

Board of Directors

Chairman
Dr. Ranchhoddas Mohota

Managing Director
Shri Vinodkumar Mohota

Directors
Shri Vinay Kumar Mohota
Shri S. B. Singhvi
Shri C. J. Thakar
Shri G. G. Singhee
Shri Pavan Poddar
Shri Suresh Rathi

Bankers

State Bank of India
Bank of India

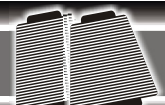
Auditors
M/s. Batliboi & Purohit
Chartered Accountants, Mumbai

Registered Office
Block no. 15, 3rd Floor, Devkaran Mansion, Gate No. 2,
63, Princess Street, Mumbai - 400 002

Corporate Office
Ram Mandir Ward, Hinganghat - 442301 Dist Wardha (M.S.)

Export Office
309, ACME Plaza, Andheri Kurla Road, Andheri (E)
Mumbai - 400 059

Works
a) Ram Mandir Ward, Hinganghat
b) Village Burkoni, Tah. Hinganghat



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 63rd Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on Monday the 27th day of September, 2010 at 10.30 a.m. at the Registered Office of the Company at Devkaran Mansion, Gate No.2, Block No.15, 3rd Floor, 63 Princess Street, Mumbai - 400 002 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ranchhoddas Mohota, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vinod Kumar Mohota, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri C. J. Thakar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification the following resolution:

“RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Batliboi & Purohit, Chartered Accountants, Mumbai, the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration and reimbursement of the expenses for the said period.”

By the order of the Board

The Rai Saheb Rekhchand Mohota
Spg. and Wvg. Mills Ltd.



Vinod Kumar Mohota
Managing Director

Place : Hinganghat
Date : 25/08/2010

NOTES:

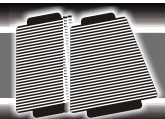
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/herself and the proxy need not be a member of the Company. The Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed **from 20th September 2010 to 27th September, 2010** (both days inclusive).
3. Members/ Proxies should bring their attendance slip duly filled in for attending the meeting.
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members are requested to send their queries, if any, in writing at least 10 days in advance of the day of the meeting.
6. The information required to be provided under the listing agreements entered into with Stock Exchanges, regarding the Directors who are proposed to be appointed / reappointed is annexed hereto.



INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

(Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting.)

Name	Shri Ranchhoddas Mohota	Shri Vinod Kumar Mohota	Shri C. J. Thakar
Date of Birth	17.01.1936	27.10.1961	21.04.1936
Qualification	M.Com.,LL.B.,D.Litt.(Tex.) A.M.B.I.M.(London), F.R.E.S. (London)	B.Com.	B.A.,L.L.B.
Date of first Appointment	10.08.1960	16.08.1994	29.09.1993
Expertise	Production and General Administration.	Administration, Finance, Purchases.	Legal Matters.
Directorship held in other Companies	Nil	--	---
Chairman/ Member of Committee of the other Companies	Nil	Nil	Nil



THE RAI SAHEB REKHCHAND MOHOTA SPG.& WVG. MILLS LTD. MUMBAI

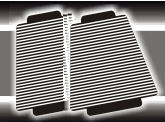
FINANCIAL HIGHLIGHTS

(RS.IN LACS)

PARTICULARS	31 ST MARCH									
	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Total Income	18796.99	15336.52	15542.93	12736.96	16415.49	15701.15	12984.54	11198.05	7058.23	6553.48
Operating Profit	1062.85	636.85	814.08	1067.42	956.14	922.53	837.84	819.79	659.60	277.77
Interest	650.22	586.19	410.08	263.97	266.34	256.53	136.04	228.83	296.75	243.15
Depreciation	580.21	557.84	500.51	486.21	586.85	538.14	426.30	500.47	395.62	363.30
Tax	(55.02)	(134.09)	28.00	34.14	10.32	4.00	7.12	25.81	(0.03)	---
Net Profit/(Loss)	(222.60)	(373.09)	(124.51)	283.08	92.63	123.86	268.38	64.68	32.80	(328.68)
Gross Block	12171.78	12191.26	11705.48	8897.92	**7944.69	*10143.33	7506.05	7091.06	6796.13	6541.15
Investments	147.74	244.09	244.09	218.03	180.12	-	0.63	13.17	10.59	14.93
Net Current Assets	5327.36	4477.75	4482.15	5020.69	4073.58	5227.18	5302.60	4226.69	3698.48	3003.58
Equity Share Capital	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87
Reserves	2277.20	2603.08	3060.37	3338.36	3172.30	3410.30	2598.84	2238.70	2229.65	2565.16
Borrowings	8764.26	8281.70	7874.21	5766.20	4418.88	5849.81	4608.53	4086.97	3876.18	3606.89
Book Value Per Share Rs.	55.84	61.18	70.13	74.42	67.63	71.13	70.00	61.27	61.06	69.05
Earning Per Share Rs.	(5.34)	(8.94)	(2.99)	6.79	2.22	2.97	6.44	1.55	0.79	(7.88)

* Gross Block increased by Rs.776.88 Lacs due to revaluation of factory building of Hinganghat Unit

** Gross Block decreased due to slump sale of Wani Unit.



DIRECTORS' REPORT :

Your Directors submit their Report and the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

	As at 31 st March 2010	(Rs.in Lacs) As at 31 st March 2009
Gross Revenue	18796.99	15336.52
Gross Profit (before interest, depreciation & tax)	1062.85	636.85
Less : Interest	650.22	586.19
Depreciation	580.21	557.84
Profit / (Loss) before tax	(167.58)	(507.18)
Less: <u>Provision for taxation</u>		
Current	-	-
Deferred	(55.02)	136.59
Fringe Benefit Tax	-	(2.50)
For earlier years	-	-
Net Profit / (Loss) available for appropriation	(222.60)	(373.09)
<u>Appropriation :</u>		
Transfer to General Reserve	(222.60)	(373.09)

DIVIDEND

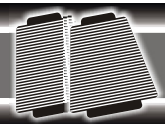
In view of the loss during the year, the Board of Directors have not recommended any Dividend on the paid up Equity share Capital of the company for the year.

OPERATIONS

During the financial year under review, your Company's turnover has increased to Rs.18691.16 lacs from Rs.15328.34 lacs in the corresponding previous year mainly on account of increase in export of yarn as Merchant Exporter. However, company has incurred Net loss of Rs.222.60 lacs due to substantial increase in raw material price mainly VSF, Cotton, Stores spares cost and interest on Working capital and Term loan and higher labour cost due to hike in VDA because of high inflation rate and also power cost increased by MSEDCL.

EXPORTS

The Company's export during the year calculated on FOB basis amounted to Rs.72.93 crore as against Rs.48.39 crore in the immediate preceding year, registering increase in turn over by 34% due to high demand of Cotton yarn & PV yarn in Export Market.



CURRENT AND FUTURE OUTLOOK

The global economy is showing signs of a turnaround with Asian Economies experiencing a relatively stronger rebound. The global economic performance improved during the latter half of the calendar year 2009, prompting the IMF to reduce the projected rate of economic contraction in 2009 from 1.1 per cent to 0.8 per cent in January 2010. Consequently, the IMF also revised the projection of global growth for 2010 from 3.1 per cent to 3.9 per cent. However, significant risks remain: (1) in many Economies, the recovery is largely driven by government spending whilst consumer sentiments remain fragile; (2) high levels of global liquidity have led to steep increases in commodity prices; (3) emerging markets are likely to face increased inflationary pressures and (4) developed economies are facing large budget deficits.

There are concerns that the global recovery phase may be fragile, as economies of developed countries, particularly USA and Europe, continue to be set with the problems of high unemployment, low consumer spending and depressed housing markets. Besides, the recent crisis in Portugal, Ireland, Spain and Greece indicate that there would be many pitfalls along the road to recovery and that normalcy is still some time away.

India's growth-inflation dynamics are in contrast to the overall global scenario. The Indian Economy is recovering steadily from the growth slowdown, but inflationary pressures, triggered by the supply side factors, have developed into a wider inflationary cycle.

Although the growth momentum of the Indian economy was substantially impacted with the onset of the global economic slowdown, the severity of the impact was considerably less when compared to most developed economies. The fiscal and monetary policies implemented by the Government of India helped the economy to weather the downturn phase. The outlook of the Indian economy turned positive towards the end of 2009, driven by the uptrend in industrial production and re-cuperating consumption and investment demand. The Reserve Bank of India has projected the final real GDP growth for 2009-10 in the range of 7.2 per cent to 7.5 per cent with a forecast of 8.0 per cent for 2010-11.

MODERNISATION / EXPANSION UNDER TUFS

Your Company has incurred capital expenditure of Rs.313.35 lacs on 6 Ring frames, Draw frame, Speed frame, 2 TFO and other accessories for modernization / upgradation of existing Hinganghat unit and it has been financed through internal accruals and term loan from SBI & BOI under TUFS.

CDM PROJECT ACTIVITY

Our CDM project has been registered in UNFCCC this year and audit for last 3 years has been completed. We will be shortly receiving CER Certificate which we can sell in the international market.

