



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



64th
ANNUAL REPORT
2010-2011

Tel. No. (07153) - 244282 / 244039

E-mail : info@srmm.com

Website : www.srmm.com

Vision

To excel as a trusted, socially responsible and customer driven organization providing maximum value to all stakeholders.

Mission

To manufacture quality products at competitive cost through technology and team work.

Values.....

- ◆ *Ethical practices*
- ◆ *Customer Focus*
- ◆ *Commitment to Society, Safety and Environment*
- ◆ *Professional and Transparent Management*
- ◆ *Empowerment and Accountability*
- ◆ *Adaptability to " Change"*
- ◆ *Innovation and Creativity*
- ◆ *Emphasis on human resources development, cost reduction, productivity enhancement and resource conservation.*

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Board of Directors

Chairman

Dr. Ranchhoddas Mohota

Managing Director

Shri Vinodkumar Mohota

Directors

Shri Vinay Kumar Mohota

Shri Shantilal 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 64th Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on Tuesday the 27th day of September, 2011 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, 2011, 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 Vinay kumar Mohota, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Shantilal B. Singhvi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri G.G. Singhee, 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:

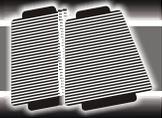
"RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Batliboi & Purohit, Chartered Accountants, Mumbai, the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this 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."

SPECIAL BUSINESS

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

"RESOLVED FURTHER THAT pursuant to the provisions of sections 198, 269, 309, 310, 311 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to the continuation of the appointment of Shri Vinod Kumar Mohota as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2011 on the following terms and conditions

Salary	Rs.75,000/- per month in the scale of Rs.75,000/- - 5,000/- - 95,000/-
Perquisites:	Subject to 100% of Salary
i) Provident Fund	Contribution to Provident Fund, Super Annuation Fund or Annuity Fund are not to be included in the computation of the ceiling of the perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
ii) Gratuity	Gratuity payable is not to exceed 1/2 month's salary for each completed year of service.



iii) Medical Benefits	Reimbursement of Medical Expenses (including Medical Insurance) for himself and his family subject normally to a ceiling of one month's salary in a year, or 3 months salary over a period of 3 years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for him self and his family may be reimbursed on actual basis, subject to approval by the Board of Directors.
iv) Leave Travel Concession	For self and family, once in 2 years in accordance with the rules of the Company.
v) Earned/ Privilege Leave	As per Company Rule.
vi) Housing	Company owned/leased free furnished accommodation.
vii) Club Fees	Fees of the clubs subject to a maximum of two clubs, excluding the admission fees.
viii) Car	Provision of a Chauffeur Car.
Other Terms of Appointment of Managing Director:	
i)	The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule XIII of the Companies Act, 1956, or any other amendments made hereafter in this regard,
ii)	The appointment may be terminated by either party giving the other party one month's Notice.
iii)	If at any time the Managing Director ceases to be Director of the Company for any reason whatsoever, he shall cease to be Managing Director of the Company
iv) The Managing Director will not be liable to retire by rotation.	

FURTHER RESOLVED THAT the aforesaid salary and perquisites be paid to Shri Vinod Kumar Mohota as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the currency of his tenure.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution."

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

"RESOLVED FURTHER THAT pursuant to the provisions of sections 198, 269, 309, 310, 311 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to the continuation of the appointment of Shri Vinay Kumar Mohota as Wholtime Director of the Company for a further period of 5 years w.e.f. 1st April, 2011 on the following terms and conditions

Salary	Rs.65,000/- per month in the scale of Rs.65,000/- - 5,000/- - 85,000/-.
Perquisites:	Subject to 100% of Salary



i) Provident Fund	Contribution to Provident Fund, Super Annuation Fund or Annuity Fund are not to be included in the computation of the ceiling of the perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
ii) Gratuity	Gratuity payable is not to exceed 1/2 month's salary for each completed year of service.
iii) Medical Benefits	Reimbursement of Medical Expenses (including Medical Insurance) for him self and his family subject normally to a ceiling of one month's salary in a year, or 3 months salary over a period of 3 years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for him self and his family may be reimbursed on actual basis, subject to approval by the Board of Directors.
iv) Leave Travel Concession	For self and family, once in 2 years in accordance with the rules of the Company.
v) Earned/ Privilege Leave	As per Company Rule.
vi) Housing	Company owned/leased free furnished accommodation.
vii) Club Fees	Fees of the clubs subject to a maximum of two clubs, excluding the admission fees.
viii) Car	Provision of a Chauffeur Car.
Other Terms of Appointment of Wholetime Director:	
<p>i) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Wholetime Director in accordance with Schedule XIII of the Companies Act, 1956, or any other amendments made hereafter in this regard,</p> <p>ii) The appointment may be terminated by either party giving the other party one month's notice.</p> <p>iii) If at any time the Wholetime Director ceases to be Director of the Company for any reason whatsoever, he shall cease to be Wholetime Director of the Company</p>	

