
 2. Mahesh S. Jhavar
- b. Transaction with related parties.

Nature of Transaction	Associates	Key Management Personnel	Rupees In Lacs.
			Total
1 A. Sale of Shares	1082.00	0.00	1082.00
B. Sale of Cloth	0.00	0.00	0.00
2 Purchase of Shares	1051.69	0.00	1051.69
3 Outstanding Balances			



DHANLAXMI COTEX LIMITED

as on 31/03/2009

Receivables	526.80	0.00	526.80
Payables	66.11	0.00	66.11
4 Rent	0.12	0.00	0.12
5 Managerial Remuneration		6.00	6.00

13. The Companies main business segment is Investment & Trading in equities which constitutes more than 90% of its turnover and the only geographical segment is India. Consequently the need for separate disclosure as required under Accounting Standard 17 "Segment Reporting" is not considered relevant.

14. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 could not be furnished as none of the suppliers of the Company have provided the details of their registration under the said Act.

15. As stipulated in AS-28, the Company assessed potential generation of economic benefits from its business units and is of the view that the assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the Contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

16. Payment to Auditors :

	(Amount in Rupees)	
	<u>2008-2009</u>	<u>2007-2008</u>
a. For Audit	12000.00	12000.00
b. For Tax Audit	5000.00	5000.00
c. For Other Matters	2000.00	2000.00
d. Out of Pocket Expenses	1000.00	1000.00
e. Service Tax	2060.00	2472.00
	<u>22060.00</u>	<u>22472.00</u>

17. The Company has taken office premises on lease from Sohanlal Jhavar Family Trust @ Rs.1000/-p.m. at a lease rent and interest free deposit of Rs.300000/-.

18. Additional information pursuant to the provisions of part IV of schedule VI of the Companies Act, 1956 as per annexure 1.

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.G.KABRA & CO.**
CHARTERED ACCOUNTANTS

S.G.KABRA
Partner
(M.N. 38867)

RAMAUTAR JHAWAR
Chairman & Managing Director

MAHESH JHAWAR
Whole Time Director

Place : MUMBAI
Dated : 26th August, 2009.

NAVIN VYAS
Director



DHANLAXMI COTEX LIMITED

Annexure 1 (Refer Note No. 'A' of the Schedule "J")

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information required to be given in pursuance of part IV of Schedule VI of the Companies Act, 1956

I. REGISTRATION DETAILS

Registration No.	:	42280	State	Code	11
Balance Sheet Date	:	31	03	2009	
		Day	Month	Year	

II. CAPITAL RAISED DURING THE YEAR

(AMOUNT IN RS. THOUSANDS)

Public Issue	:	Nil
Bonus Issue	:	Nil
Right Issue	:	Nil
Preferential Issue	:	Nil
Private Placement/Others	:	Nil

III. POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS

Total Liabilities	:	249090
Total Assets	:	249090

SOURCES OF FUNDS

Paid-up Capital	:	48714
Secured Loans	:	Nil
Reserves & Surplus	:	200376
Unsecured Loans	:	0

APPLICATION OF FUNDS

Net Fixed Assets	:	1253
Net Current Assets	:	175457
Accumulated Losses	:	Nil
Investments	:	72380
Misc. Expenditure	:	Nil
Capital Work in Progress	:	Nil

IV. PERFORMANCE OF COMPANY

Turnover	:	92604
Profit Before Tax	:	641
Earning Per Share (Rs.)	:	0
Total Expenditure	:	91963
Provision for Tax	:	0
Profit After Tax	:	630
Dividend Rate (%)	:	Nil

V. As the number of equity shares are very large, it is not practical to name them.



DHANLAXMI COTEX LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

A. CASH FLOW FROM OPERATING ACTIVITIES :

(RUPEES IN LACS)

Net Profit before tax and Extraordinary Items	6.41
Adjustments for :	
Depreciation	1.77
Profit on Sale of Investments	(43.85)
Interest From I.T. Refunds	0.00
Interest Income	(0.19)
Loss on Sale of Fixed Assets	0.00
Dividend Recd.	(13.21)
Bank Interest Paid	0.00
	<u>(55.48)</u>

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES (49.07)

Adjustments For :	
Sundry Debtors	96.18
Inventories	(439.61)
Sundry Creditors	157.47
Other Current Assets	<u>110.31</u>
	(75.65)

CASH FLOW FROM OPERATIONS (124.72)

Fringe Benefit Tax Paid	(0.30)
Direct Tax Paid (including T.D.S.)	0.00

Net Cash Flow From Operating Activities A (125.02)

B. CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets	(1.02)
Sale of Fixed Assets	0.00
Sale of Investments	30.29
Interest Income	0.19
Sale of Fixed Assets	0.00
Dividend Received	13.21
Profit on Sale of Investment	<u>43.85</u>
Net Cash Used in Investing Activities B	86.52



DHANLAXMI COTEX LIMITED

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of Share Capital		0.00
Share Premium		0.00
Proceeds from Short term borrowings		0.00
Repayment of finance/loan liabilities		(4.00)
Dividend Paid / Bank Interest Paid		0.00
Net Cash Used In Financing Activities	C	(4.00)
 Net Increase in Cash and Cash equivalents (A+B+C)		 (42.50)
 Cash & Cash Equivalents as at 01.04.2008 (Opening Balance)		 49.02
 Cash & Cash Equivalents as at 31.03.2009 (Closing Balance)		 6.52

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.G.KABRA & CO.**
CHARTERED ACCOUNTANTS

RAMAUTAR JHAWAR
Chairman & Managing Director

S.G.KABRA
Partner
(M.N. 38867)

MAHESH JHAWAR
Whole Time Director

Place : MUMBAI
Dated : 26th August, 2009.

NAVIN VYAS
Director



DHANLAXMI COTEX LIMITED

Registered office : 285 Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai - 400 002

PROXY FORM

I/We _____ of _____
_____ in the district of _____ being a Member/members of
the above-named Company hereby appoint _____ of _____
_____ or failing him/her _____ in the district of _____
_____ as my / our proxy to attend
and vote for me / us my / our behalf at the Annual General Meeting of the Company to be held on Tuesday, 29th
September, 2009 at 4.00 P.M. At 285 Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai - 400 002.

Signed this Tuesday 29th of September, 2009.

Signature _____

Address _____

Folio No. _____

No. of shares held _____

N.B. (1) The Proxy need not be a member.

(2) The Proxy form duly signed and stamped should reach the Registered Office of the Company not less
than FORTY EIGHT hours before the time of the holding the meeting .

Affix One
Rupee
Revenue
Stamp

DHANLAXMI COTEX LIMITED

Registered office : 285 Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai - 400 002

ATTENDANCE SLIP

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company At : 285 Princess Street,
2nd Floor, Chaturbhuj Jivandas House, Mumbai - 400 002 on Tuesday, 29th September, 2009 at 4.00 P.M.

Name of the Shareholder _____

Ledger Folio No. _____

Name of Proxy/Representative, if any _____

Signature of the Shareholders/Proxy _____

Representative _____

NOTE : Shareholders / Proxy Holders are requested to bring their Attendance Slip with them and to hand over
it at the gate of the Meeting after their signature.



DHANLAXMI COTEX LIMITED

BOOK POST

If undelivered, Please return to :-

DHANLAXMI COTEX LIMITED

285, Princess Street,
C.J. House, 2nd Floor,
MUMBAI - 400 002.

DAS PRINTING : 40026615/16