DEPOSITS

The Company has accepted Deposits U/S 58A of the Companies Act, 1956 and are within the rules as prescribed under the Companies (Acceptance of Deposit) Rules, 1975.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Ranchhoddas Mohota, Shri Vinod Kumar Mohota & Shri C. J. Thakar, Directors of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

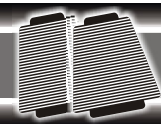
Your Company's Auditor, M/s. Batliboi & Purohit, Chartered Accountants, Mumbai retire at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

AUDITOR'S REPORT

The observations made in the Auditor's Report are dealt with separately in the Notes to the Profit and Loss Account and the Balance Sheet in Schedule 'Q' of the Accounts. These are self explanatory and do not call for any further comments.

COST AUDITORS

The Board of Directors have re-appointed M/s. G. R. Paliwal & Co., Cost Accountants, Nagpur as the Cost Auditor of the Company under Section 233B of the Companies Act, 1956 for the year 2010-11.



SAFETY AND POLLUTION CONTROL

Your company accords priority to the health and safety of its employees and surroundings. It has been taking proper care in complying with all the statutory requirements relating to safety, environment and pollution control.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended by companies (Amendment) Act, 2000, your Directors state :-

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- 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 on 31.03.2010 and of the loss of the company for the year ended on 31.03.2010.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- that the directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information required under Section 217(1)(e) of the Companies Act, 1956 read with rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure 'I' which forms an integral part of this report.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, the Report on the Corporate Governance, together with Auditor's Certificate thereon are annexed to this report as Annexure II & III respectively.

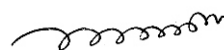
PERSONNEL

The company at present does not have any employee drawing salary in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956 read with rules thereunder.

ACKNOWLEDGEMENTS

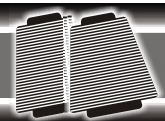
The Directors wish to place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions and Shareholders. The Directors also record their sense of appreciation for the sincere services rendered by all the Executives and Staff of the company and for their valuable contribution in the working of the company.

On Behalf of the Board



Dr. Ranchhoddas Mohota
Chairman

Place : Hinganghat
Dated: 29/05/2010



ANNEXURE 'I' TO DIRECTORS' REPORT

Information as per section 217(1)(e) read with rule 2 of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2010

1. CONSERVATION OF ENERGY

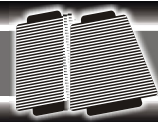
- (a) **Measures taken :** The company is aware of the importance of conservation of energy and continuous efforts are being made to reduce energy cost at all levels. Special attention is being given for the use of energy efficient equipments. During the year Company reviewed and continued to pursue the energy conservation measures taken in the previous year with a view to further reduce the cost of energy and consequently the cost of production.
- (b) **Additional investments and proposal for reduction of consumption of energy:** The Management is committed to further identify new areas where the conventional equipments can be replaced by latest equipments so as to reduce the consumption of various sources of energy.
- (c) **Impact of the measures (a) and (b) :** The Company has achieved reduction in energy costs.

Total energy consumption and consumption per unit of production in prescribed Form 'A' given below :

FORM A

I.	Power and Fuel Consumption	2009-2010	2008-2009
1.	Electricity		
	(a) Purchased		
	Unit (kwh in lacs)	270.87	272.96
	Total Amount (Rs. In lacs)	1056.67	966.63
	Rate/Unit (Rs.)	3.90	3.54
	(b) Own Generation (Through Diesel Generator)		
	Unit (kwh in lacs)	Nil	Nil
	Units per Ltr.of Diesel	Nil	Nil
	Cost/Unit (Rs.)	Nil	Nil
2.	Furnace Oil / L.S.H.S.	N.A.	N.A.
3.	Rice Husk/ Coal (Boiler)		
	Quantity (M. T.)	11262.00	12598.00
	Total Cost (Rs. in lacs)	288.49	258.59
	Average Rate (Rs. per M.T.)	2561.63	2052.63

- II In view of composite nature of its Textile Business, it is not possible to express the consumption of power & fuel per unit of productions.



B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B is given below :

FORM B

I. Research and Development (R & D)

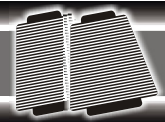
1. **Specific areas** : The R & D activities of the Company are aimed at quality control and improvement/up-gradation of the product range.
2. **Benefits derived** : Improvement in product quality, development of new value added products and cost effectiveness.
3. **Future plan of action** : Development of more value added products and making the product more cost effective.
4. **Expenditure on R & D** : Expenditure on Research & Development are very difficult to ascertain as the same staff and equipments are used for production and quality control.

II. Technology Absorption, adoption and innovation :

1. **Efforts made** : Sustained efforts are being made towards upgrading the process technology.
2. **Benefits derived** : The Company has been able to improve the quality of its existing products
3. **Particulars of technology imported** : Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (a) **Efforts** : Various efforts are being made to explore and secure new export market for Company's products.
- (b) **Earning and outgo** : (Rs. in lacs)
 - i) Foreign Exchange earning : 7293.48
 - ii) Foreign Exchange outgo : 79.91



ANNEXURE 'II' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

A. MANDATORY REQUIREMENTS

THE CORPORATE GOVERNANCE CODE

It has been the continuous endeavor of the company to exceed and excel through better Corporate Governance and fair and transparent governance practices. The company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. The company is prompt in discharging its statutory obligations and duties.

1. BOARD OF DIRECTORS (“BOARD”)

The Board of directors has adequate representation of the professional, qualified, non-executive and Independent Directors. The Board has constituted various committees of directors for proper and effective disposal of the matters. The meetings of the Board and committees are being held frequently as required. All the Directors attending the Board and Committee meetings are provided with full details of information and they actively participate in the proceedings.

a) Size and Composition of the Board

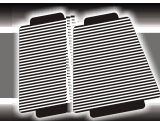
The Board of Company consists of Eight Directors, of whom three are executive and Five are non-executive directors. The Chairman of the Board is a non-executive director.

The non-executive directors are eminent industrialists and professionals with experience in management, finance and law, who bring in a wide range of skills and experience in the Board.

The details of the composition of the Board and the number of other Directorships or Memberships of Board/ Committees held by the Directors are as under;

Composition of the Board

Name of the Director	Designation	Category	Directorship in other companies	No. of memberships in Board Committees as	
				Chairman	Member
Shri Ranchhoddas Mohota	Chairman	Non- Executive	--	--	---
Shri Vinod Kumar Mohota	Mg. Director	Executive	--	1	1
Shri Vinay Kumar Mohota	Director	Executive	1	---	1
Shri S. B. Singhvi	Director	Executive	---	---	2
Shri C. J. Thakar	Director	Independent	---	1	1
Shri G. G. Singhee	Director	Independent	1	1	1
Shri Pavan Poddar	Director	Independent	11	1	10
Shri Suresh Rathi	Director	Independent	2	-	2



b) Number of Board Meetings

During the year 2009-10 The Board of Directors met 12 times on the following dates:

Sl. No.	Date of Meeting	Board Strength	No. of Directors present
01	25.06.2009	8	7
02	30.06.2009	8	8
03	30.07.2009	8	6
04	11.08.2009	8	5
05	31.10.2009	8	7
06	18.11.2009	8	5
07	05.12.2009	8	4
08	25.12.2009	8	4
09	08.01.2010	8	7
10	22.01.2010	8	5
11	30.01.2010	8	7
12	25.03.2010	8	7

c) Attendance of Directors

Attendance record of the Directors at the Board Meetings held during the financial year 2009 - 10 and the last Annual General Meeting held on 30th September 2009.

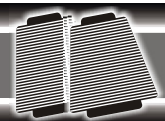
Name of the Director	No. Of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting.
Shri Ranchhoddas Mohota	12	12	No
Shri Vinod Kumar Mohota	12	12	Yes
Shri Vinay Kumar Mohota	12	12	Yes
Shri S.B. Singhvi	12	12	No
Shri C. J. Thakar	12	7	No
Shri G. G. Singhee	12	10	Yes
Shri Pavan Poddar	12	2	No
Shri Suresh Rathi	12	5	No

d) Remuneration of Directors

The remuneration of the Directors is decided by the Board of Directors as per the remuneration policy of the company and in accordance with the provisions of the Companies Act, 1956 and the ceilings as fixed by the shareholders. Given below are the details of remuneration paid to the Directors for the year ending March 31, 2010.