FURTHER RESOLVED THAT the aforesaid salary and perquisites be paid to Shri Vinay Kumar Mohota as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the currency of his tenure.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution."

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

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to the continuation of the appointment of Shri Shantilal B. Singhvi as Wholetime Director of the Company for a further period of 5 years w.e.f. 1st April, 2011 on the following terms and conditions



Salary	Rs. 27,000/- per month in the scale of Rs. 27,000/- - 2,000/- - 35,000/-.
Perquisites:	
i) Provident Fund	Contribution to Provident Fund, Super Annuation Fund or Annuity Fund are not to be included in the computation of the ceiling of the perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
ii) Medical Benefits	Reimbursement of Medical Expenses (including Medical Insurance) for him self and his family subject normally to a ceiling of one month's salary in a year, or 3 months salary over a period of 3 years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for him self and his family may be reimbursed on actual basis, subject to approval by the Board of Directors.
iii) Leave Travel Concession	For self and family, once in 2 years in accordance with the rules of the Company.
iv) Earned/ Privilege Leave	As per Company Rule.
v) Car	The provision of Car for use of Company's business. Use of car for private purposes shall be billed by the Company.

Other Terms of Appointment of Wholetime Director:

- i) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Wholetime Director in accordance with Schedule XIII of the Companies Act, 1956, or any other amendments made hereafter in this regard,
- ii) The appointment may be terminated by either party giving the other party one month's notice.
- iii) If at any time the Wholetime Director ceases to be Director of the Company for any reason whatsoever, he shall cease to be Wholetime Director of the Company

FURTHER RESOLVED THAT the aforesaid salary and perquisites be paid to Shri Shantilal B. Singhvi as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the currency of his tenure.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution."

By the order of the Board
The Rai Saheb Rekhchand Mohota
Spg. and Wvg. Mills Ltd.



Vinod Kumar Mohota
Managing Director

HINGANGHAT
Date : 25.08.2011


NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of 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 2011 to 27th September, 2011** (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 various 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 Vinay kumar Mohota	Shri Shantilal B. Singhvi	Shri G.G. Singhee
Date of Birth	06.09.1967	20.03.1937	02.11.1934
Qualification	B.E., M.B.A.	Matriculate	B.Com., L.L.B.
Date of first Appointment	01.04.2006	01.04.2006	28.03.2002
Expertise	General Administration & Production.	General Administration & Marketing.	Corporate Laws, Accounting & General Administration & Marketing
Directorship held In other Companies	Nil	Nil	Shivam Textiles Pvt. Ltd.
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									
	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Total Income	23749.19	18796.99	15336.52	15542.93	12736.96	16415.49	15701.15	12984.54	11198.05	7058.23
Operating Profit	1405.40	1062.85	636.85	814.08	1067.42	956.14	922.53	837.84	819.79	659.60
Interest	573.56	650.22	586.19	410.08	263.97	266.34	256.53	136.04	228.83	296.75
Depreciation	538.19	580.21	557.84	500.51	486.21	586.85	538.14	426.30	500.47	395.62
Tax	(185.80)	(55.02)	(134.09)	28.00	34.14	10.32	4.00	7.12	25.81	(0.03)
Net Profit/(Loss)	107.85	(222.60)	(373.09)	(124.51)	283.08	92.63	123.86	268.38	64.68	32.80
Gross Block	12263.09	12171.78	12191.26	11705.48	8897.92	**7944.69	*10143.33	7506.05	7091.06	6796.13
Investments	435.56	147.74	244.09	244.09	218.03	180.12	-	0.63	13.17	10.59
Net Current Assets	5707.03	5327.36	4477.75	4482.15	5020.69	4073.58	5227.18	5302.60	4226.69	3698.48
Equity Share Capital	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87
Reserves	2318.35	2277.20	2603.08	3060.37	3338.36	3172.30	3410.30	2598.84	2238.70	2229.65
Borrowings	8734.32	8764.26	8281.70	7874.21	5766.20	4418.88	5849.81	4608.53	4086.97	3876.18
Book Value Per Share Rs.	58.42	55.84	61.18	70.13	74.42	67.63	71.13	70.00	61.27	61.06
Earning Per Share Rs.	2.59	(5.34)	(8.94)	(2.99)	6.79	2.22	2.97	6.44	1.55	0.79

* 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 :

Dear Members,

Your Directors are pleased to present their 64th report on the business and operation of your company together with Audited Statement of Accounts for the year ended March 31, 2011.

	(Rs. in Lacs)	
FINANCIAL RESULTS	As at 31st March 2011	As at 31st March 2010
Gross Revenue	23749.19	18796.99
Gross Profit (before interest, depreciation & tax)	1405.40	1062.85
Less: Interest	573.56	650.22
Depreciation	538.19	580.21
Profit / (Loss) before tax	293.65	(167.58)
Less: <u>Provision for taxation</u>		
Current	-	-
Deferred	(185.80)	(55.02)
Fringe Benefit Tax	-	-
For earlier years	-	-
Net Profit / (Loss) available for appropriation	107.85	(222.60)
<u>Appropriation :</u>		
Transfer to General Reserve	107.85	(222.60)

DIVIDEND

In view of the previous year's carried forward losses, 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. 23673.04 lacs from Rs. 18691.16 lacs in the corresponding previous year mainly on account of increase in local demand of fabrics and in export demand of yarn. Company has earned net profit (before tax) of Rs. 293.65 lacs in the current financial Year.

EXPORTS

The Company's export during the year calculated on FOB basis amounted to Rs. 86.97 crore as against Rs. 72.93 crore in the immediately preceding year, registering increase in turn over by 19.25% due to high demand of yarn in exports market.



CURRENT AND FUTURE OUTLOOK

The textile industry is one of the largest and most important sectors in the Indian economy in terms of output, foreign exchange earnings and employment. India's Textile Industry is one of the leading textile industries in the world. It contributes approximately 14% India's industrial production 4% to the GDP and 17% to the country's export earnings. It provides direct employment to over 35 million people and is the second largest provider of employment after the agricultural sector. The Industry is expected to grow steadily from its present US\$ 70 billion to US\$ 110 billion by 2015. Textile products including wearing apparel have registered a growth of 4.3% during April-January 2010-11 as per the Index of Industrial Production (IIP) data release by the Central Statistical Organisation.

Notwithstanding signs of recovery from the previous financial crisis, the textile and apparel industry went through a tough year struggling with the surging and fluctuating prices of raw materials. However, the Government is making efforts in boosting the textile industry through various initiatives and investments are increasing steadily. The Ministry of Textiles has sanctioned a total of US\$ 133 million under Technology Upgradation Fund Schemes (TUFS) during September 2010. The industry is expected to continue to grow at a significant rate in the future, as it is fuelled by a strong domestic consumption.

Despite new risks, the global economic recovery is gaining strength and the IMF has projected a 4.5% world growth in 2011 and 2012. While growth in emerging economies remain strong, that in the US and European region is slowly gaining momentum some of economies of the developed nations are still a concern with the Euro zone being the most vulnerable as rating agencies continue to downgrade the sovereign rating of many of economies in this region the natural disaster in large sharp increase in oil prices consequent to the turmoil in the Middle East and North Africa is fuelling uncertainty to the pace of global recovery. Globally, elevated food and commodity prices accompanied by the spike in oil prices have engendered inflation concerns.

The Indian Economy registered improved growth and was amongst the better performers amid emerging market economies. Central Statistical Organization's recent estimated Indian GDP growth rate of 8.6% for 2010-11 is consistent with the RBI's projections for the same period. While the area sown under the Rabi crop is higher than last year which augurs well for agricultural production, the index of industrial production continues to be volatile. The other indicators such as latest Purchasing Manager's Index, direct and indirect tax collections, merchandise export and bank credit, suggest that the growth momentum persists. However continuing uncertainty about energy and commodity prices may vitiate the investment climate, posing a threat to current growth trajectory, inflation remains a challenge for the Indian Economy and the key risks are tighter monetary conditions and rising prices eating into the consumer's disposable income.