Name of the Director	Remuneration paid/payable for the year ended 31.03.2010(in Rs.)			
	Sitting Fees	Salary & Perks	Commission	Total
Shri Ranchhoddas Mohota	Nil	Nil	Nil	Nil
Shri Vinod Kumar Mohota	Nil	8,73,600/-	Nil	8,73,600 /-
Shri Vinay Kumar Mohota	Nil	7,39,200/-	Nil	7,39,200 /-
Shri S. B.Singhvi	Nil	3,30,120/-	Nil	3,30,120 /-
Shri C. J. Thakar	Nil	Nil	Nil	Nil
Shri G. G. Singhee	Nil	Nil	Nil	Nil
Shri Pavan Poddar	Nil	Nil	Nil	Nil
Shri Suresh Rathi	Nil	Nil	Nil	Nil

Note : Salary includes Basic Salary, Allowances, Perquisites & Company's contribution to Provident Fund etc.



e) Re-appointment/ Appointment of Directors

As per the Articles of Association of the Company, Shri Ranchhoddas Mohota, Shri Vinod Kumar Mohota and Shri C. J. Thakar shall retire by rotation at the 63rd Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The brief resume of these Directors and other information as required in clause 49 VI A of the Listing Agreement is annexed to the Notice of the Annual General Meeting.

f) Code of Conduct

The Board has laid down a Code of Conduct for all its Board Members and Senior Management Personnel, as approved by the Board and the same is being abided by all of them. The Company has obtained the confirmation of the compliance with the Code from all its Board Members and Senior Management Personnel for the year under review.

2. BOARD COMMITTEES

The Board has constituted the Audit Committee and the Share Transfer & Shareholders'/Investors' Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees. Recommendations/decisions of the committees are submitted to the Board for its consideration. The quorum for meeting is either two members or one third of the members of the committee, whichever is higher.

a) Audit Committee :-

During the Financial Year 2009-2010 four Audit Committee Meetings were held. The date on which the said meetings were held are as follows;

30th June, 2009, 30th July, 2009, 31st October, 2009 and 30th January, 2010.

Sr.No.	Name of the Audit Committee member	Designation	Category	No. of meetings attended
01	Shri G.G. Singhee	Chairman	Independent	4
02	Shri C.J. Thakar	Member	Independent	4
03	Shri S.B. Singhvi	Member	Non-Independent	4

The terms of reference of the Audit Committee include the following :-

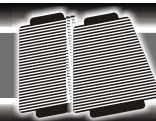
1. Overseeing Financial Reporting process.
2. Reviewing periodic financial results, financial statements and adequacy of internal control system.
3. Discussions with the Auditors about the scope of audit including their observations.
4. Approving internal Audit Plans, reviewing the functions and periodic audit reports.
5. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Share Transfer & Shareholders'/Investors' Grievance Committee.

The Share Transfer & Shareholders'/ Investors' Grievance Committee consist of Shri Vinod Kumar Mohota (Chairman), Shri Vinay Kumar Mohota and Shri S.B. Singhvi. The Committee periodically reviews redressal of Shareholders and Investor's complaints like transfer of shares, non-receipt of annual report; non-receipt of declared dividends etc. The Committee overseas the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of Investor Services.

During the year, Two meetings were held. The number of meetings attended by each of the members is as under;

Sr. No.	Name of the Committee member	No. of meetings attended
01	Shri Vinod Kumar Mohota	2
02	Shri Vinay Kumar Mohota	2
03	Shri S. B. Singhvi	2



c) Remuneration Committee [Non-mandatory]

The Board has constituted remuneration committee consisting of three Directors, viz.

Shri C.J. Thakar	-	Chairman
Shri G.G. Singhee	-	Member
Shri Vinod Kumar Mohota	-	Member

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing Director/ Whole Time Directors.

The details of Remuneration paid to Directors during the year is as under -

Sr.No.	Name of the Director & Designation	Salary Rs.	Perquisites and Other Benefits	Total
01	Shri Vinod Kumar Mohota Mg. Director	7,80,000/-	93,600/-	8,73,600/-
02	Shri Vinay Kumar Mohota - W.T.Director.	6,60,000/-	79,200/-	7,39,200/-
03	Shri S.B. Singhvi W.T.Director	2,76,000/-	54,120/-	3,30,120/-

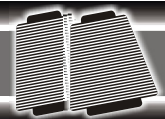
Mr. S.K. Rajpuria, Sr. Manager (Secretarial) is the Compliance Officer.

No investor complaint has been received during the year.

3. GENERAL BODY MEETINGS

The details of the dates, timings and venue of Annual General Meetings held in last three years are as under;

AGM/ EGM	Date	Time	Venue
AGM	30.09.2009	10.30 a.m.	Devkaran Mansion, Gate No.2, 3 rd Floor, 63, Princess Street, Mumbai 400 002.
AGM	27.09.2008	10.30 a.m.	Devkaran Mansion, Gate No.2, 3 rd Floor, 63, Princess Street, Mumbai 400 002.
AGM	27.09.2007	10.30 a.m.	"Maheshwari Bhawan", Girgaon Road, Mumbai-400 002



A) The Special Business transacted and approved by the members at the previous three Annual General Meetings are as follows;

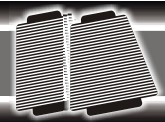
- a) **Annual General Meeting held on 30th September, 2009** - Delisting of Shares from
 1) Ahmedabad Stock Exchange Ltd.,
 Ahmedabad
 2) Bangalore Stock Exchange Ltd.,
 Bangalore.
- b) **Annual General Meeting held on 27th September, 2008** - Appointment of Additional Directors of
 1) Shri Pavan Poddar
 2) Shri Suresh Rathi
- c) **Annual General Meeting held on 27th September, 2007** - Nil

4. DISCLOSURES

- a) In the preparation of financial statements, no accounting treatment different from that prescribed in any Accounting Standard has been followed.
- b) Related party transactions during the year have been disclosed as required under Accounting Standard 18. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have a conflict with the company's interest.
- c) No strictures / penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets during the last three years.
- d) **That the Securities of the Company has been voluntarily De-Listed from "Ahmedabad Stock Exchange Ltd." Ahmedabad and "Bangalore Stock Exchange Ltd." Bangalore.**

5. MEANS OF COMMUNICATION

- i) The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered generally in 'Business Standard' in English and 'Aapla Mahanagar' in Marathi.
- ii) The Management Discussion and Analysis Report has been included in this Annual Report and includes discussion on the specified matters of the Listing Agreement.



6. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date & Time : Monday, the 27th September, 2010 at 10.30 A.M.
 Venue : Block No.15, 3rd Floor, Devkaran Mansion, Gate No.2,
 63-Princess Street, Mumbai 400 002

b) Financial Calendar 2010-2011 (Tentative)

Financial Year : **April to March**
 First Quarter Results : 4th Week of July, 2010
 Half-Yearly Results : 4th Week of October, 2010
 Third Quarter Results : 4th Week of January, 2011
 Audited Results for the year ending 31st March, 2011 : May, 2011

c) **Dates of Book closure** : 20.09.2010 to 27.09.2010 (both days inclusive)

d) **Dividend payment date** : The Board of Directors do not recommend any dividend for the year.

e) **Listing of Securities** : The equity shares are listed at the following Stock Exchanges.

Name of the Stock Exchange	Stock Code
The Stock Exchange, Mumbai (BSE)	530047
The National Stock Exchange of India Ltd., Mumbai (NSE)	RAIREKMOH/EQ

The Company has already paid Annual Listing Fees for the year 2010 - 2011.

f) **ISIN No. of Securities** : INE313D01013

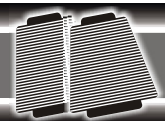
g) Registrar & Share Transfer Agents ;

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

Ph.No.022 - 28470652, 28470653, 28573034, 28473474, Fax : 022-28475207
 E mail : info@bigshareonline.com

h) Share Transfer System

Share Transfer in physical form can be lodged at the above-mentioned address. The share Transfer & Shareholders/ Investors Grievance committee approves the transfer of shares and share certificates are despatched within a period of 30 days from the date of receipt, if the documents are complete in all respects. The time taken to process dematerialisation of shares is 15/20 days.



i) Market Price Data : High/Low prices of Equity Shares of the Company during each month in the last financial year were as under;

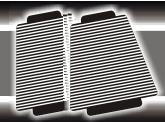
Month	Price of the Equity Share of the Company		Volume of shares traded
	High	Low	
April, 2009	136.45	110.05	87765
May, 2009	133.35	127.00	17055
June, 2009	132.00	127.00	40796
July, 2009	131.00	93.70	35025
August, 2009	126.00	109.30	34932
September, 2009	105.00	85.65	186
October, 2009	135.50	89.00	130473
November, 2009	141.70	109.00	15266
December, 2009	105.00	72.00	115820
January, 2010	110.00	73.00	122073
February, 2010	114.45	92.70	747
March, 2010	126.50	105.00	52127

j) Distribution of Shareholding as on 31st March, 2010

Range of Shares		No. of share-holders	% of Share-holders	Total holding (No. of Shares.)	% of share-holding
From	To				
1	500	528	81.74	79,089	1.90
501	1000	42	6.50	32,670	0.78
1001	2000	9	1.39	12,973	0.31
2001	3000	3	0.46	7,968	0.19
3001	4000	7	1.09	26,014	0.62
4001	5000	6	0.93	29,500	0.71
5001	10000	17	2.63	1,34,875	3.24
10001 & above		34	5.26	38,45,341	92.25
TOTAL		646	100.00	41,68,430	100.00

k) Share Holding pattern as on 31st March, 2010

Type of Shareholder	No. of shares held	%
Promoters - Indian	30,82,765	73.96
- Foreign	Nil	Nil
Financial Institutions & Banks	Nil	Nil
FII's & OCB's	Nil	Nil
Mutual Funds	Nil	Nil
Non Resident Indians	Nil	Nil
Bodies Corporate	3,67,458	08.81
Indian Public	7,18,207	17.23
Total	41,68,430	100.00



I) Dematerialisation :

The Equity Shares of the Company are traded in compulsory Demat form. **It's ISIN in NSDL and CDSL is INE313D01013.** As on 31st March, 2010 over 97.08% of the total shares of the Company are already dematerialized.

The status on the dematerialization of the equity shares of the Company is furnished below.

Total Nos. of Shareholders	:	646
Total Nos. of Equity Shares	:	41,68,430
Total Nos. of Equity Shares in Physical form	:	1,21,510
Total Nos. of Equity Shares in Electronic Mode with		
NSDL	:	34,05,414
CDSL	:	6,41,506

As per SEBI's directive, no investor shall be required to pay any charges for opening of a Beneficiary Owner Account (BO) except for statutory charges as may be applicable and the custody charges will be paid by the Issuers on a per folio basis (ISIN position) directly to the Depositories at the end of each financial year. The Company has paid custody charges to NSDL and CDSL for 2010-2011. Shareholders are advised to convert their holdings from Physical mode to Demat mode and benefit from the reduction in charges considering overall merits of Depository System.

m) PAN Requirements. :

1. SEBI vide circular dated 27th April, 07 made PAN as the sole identification number for all participants transacting in the Securities market irrespective of the amount of such transaction.
2. SEBI by its circular dated 20th May, 09 made it mandatory to furnish a copy of PAN card of the transferee to the Company / RTA for registration of transfer of shares of listed companies in physical form and off market / private transactions.
3. SEBI vide its circular dated 28th January, 10 has now made it mandatory to furnish a copy of PAN for transmission and transposition of shares.

Investors are advised to take note of the same.

n) Nomination facility. :

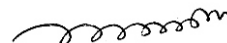
Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 109A of the Companies Act, 1956 are requested to submit to the Registrar and Transfer Agent in the prescribed Form 2B which can be had on request from the Company.

- o) **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.** : The Company has not issued any GDRs/ADRs /Warrants or any convertible instruments.
- p) **Plant Locations** :
 1. Ram Mandir Ward, Hinganghat 442 301, Dist. Wardha (Maharashtra)
 2. Burkoni Village, Tah.: Hinganghat 442 301, Dist.: Wardha (Maharashtra)
- q) **Registered office & Address for Correspondence** : The Rai Saheb Rekhchand Mohota
Spg. & Wvg. Mills Ltd., Block No. 15, 3rd Floor,
Devkaran Mansion, Gate No. 2,
63, Princess Street, Mumbai 400 002
Phone : 022 - 32577214 Fax : 022 - 22081556
E-mail : info@rsrmm.com

DECLARATION

All the Board Members and Senior Management Personnel have affirmed their compliance of the "Code of Conduct for the Members of the Board and Senior Management" for the Financial Year ended 31st March, 2010 in terms of Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchanges.

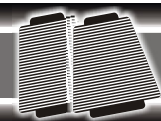
For and on behalf of the Board



Dr. Ranchhoddas Mohota
Chairman

Place : Hinganghat
Dated : 29/05/2010

The Managing Director and G. M. Finance have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.



ANNEXURE 'III' TO THE DIRECTOR'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENT & OUTLOOK

The Indian Textiles is one of the leading textile industries in the world. The textile and apparels sector is a major contributor to the Indian economy in terms of GDP, Industrial Production and the country's total export earning. India earns about 27 per cent of total foreign exchange through textile exports besides the Indian textiles industries contribute 14 per cent of the total industrial production of the country. This sector provide employment to over 35 million people and it is expected that the textile industry will generate 12 million new jobs during ensuing years.

The Industry went through a challenging FY 2010, with global meltdown ravaging economies. The collapse in consumer sentiments, weak exports, noteworthy drop in discretionary spending in textile/apparels and down trading by the consumers put immense pressure on both top line and bottom line of textile companies.

The government has announced the release of a subsidy of US\$ 533.87 million for the textile industry under the TUFs. The Government extends 10 per cent capital subsidy and 5 per cent interest subsidy on installation of machineries and for processing machinery under the TUFs. The textile Committee has also been reconstituted in order to ensure standard quality of textiles both for internal marketing as well as exports. The committee will also establish laboratories and test houses for testing of textiles.

Moreover, the Ministry of Textiles is considering setting up textile parks at Vidarbha and Marathwada, the largest cotton growing regions in Maharashtra. Currently seven textile parks are already in various stages of completion in Maharashtra.

India offers cheaper production and marketing costs and enormous opportunities that have tempted Taiwanese companies to work on joint ventures with Indian companies, especially for the manufacture of manmade fabrics. Several European textile companies have shown interest in sourcing garments from India. Textile companies were keen to set up base in India due to the cheap labour available here. India offers various incentives like low-cost labour and intellectual right protection to foreign investors. The country allows 100 per cent FDI in the textiles sector.

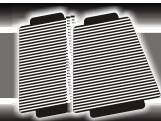
According to the Textile Ministry around US\$ 5.14 billion of foreign investment is expected to be made in India in the textile sector over the next five years.

Synthetic and Rayon Textile Export Promotion Council (SRTEPC) has set a target to more than double the export of man-made textile from the country. Presently, the global man-made fibre (MMF) trade accounts for 60 per cent of total trade in textiles and India accounts for less than three per cent at US\$ 3.41 billion. SRTEPC plans to increase exports to US\$ 6.2 billion by capturing four per cent market share by 2011-12.

The organized sector contributes more than 95 per cent of spinning, but hardly 5 per cent of weaving fabric, SSIs perform the bulk of weaving and processing operations.

OPPORTUNITIES & THREATS

The growth rate of domestic Textile Industry is 6-8 per cent per annum. India has large potential in international market, elimination of quota restrictions leads to greater market access. Market is gradually shifting towards branded readymade garments. Grater and Greater investment and FDI opportunities are available with a large scope for technical textile linked with growing industrialization, large infrastructure projects in stream.



The rising labour and raw material cost, power charges and hike in interest rate, also unfavorable labour laws and higher indirect taxes are the major factor that are going to make current financial year challenging and difficult for the company.

Competition from developing countries specially China in domestic market will lead to consolidation.

SEGMENTWISE PERFORMANCE

The company has only one business segment i.e. "Textiles".

RISK AND CONCERNS

Fluctuation in Raw Material rates of polyster, viscose & drastic increase in cotton rates, power and unprecedented interest cost is seriously attacking the bottom lines. Surplus spinning capacity, poor infrastructure, uncertainty about continuation of export incentives, high cost of labour and Government limitations to introduce labour reforms, cheap imports, volatility in Foreign Currency exchange rates vis-à-vis Indian Rupee are the Key risk factors.

Stiff cut-throat competition among the Asian countries and global slow down in demand is also a matter of great concern.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The company has a proper and adequate internal control system to ensure that its assets are safeguarded and protected against unauthorized use and disposition and all the transactions are properly recorded and reported. The company also has a system of management reviews to ensure compliance with the prescribed procedures and authority levels.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

This has been dealt with in the Directors Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

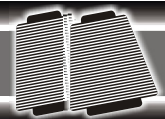
Employees are your company's most valuable resource. Your company continues to create a favorable environment at work place. The company also recognizes the importance of training and continuously deputed its work force in various courses/seminars relating to important management tools like 'Total Quality Management' (TQM). The management is specifically calling professionals from renowned textile research institutes like BTRA/SITRA to train its work force. The management has also been sponsoring programmes of the "Art of Living" at regular intervals for the benefit of the employees and the members of their families to ease out strain and focus not only on work but also on other social responsibilities. Management also organizes sports meet on annual basis for all the employees and the members of their families. This develops a long drawn spirit of sportsmanship and teamwork among the total work force.

In addition to this for social cause company has started various innovative programs like Scrap Book, Mind game, Self study teaching program for student and teachers in Hinganghat schools and colleges also started management study programme through Annamalai University for staff and other people.

Industrial relations are cordial and satisfactory.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's projections and expectations may be "forward looking statements" within the meaning of applicable securities laws & regulation. Actual results might differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include, among others, economic conditions affecting demand/supply and price conditions in the market in which the company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.

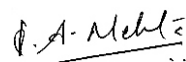
We have examined the compliance of conditions of Corporate Governance by The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Limited, for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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 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. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor grievances remaining unattended/pending for more than 30 days.

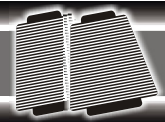
We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W



K. A. Mehta
Partner
Membership No. 111749

Place : Hinganghat
Dated: 29/05/2010



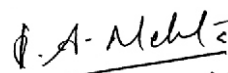
AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. Mumbai** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date and annexed thereto. 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 have 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Amendment Order 2004) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose, an annexure hereto a statement on the matters referred to in para 4 and 5 of the said order.
2. Further and subject to our comments in the annexure referred to in paragraph 1 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 accounts 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 & 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 & Loss Account and the Cash Flow Statement dealt by this report comply with the Accounting Standards referred to in sub-section (3C) of Sec. 211 of the Companies Act, 1956 **except for provision of Leave with pay (refer note No. 4 of schedule 'Q') in accordance with revised accounting standard 15 for employee benefits.**
 - e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, and **subject to (d) above, and non-transfer of leased assets to company (refer note No. 7 of schedule 'Q')** the accounts read with other notes thereon 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.
 - i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March 2010,
 - ii) In the case of the Profit & Loss Account of the Loss for the year ended on that date and
 - iii) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

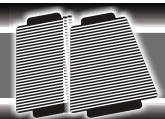
FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W



K. A. Mehta
Partner

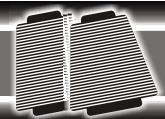
Membership No. 111749

Place : Hinganghat
Dated: 29/05/2010



ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF THE RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS LTD. (Referred to in Paragraph 1 thereof.)

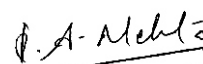
- i)
 - a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The management has confirmed that wherever practicable, physical verification of all the major fixed assets has been carried out. No serious discrepancies have been noticed by the management on such verification.
 - c. No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern status of the company.
- ii)
 - a. The inventory has been physically verified by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- iii)
 - a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the companies Act, 1956. Accordingly, clause 4(iii)(b) to (d) of the order are not applicable.
 - b. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the companies Act, 1956. Accordingly, clause 4(iii)(f) to (g) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) In our opinion and according to the information and explanations given to us there are no contracts and arrangements referred to in Section 301 of the Companies Act 1956, particulars of which need to be entered into a register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(v)(b) of the order is not applicable.
- vi) The Directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder have been complied with in respect of deposits accepted from the public. We have been informed that, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or Tribunal in this regard.
- vii) The Company has an Internal Audit System, which in our opinion is commensurate with the size and nature of the business.
- viii) The Company has made and maintained proper cost records as prescribed by Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company, but no detailed examination of such records has been carried out by us.
- ix)
 - a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other statutory dues with the appropriate authorities and there are no undisputed amounts payable in respect of above statutory dues outstanding as at 31.03.2010 for a period exceeding six months from the date they became payable.
 - b. According to the information and explanations given to us, the dues of Sales Tax, Income Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute and forum where the dispute is pending are as under;



Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty on disallowance of deemed Credit availed	321.13	Commissioner of Central Excise, Nagpur
Central Excise Act, 1944	Excise Duty on disallowance of utilization of deemed credit towards payment of AED (ST)	40.92	- do -

- x) The Company does not have any accumulated losses and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to Financial Institutions or Banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures and other Securities.
- xiii) The Company is not a chit fund or Nidhi/mutual benefit fund/society.
- xiv) The Company is not in the business of dealing or trading in Shares. The Company has maintained proper records of transactions and contracts in respect of Shares, Securities, Debentures and other Investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments have been held by the company, in its own name.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii) On the basis of examination of the Cash Flow Statement, the funds raised on short term basis have not been used for long term investment.
- xviii) During the year under Audit, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The company has neither issued any debentures during the year nor there is any outstanding debentures as on 31.03.2010 and hence provisions of clause 4(xix) of the order are not applicable to the company.
- xx) The Company has not raised any money by way of the Public Issue during the year.
- xxi) 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 year.

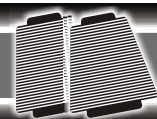
FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W



K. A. Mehta
Partner

Membership No. 111749

Place : Hinganghat
Dated: 29/05/2010



Balance Sheet as at 31st March, 2010

	SCHEDULE	As at 31st March 2010	(Rs.in Lacs) As at 31st March 2009
SOURCE OF FUNDS			
Shareholders Funds:			
Share Capital	`A'	714.87	714.87
Reserves and Surplus	`B'	2,277.20	2,603.08
		2,992.07	3,317.95
LOAN FUNDS:			
Secured Loans	`C'	7,866.53	7,497.10
Unsecured Loans	`D'	897.73	784.60
Deferred Tax Liability (Net)		295.79	240.77
Total		12,052.12	11,840.42
APPLICATION OF FUNDS			
FIXED ASSETS	`E'		
Gross Block		12,171.78	12,057.77
Less : Depreciation		5,667.66	5,171.31
Net Block		6,504.12	6,886.46
Add : Capital Work in Progress (including advances & preoperative expenses)		---	133.49
		6,504.12	7,019.95
INVESTMENTS	`F'	147.74	244.09
CURRENT ASSETS, LOANS & ADVANCES	`G'		
Inventories		4,401.97	3,715.24
Sundry Debtors		2,966.50	2,391.68
Cash & Bank Balances		30.90	49.67
Loans & Advances		1,045.14	828.06
	[a]	8,444.51	6,984.65
LESS :			
CURRENT LIABILITIES & PROVISIONS	`H' [b]	3,117.15	2,506.90
NET CURRENT ASSETS	[a-b]	5,327.36	4,477.75
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
VRS Expenses		98.63	124.36
Less : VRS Expenses Written-off		25.73	25.73
		72.90	98.63
Total		12,052.12	11,840.42

NOTES TO THE ACCOUNTS

`Q'

As per our report of even date annexed
FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W

For and on behalf of the Board

K. A. MEHTA
PARTNER
Membership No.111749

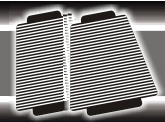
DR. RANCHHODDAS MOHOTA
CHAIRMAN

VINOD KUMAR MOHOTA
MANAGING DIRECTOR

VINAY KUMAR MOHOTA
DIRECTOR

S. B. SINGHVI
DIRECTOR

PLACE : HINGANGHAT
DATED : 29/05/2010



Profit & Loss Account for the year ended 31st March, 2010

	SCHEDULE	Year ended 31st March 2010	(Rs.in Lacs) Year ended 31st March 2009
INCOME			
SALES (GROSS)			
Manufacturing		12,424.68	11,398.06
Trading		6,266.47	3,930.28
		18,691.15	15,328.34
Other Income	'I'	105.84	8.18
		18,796.99	15,336.52
Increase / (Decrease) in Stocks	'J'	(218.35)	674.01
		18,578.64	16,010.53
EXPENDITURE			
Manufacturing Expenses	'K'	9,524.88	9,548.33
Cost of Traded Goods	'L'	5,420.09	3,445.05
Payments and Benefits to Employees	'M'	1,498.77	1,448.94
Repairs & Maintenance	'N'	40.70	50.29
Administrative, Selling and Other Expenses	'O'	961.82	783.93
Financial Expenses	'P'	701.48	657.60
VRS Expenses Written-off		25.73	25.73
Depreciation		651.13	642.04
Less: Transfer from Revaluation Reserve		70.92	84.20
(Refer to Note No. 3 of schedule 'Q')			
		18,753.68	16,517.71
Profit/(Loss) for the year before Taxation		(175.04)	(507.18)
Add : Prior years adjustments		7.46	----
		(167.58)	(507.18)
Less : Provision for Taxation			
- Deferred		55.02	(136.59)
- Fringe Benefit Tax		----	2.50
		(222.60)	(373.09)
Balance available for Appropriation		(222.60)	(373.09)
APPROPRIATION			
Transferred to General Reserve		(222.60)	(373.09)
		(222.60)	(373.09)
EARNINGS PER SHARE OF RS.10/- EACH BASIC AND DILUTED		(5.34)	(8.94)
(Refer to Note No. 9 of Schedule 'Q')			

NOTES TO THE ACCOUNTS

'Q'

As per our report of even date annexed
FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W

For and on behalf of the Board

K. A. MEHTA
PARTNER
Membership No.111749

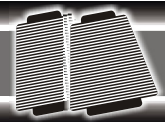
DR. RANCHHODDAS MOHOTA
CHAIRMAN

VINOD KUMAR MOHOTA
MANAGING DIRECTOR

VINAY KUMAR MOHOTA
DIRECTOR

S. B. SINGHVI
DIRECTOR

PLACE : HINGANGHAT
DATED : 29/05/2010



SCHEDULES

SCHEDULE 'A'

SHARE CAPITAL

AUTHORISED :

70,00,000 Equity Shares of Rs.10/- each

3,00,000 Non Cumulative Redeemable Preference Shares of Rs.100/- each

ISSUED AND SUBSCRIBED :

41,68,430 Equity shares of Rs.10/- each fully paidup (of the above 204000 Equity shares of Rs.10/- each fully paid have been issued to vendors without payment being recieved in cash and 2057420 Equity Shares allotted as fully paidup Bonus Shares out of capitalisation of Revaluation Reserve)

Less : Calls in Arrears (by other than Directors)
Allotment Money
First & Final Call Money

Add : Forfeited Shares (Amount Originally paid)

236000 10% Non-Cumulative Redeemable Preference Shares of Rs.100/- each, fully paid-up

60000 8% Non-Cumulative Redeemable Preference Shares of Rs.100/- each, fully paid-up

SCHEDULE 'B'

RESERVE AND SURPLUS

SHARE PREMIUM ACCOUNT

General Reserve :

As per last Balance Sheet

Add: Profit / (Loss) Transfer from P/L Account

Capital Reserve :

Revaluation Reserve due to revaluation of fixed assets
As per last Balance Sheet

Less : Sale of Fixed Assets

Less : Transferred to Profit & Loss Account

Modvat Credit Reserve

	As at 31st March 2010	Rs.in Lacs) As at 31st March 2009
	700.00	700.00
	300.00	300.00
	<u>1,000.00</u>	<u>1,000.00</u>
	416.84	416.84
	0.08	0.08
	0.11	0.11
	0.19	0.19
	2.22	2.22
	236.00	236.00
	60.00	60.00
	<u>714.87</u>	<u>714.87</u>

	1,107.61	1,107.61
	820.89	1,193.98
	(222.60)	(373.09)
	598.29	820.89
	471.83	556.03
	32.35	----
	439.48	556.03
	70.93	84.20
	368.55	471.83
	202.75	202.75
	<u>2,277.20</u>	<u>2,603.08</u>



SCHEDULES

SCHEDULE 'C'

SECURED LOANS

Term Loan from Banks
(Refer to Note No. 6(a) of Schedule "Q")

4,770.18

(Rs.in Lacs)
As at
31st March 2009

4,884.91

Working Capital Loan from Banks
(Refer to Note No. 6(b) of Schedule "Q")

3,096.35

2,612.19

7,866.53

7,497.10

SCHEDULE 'D'

UNSECURED LOANS

Others

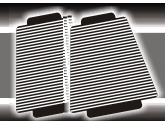
897.73

784.60

SCHEDULE - 'E'

FIXED ASSETS

Description of Assets	GROSS BLOCK (AT COST)					DEPRECIATION WRITTEN OFF				NET DEPRECIATED BLOCK	
	As on 31st March 2009	Addition	Sub Total	Deduction on Account of sale/ Discarded	As on 31st March 2010	Up to 31.03.2009	FOR THE YEAR	DEDUCTION ON A/C OF SALE/ DISCARDED	Total as at 31st March 2010	As at 31st March 2010	As at 31st March 2009
1	2	3	4	5	6	7	8	9	10	11	12
LAND	50.47	---	50.47	---	50.47	---	---	---	---	50.47	50.47
FACTORY BUILDING	1,725.48	0.00	1,725.48	---	1,725.48	457.51	85.79	---	543.30	1,182.18	1,267.97
NONFACTORY BUILDING	219.59	0.00	219.59	---	219.59	48.97	7.05	---	56.02	163.57	170.62
PLANT & MACHINERY	9,913.74	311.66	10,225.40	199.34	10,026.06	4,578.17	549.04	154.78	4,972.43	5,053.63	5,335.56
FURNITURE & FIXTURE	55.48	0.49	55.97	---	55.97	38.48	2.89	---	41.37	14.60	17.01
VEHICLES	58.33	1.20	59.53	---	59.53	39.78	5.16	---	44.94	14.59	18.55
INTANGIBLE ASSETS	34.68	---	34.68	---	34.68	8.40	1.20	---	9.60	25.08	26.28
GRAND TOTAL :	12,057.77	313.35	12,371.12	199.34	12,171.78	5,171.31	651.13	154.78	5,667.66	6,504.12	6,886.46
PREVIOUS YEAR	11,188.28	869.49	12,057.77	---	12,057.77	4,529.27	642.04	---	5,171.31	6,886.46	6,659.01


SCHEDULES
SCHEDULE 'F'
INVESTMENTS AT COST (LONG TERM) :

	No. Shares/Units	Face Value Rs.	As at 31st March 2010	(Rs.in Lacs) As at 31st March 2009
FULLY PAIDUP EQUITY SHARES (QUOTED)				
State Bank of Bikaner & Jaipur Ltd.	29000 (29000)	10/-	92.04	92.04
State Bank of Travancore Ltd.	--- (29500)	10/-	-	94.89
Infrastructure Development Fin. Co.Ltd.	11000 (11000)	10/-	22.50	22.50
Bartronics India Ltd.	10000 (10000)	10/-	23.20	23.20
Graphite India Ltd.	--- (2500)	10/-	-	1.46

IN UNITS OF MUTUAL FUND (UN-QUOTED)

UTI India Lifestyle Fund - Growth	100000 (100000)	10/-	10.00	10.00
			147.74	244.09

SCHEDULE 'G'
CURRENT ASSETS, LOANS AND ADVANCES
INVENTORIES (As certified by the Management)

Store, Cotton Seed and Coal (at cost)	133.99	204.97
Raw Materials (at cost)	1,527.31	551.25
Stock in Process (at cost)	1,465.94	1,381.82
Cloth and Yarn (at cost)	1,274.73	1,577.20
	4,401.97	3,715.24

SUNDRY DEBTORS :

(Unsecured and considered good unless otherwise stated)

Over Six Months	495.88	395.71
Others	2,470.62	1,995.97
	2,966.50	2,391.68

CASH AND BANK BALANCES :

Cash in hand	12.20	11.88
With schedule Banks : In Fixed Deposits	5.40	15.53
In Current Accounts	13.30	22.26
	30.90	49.67

LOANS AND ADVANCES :

(Unsecured considered goods unless otherwise stated)

Intercompany Deposits :	44.18	57.79
Advances (recoverable in cash or kind or value to be received) :		
To Staff & Workers	1.42	1.40
To Suppliers	279.75	142.28
To Others	543.21	401.69
Deposits	15.86	37.68
Advance payment of tax	117.42	104.80
Balance with Excise Department	43.30	82.42
	1,045.14	828.06
	8,444.51	6,984.65



SCHEDULES

SCHEDULE 'H'

CURRENT LIABILITIES AND PROVISIONS :

CURRENT LIABILITIES:

SUNDRY CREDITORS :

Raw Material & Other Purchases	
Store Purchases	
Capital Goods	
Expenses	
Statutory Liabilities	
Others	
Advance against Sales	
Interest Accrued but not due	

As at 31st
March 2010

(Rs.in Lacs)
As at 31st
March 2009

2,415.92	1,982.07
99.18	116.38
-	1.37
260.43	210.49
46.95	30.71
29.53	28.11
178.32	90.27
34.67	-
<u>3,065.00</u>	<u>2,459.40</u>

PROVISIONS :

For taxation	
For Fringe Benefit Tax	

45.00	45.00
7.15	2.50
<u>3,117.15</u>	<u>2,506.90</u>

SCHEDULE 'I'

OTHER INCOME

Profit on sale of shares	
Profit/(Loss) on Sale of fixed Assets	
Agricultural Income	
Dividend	

ended Year
31st March 2010

ended
31st March 2009

81.02	-
15.34	-
1.86	2.04
7.62	6.14
<u>105.84</u>	<u>8.18</u>

SCHEDULE 'J'

INCREASE/(DECREASE) IN INVENTORIES

CLOSING STOCKS

Finished Goods	1,274.73	1,577.20
Stock in process	1,465.94	1,381.82

(a) 2,740.67 2,959.02

LESS: OPENING STOCKS

Finished Goods	1,577.20	616.70
Stock in process	1,381.82	1,668.31

(b) 2,959.02 2,285.01

(a-b) (218.35) 674.01

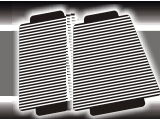
SCHEDULE 'K'

MANUFACTURING EXPENSES :

Materials Consumed

Raw Materials	7,033.95	6,997.31
Store & spare parts consumed	1,055.64	1,214.36
Coal & Power consumed	1,345.16	8,211.67
Job Charges	90.13	1,225.22
		111.44

9,524.88 9,548.33



SCHEDULE "Q" - NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) SYSTEM OF ACCOUNTING

Financial Statements are based on historical cost. The company generally follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis except for non-provision of leave with pay amount and non-inclusion of excise duty on finished goods lying in bonded warehouse.

b) FIXED ASSETS

- i) Fixed assets are stated at cost, unless stated otherwise cost comprises the purchase price and other attributable expenses.
- ii) Revaluation: The net increase in the value of the assets is credited to the revaluation reserve.

c) DEPRECIATION

Depreciation is charged in the account on the following basis:

- i) In Hinganghat Unit Depreciation is provided on all fixed assets under the written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956. Depreciation on addition to fixed assets during the year is charged on pro-rata basis with reference to the date of addition.
- ii) In Burkoni Unit depreciation is provided on all assets under SLM method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 for single shift working.
- iii) Intangible assets are amortized over a period of 10 years.

d) INVENTORIES

Inventories are valued at cost on weighted average basis.

e) INVESTMENTS

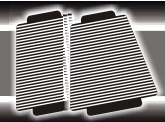
Investments are stated at cost without considering the diminution in the value of investment.

f) BORROWING COST

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the assets up to the date the assets is put to use. Other borrowing cost are charged to the Profit and Loss Account in the year in which they are incurred.

g) SALES

Sales are inclusive of excise duty, sales tax and processing charges and are net of discount. Consignment sales are accounted for on the receipt of statement of sales from the consignee, till such time it is considered as stock in hand.



h) RETIREMENT BENEFIT:

The Company has various schemes of Retirement benefits such as Provident Fund, Gratuity Fund etc. duly recognized by Income tax authorities and the company's contributions are charged against revenue every year.

i) EXCISE DUTY:

The company accounts for excise duty on manufactured goods at the time of their clearance from the Bonded premises.

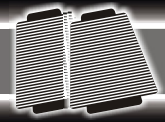
j) FOREIGN CURRENCY TRANSACTIONS:

All Foreign Currency Transactions have been accounted at the rate prevailing on the date of transaction. Receivables in foreign currency realized till date have been taken at the rates actually realized. The loss or gain due to fluctuations of exchange rates is charged to the Profit & Loss Account.

k) TAXES ON INCOME:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

		<u>2009-2010</u>	(Rs. in lacs) <u>2008-2009</u>
2.	Contingent liability not provided for:		
	a) For bills discounted with Bankers	Rs. Nil	Rs.28.67
	b) For Bank Guarantee issued	Rs. 116.42	Rs.81.00
3.	A sum of Rs. 70,92,412/- is transferred from Revaluation Reserve to credit of Profit & Loss account, which is equivalent to the amount of depreciation on the sum by which the value of Plant & Machinery & Building was increased respectively as a result of revaluation and revaluation reserve is written off by Rs. 32,34,973/- by sale of Plant & Machinery .		
4.	The Company accounts for leave encashment benefits in the year of payment and the liability thereof at the year end is not provided. Thus, accumulated liability for leave encashment not provided for in the books of accounts till the close of the previous year (i.e. 2008-09) was Rs.38.10 lacs, payment made during the year and debited to profit & loss account is Rs.41.17 lacs and estimated liability at the close of the current year stands at Rs.38.99 lacs.		
5.	(a) In accordance with the transitional provisions of Accounting Standard 15 Gratuity liability as on 31.03.2010 is Rs.96.75 lacs debited to the Profit & Loss Account as per actuarial valuation.		



(b) Disclosure for defined benefit plans based on actuarial valuation in respect of gratuity as on 31.03.2010 is as under -
Rs.in lacs

Change in define benefit obligation

Present value of defined benefit obligation as on 01.04.2010	696.76
Interest Cost	54.06
Current service cost	31.33
Past Service Cost (Non Vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Liability Transfer in	-
Liability Transfer out	-
Benefit Paid	(61.28)
Actuarial (gain)/loss on obligations	(57.26)
Present value of defined benefit obligation as on 31.03.2010	663.61

Change in Fair value of Plan Assets

Opening Balance	577.18
Expected Return	43.72
Contributions	0.03
Benefit Paid	(61.28)
Actuarial gain/(loss)	7.20
Closing balance	566.85
Actuarial Return	-

Amount Recognized in the Balance Sheet

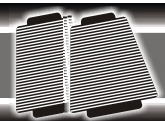
Liability at the end of the year	663.61
Fair Value of Plan Assets	566.85
Net (Assets/Liability) recognized	96.75

Expenses Recognized in the Profit & Loss Account

Current service cost	31.33
Interest on obligation	54.06
Expected return on plan assets	(43.72)
Net Actuarial (gain / loss)	(64.47)
Expenses recognized in P & L	(22.80)

Principal actuarial assumptions

Discount rate	8.25%
Expected rate of return on assets	8.00%
Future Salary increase	5.00%



6. (a) Term loan of Rs.3988.18 lacs from State Bank of India, Mumbai and Rs. 782.00 from Bank of India, Nagpur are secured by 1st pari passu charge over the Company's all immovable properties including all fixed assets & movable machineries at Hinganghat & Burkonli. The said loan is further collaterally secured by 2nd charge on the entire stock of inventory, book debts etc. on pari passu basis. It is further secured by personal guarantee of three promoter directors of the Company.
- (b) Working Capital Loans from SBI is Secured by hypothecation of stocks of raw materials, finished goods, stock in process, stores spare parts and book debts and is collaterally secured by way of second charge on the entire Fixed Assets of the company, both present and future.
7. During the year 2000-2001, primary lease period of 1 No. pirn winding machine (Value Rs.20,136/-) taken on lease from ICICI Ltd. expired on 15th Sept' 2000, but it could not be transferred to the company by ICICI Ltd. as Income Tax Department has raised the demand of income tax on them for disallowance of depreciation in their assessment. The ICICI Ltd. wants to recover this demand from the company. The ICICI Ltd. has preferred appeal before appellate authorities.

8. RELATED PARTY DISCLOSURE

a)	Name of the Related Party		Relationship	
	i)	M/s. Veenadevi & Swatidevi Mohota	Under significant influence of Key management personnels	
	ii)	Key Management Personnel Shri Dr. Ranchhoddas Mohota Shri Vinod Kumar Mohota Shri Vinay Kumar Mohota Shri S. B. Singhvi	Chairman Managing Director Director Director	
	iii)	Relatives of Key Management Personnel Smt. Suryakantadevi Mohota Smt. Kirandevi Bhagat Mr. Vaibhav Kumar Mohota		
b)	Transactions during the period with Key Management Personnel/relatives of Key Management Personnel are as under : -			
	S.No.	Name of the Related Party	Description of Transaction	Amount (Rs.)
	1.	M/s. Veenadevi & Swatidevi Mohota	Rent	1,08,000
	2.	Key Management Personnel	Remuneration Rent	19,42,920 7,95,000
	3.	Relatives of Key Management Personnel	Rent Salary	1,40,305 1,54,007

9. Earning per share

Face value per share
Profit/(Loss) after tax

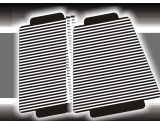
31.03.2010
Rs. 10
Rs. (2,22,60,478)

No. of Shares used in computing EPS -
Basic and diluted
Rs. 4168430
Earning per Share - basic and diluted
Rs. (5.34)

31.03.2009

Rs. 10
Rs.(3,73,08,832)

4168430
Rs. (8.94)



10. In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India, Company has recognized Deferred Tax Liability of Rs. 55.02 lacs in the Profit & Loss Account.

The Break-up of deferred tax balances are as under :-

	31.03.2010	31.03.2009
<u>Deferred tax Assets</u>		
Provision for Gratuity	96,75,355	1,60,981
Income tax loss	1,28,34,926	2,30,33,273
<u>Deferred tax Liability</u>		
Depreciation	5,20,88,932	4,72,70,760
Net Deferred tax Asset / (Liability)	(2,95,78,651)	(2,40,76,506)

11. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. Accordingly, there is no impairment of the assets during the current year.

12. During the year 1995-96 the company had made Public Issue of Equity Shares. In respect of some investor(s) who had applied for Equity Shares through Stock Invest(s) were returned unpaid by the Bank. As such, in the following cases though the shares have been allotted the application money has not been received.

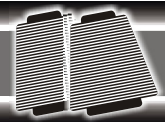
No of shares	Capital (Rs.)	Premium Rs.
3700	14,800/-	96,200/-

Further with regard to Public Issue allotment money and First & Final Call Money from those investors whose stock investments were returned unpaid by the Bank is still to be received. The said non-receipt of allotment money is shown as call in arrears.

13. Inter Corporate advance amounting to Rs. 2.77 lacs have become long overdue. Legal proceedings have been initiated for recovery of the same.
14. The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.
15. Income Tax Assessment of the company has been completed up to A.Y.2007-2008. Company's appeals in respect of some of the earlier assessment orders are pending before the I.T. Authorities
16. Licenced and installed capacity, Production, Turnover and Stock :-

(A) Installed Capacity

Class of Goods	Licenced Capacity		Installed Capacity	
	2009-2010	2008-2009	2009-2010	2008-2009
Cloth Looms - Shuttle (No.)	N.A.	N.A.	192	192
- Airjet (No.)			48	48
Yarn Spindles (No.)	N.A.	N.A.	36096	37728


(B) STOCKS, PRODUCTION & TURNOVER
i) HINGANGHAT UNIT

CLASS OF GOODS	OPENING STOCK		PRODUCTION/ PURCHASES	CLOSING STOCK		TURNOVER	
	QUANTITY	VALUE (Rs)		QUANTITY	VALUE (Rs)	QUANTITY	VALUE (Rs)
CLOTH Mtrs.	682886 (669581)	30208520 (27990020)	16854286 (19680505)	419059 (682886)	23581725 (30208520)	17118113 (19667200)	644413008 (682786386)
YARN Kgs.	250834 (235360)	31597854 (28786671)	3879263 (3626469)	81646 (250834)	13546564 (31597854)	4048451 (3610995)	531101518 (432303724)
WASTE Kgs.	- (-)	- (-)	482906 (564770)	- (-)	- (-)	482906 (564770)	9253432 (9682918)

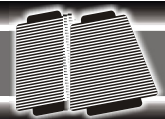
*Above Turnover is net of DEPB, Duty drawback, exchange rate & other export incentive received amounting to total Rs. 7,15,37,431/-

Notes :

- Production & Clearance includes 2200 mtrs. cloth issued as sample.
- Production & Clearance includes 2293 mtrs. Cloth return & sold during the year.
- Production & Clearance includes 87083 mtrs. Cloth processed for outside party on job basis.
- Above cloth figures includes Finished Cloth Opening Stock 5166 mtrs. Rs.1,24,149/- purchases Mtrs. 621630 Rs. 2,35,20,374/- Sales 529849 Mtrs. Rs. 2,23,26,770/- & Closing Stock 96947 Mtrs. Rs. 36,57,116/-.
- Above figures excludes Dhoti (Opening Stock 20143 Pcs. Value Rs.45,76,999/-), Purchases (14275 Pcs. Value Rs. 25,28,962), Sales (27571 Pcs. Rs.59,49,066/-, Closing Stock (6847 Pcs. Rs. 23,55,255/-).
- Closing stock includes 4104 kgs. of yarn returned and lying outside the bonded warehouse.
- Above yarn figure excludes 678806 kg. yarn captively consumed at Hinganghat Unit, 488278 kg. yarn captively consumed at Burkoni weaving unit & balance 134191 kg. yarn issued on job to outside weavers on job for manufacturing grey cloth.
- Production & Turnover includes 1745 kg. yarn pertaining to previous year job issue returned in current year.
- Above yarn figures excludes 1306432 kg. purchased from outside & subsequently issued to Burkoni unit 1097126 kg., to weaving at Hinganghat 129806 kg., & Spining at Hinganghat 79500 kg.

ii) EXPORT DIVISION (TRADING)

CLASS OF GOODS	OPENING STOCK		PRODUCTION/ PURCHASES	CLOSING STOCK		TURNOVER	
	QUANTITY	VALUE (Rs)		QUANTITY	VALUE (Rs)	QUANTITY	VALUE (Rs)
Cotton Yarn (Kgs.)	- (-)	- (-)	1195327 (794927)	- (-)	- (-)	1195327 (794927)	175717601 (94665169)
P.V.Yarn (Kgs.)	- (-)	- (-)	2932256 (2371475)	- (-)	- (-)	2932256 (2371475)	372584595 (266375745)



17. Raw Material Consumed :


	<u>2009-2010</u>				<u>2008-2009</u>			
	Quantity		Value		Quantity		Value	
Cotton	Kgs. 1256805	Rs.	11,38,26,766		Kgs. 1486126	Rs.	8,83,94,948	
Man-made Fibre	Kgs. 4250600	Rs.	34,33,75,199		Kgs. 3993433	Rs.	29,35,53,590	
Power Loom Cloth	Mtrs. 2953295	Rs.	9,07,90,620		Mtrs. 8170106	Rs.	17,92,86,545	
Yarn	Kgs. 1297734	Rs.	15,54,03,064		Kgs. 1390133	Rs.	13,84,95,714	
		Rs.	<u>70,33,95,649</u>			Rs.	<u>69,97,30,797</u>	

	<u>2009-2010</u>	<u>2008-2009</u>
(a) C.I.F. Value of Imports :		
i) Raw Material	Rs. -	Rs. -
ii) Stores, Spares, Dyes & Chemicals	Rs. 12,05,478	Rs. 51,97,344
iii) Capital Goods	Rs. -	Rs. 2,88,83,321
(b) i) Value of Imported raw materials consumed.	Rs. -	Rs. -
Percentage of total raw material consumed.	-	-
ii) Value of indigenous raw materials consumed.	Rs. 70,33,95,649	Rs. 69,97,30,797
Percentage of total raw material consumed.	100%	100%
iii) Value of imported stores and spare parts & dyes and chemicals consumed.	Rs. 12,05,478	Rs. 51,97,344
Percentage of total stores, spares parts and dyes & chemicals consumed.	1.15%	4.28%
iv) Value of indigenous stores and spare parts & dyes & chemicals consumed.	Rs. 10,43,58,838	Rs. 11,62,38,370
Percentage of total stores spares parts and dyes & chemicals consumed	98.85%	95.72%
18. Earning in Foreign Exchange Export at F.O.B. value.	Rs. * 72,93,47,583	Rs. 44,66,70,740
(* Manufacturing Export Rs. 19,83,11,210 Trading Export Rs. 53,10,36,373)		
19. Expenditure in Foreign Currency	Rs. 79,91,228	Rs. 3,63,56,633

20. Previous years figures have been reworked, regrouped and rearranged wherever necessary.

21. The Company operates in one business segment namely "Textiles"

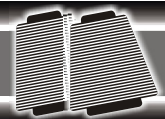

Dr. Ranchhoddas Mohota
Chairman

For and on behalf of the Board

Vinod Kumar Mohota
Managing Director


Vinay Kumar Mohota
Director


S.B. Singhvi
Director

PLACE : Hinganghat
DATED : 29/05/2010



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration No

5 2 6 1

State Code

1 1

Balance Sheet Date

3 1

0 3

2010

Date

Month

Year

II. Capital raised during the year (Amount in Rs. Thousand).

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

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

Total Liability

1 2 0 5 2 1 2

Total Assets

1 2 0 5 2 1 2

Source of Funds

Paidup Capital

7 1 4 8 7

Reserve & Surplus

2 2 7 7 2 0

Secured loans

7 8 6 6 5 3

Unsecured loans

8 9 7 7 3

Deferred Tax Liability

2 9 5 7 9

Application of Funds

Net Fixed Assets

6 5 0 4 1 2

Investments

1 4 7 7 4

Net Current Assets

5 3 2 7 3 6

Misc. Expenditure

7 2 9 0

Accumulated Loss

N I L

IV. Performance of Company (Amount in Rs. Thousand)

Turn Over including
other income

1 8 7 9 6 9 9

Total Expenditure

1 8 7 5 3 6 8

+ -

Profit/(Loss) before Tax

1 6 7 5 8

+ -

Profit/(Loss) after Tax

2 2 2 6 0

-

-

Earning per share in Rs.

(5 . 3 4)

Dividend rate %

N I L

V. Generic Name of principal product of Company

Item Code No. (ITC Code)

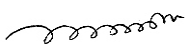
Product Description

Y A R N

A N D

F A B R I C S

For and on behalf of the Board



Dr. Ranchhoddas Mohota
Chairman



Vinod Kumar Mohota
Managing Director



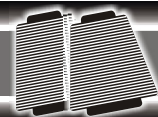
Vinay Kumar Mohota
Director



S.B. Singhvi
Director

PLACE : Hinganghat

DATED : 29/05/2010



(Rs.in Lacs)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010

A CASH FLOW FROM OPERATING ACTIVITIES :

	Year ended 31st March 2010	Year ended 31st March 2009
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(167.58)	(507.18)
ADJUSTMENTS FOR :		
DEPRECIATION	580.21	557.84
VRS EXPENSES	25.73	25.73
INTEREST	701.48	657.60
INTEREST RECEIVED FROM MERCHANT	27.00	27.05
INTEREST ON WORKING CAPITAL & OTHERS	(376.45)	(442.82)
DIVIDEND	(7.62)	(6.14)

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	782.77	312.08
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	(740.16)	468.89
INVENTORIES	(686.73)	(361.24)
TRADE PAYABLE	570.94	(111.17)
CASH GENERATED FORM OPERATIONS	(73.18)	308.56
DIRECT TAXES PAID	(12.61)	(9.45)
BALANCE WITH EXCISE DEPARTMENT	(39.12)	(0.87)
PROVISION FOR TAXATION	4.65	0.20
ACCRUED INTEREST	34.66	-
NET CASH FROM OPERATING ACTIVITIES	(85.60)	298.44

B CASH FLOW FROM INVESTING ACTIVITIES:

PURCHASE OF FIXED ASSETS	(179.86)	(485.78)
SALE OF FIXED ASSETS	27.54	-
PURCHASE/SALE OF INVESTMENTS	177.36	-
INVESTMENT	(96.35)	-
DIVIDEND	7.62	6.14
INTEREST RECEIVED	28.76	24.21
NET CASH USED IN INVESTING ACTIVITIES	(34.93)	(455.43)

C CASH FLOW FROM FINANCING ACTIVITIES

PROCEEDS FROM LONG TERM BORROWINGS	482.55	407.50
INTEREST PAID ON TERM LOAN	(380.79)	(266.04)
NET CASH USED IN FINANCING ACTIVITIES	101.76	141.46
NET INCREASE IN CASH AND CASH EQUIVALENTS	(18.77)	(15.53)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	49.67	65.20
CASH AND CASH EQUIVALENTS AT THE END	30.90	49.67

For and on behalf of the Board

PLACE : HINGANGHAT
DATE : 29/05/2010

DR. RANCHHODDAS MOHOTA
CHAIRMAN

VINOD KUMAR MOHOTA
MANAGING DIRECTOR

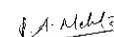
VINAY KUMAR MOHOTA
DIRECTOR

S. B. SINGHVI
DIRECTOR

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirement of Clause 32 of the listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 29th May, 2010 to the members of the company.

FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration Number 101048W



K. A. Mehta
Partner

Membership No.111749

PLACE : HINGANGHAT
DATE : 29/05/2010