MODERNISATION / EXPANSION

Your Company has incurred capital expenditure of Rs.137.41 lacs on 4 TFO, 2 Dyeing Machines & RO Plant and other accessories for modernization / upgradation of existing Hinganghat unit and it has been financed through internal accruals.

CDM PROJECT ACTIVITY

Company has received CDM project revenue by sale proceed from VCU'S in the international market. Process of getting certificate for VER is in progress and likely to generate more revenue in the future.

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 Vinay Kumar Mohota, Shri Shantilal B. Singhvi & Shri G. G. Singhee, 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 2011-12.

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 :-

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) 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 31.03.2011 and of the profit of the company for the year ended on 31.03.2011;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- d) 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.

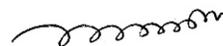
PERSONNEL

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: 30/05/2011



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, 2011

I. 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' is given below :

FORM A

	2010-2011	2009-2010
I. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (kwh in lacs)	266.07	270.87
Total Amount (Rs. In lacs)	1106.62	1056.67
Rate/Unit (Rs.)	4.16	3.90
(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.)	11700.80	11262.00
Total Cost (Rs. in lacs)	360.91	288.49
Average Rate (Rs. per M.T.)	3084.49	2561.63

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.



II. 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

III. 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 : 8697.34
 - ii) Foreign Exchange outgo : 124.80



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.

Green Initiative in Corporate Governance : Save Paper

As you are aware, you are entitled to receive, a copy of the Balance Sheet of the Company and all other documents required under the Companies Act, 1956 (the "Act") to be attached thereto at the time of Annual General Meeting as well as upon receipt of a specific requisition from you, any time, as a member of the Company.

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued Circulars (No.: 17/2011, dated 21st April, 2011 and No. 18/2011, dated 29th April, 2011) stating that the service of Document by a Company can be made through Electronic Mode.

We trust that you would wholeheartedly support this initiative of the MCA in the conservation of paper and promoting a greener environment. By registering yourself with the Company for e-communication, you will be able to receive Annual Report promptly by Electronic Mode and without loss in postal transit.

In furtherance of the above mentioned initiative of the MCA, we propose to send the Annual Report containing the Documents like the Notice convening the Annual General Meeting, Audited Financial Statements, Director's Report, Auditor's Report etc., henceforth in electronic form, to the e-mail address provided by you and made available to us by the Depositories.

In case you desire to receive the Annual Report in electronic form, please inform us by sending us an e-mail on info@rsrmm.com / finance@rsrmm.com / info@bigshareonline.com mentioning your DP ID, Client ID. Your mail will be considered as an affirmation and accordingly the Annual Report will be sent to you in electronic form.

In case we do not receive any mail from you, then the Company will send you Physical copy of the Annual Report.

The Annual Report will also be displayed on our Company's website : www.rsrmm.com in due course of time.

Please note that you will be entitled to be furnished, free of cost, with a copy of the Annual Report upon receipt of a requisition from you, any time, as a member of the Company.

Looking forward to your co-operation in the protection of our environment.

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
Shri Shantilal 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 2010 - 11, The Board of Directors met 6 times on the following dates:

Sl. No.	Date of Meeting	Board Strength	No. of Directors present
01	19.04.2010	8	6
02	29.05.2010	8	7
03	30.07.2010	8	5
04	30.10.2010	8	6
05	29.01.2011	8	6
06	15.03.2011	8	6

c) Attendance of Directors:

Attendance record of the Directors at the Board Meetings held during the financial year 2010-11 and the last Annual General Meeting held on 27th September 2010.

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting
Shri Ranchhoddas Mohota	6	6	No
Shri Vinod Kumar Mohota	6	6	Yes
Shri Vinay Kumar Mohota	6	6	No
Shri Shantilal B. Singhvi	6	6	Yes
Shri C.J. Thakar	6	4	No
Shri G.G. Singhee	6	6	No
Shri Pavan Poddar	6	—	No
Shri Suresh Rathi	6	2	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, 2011.

Name of the Director	Remuneration paid/payable during the year ended 31.03.2011 (in Rs.)			
	Sitting Fees	Salary & Perks	Commission	Total
Shri Vinod Kumar Mohota	Nil	9,40,800/-	Nil	9,40,800/-
Shri Vinay Kumar Mohota	Nil	8,06,400/-	Nil	8,06,400/-
Shri Shantilal B. Singhvi	Nil	3,36,000/-	Nil	3,36,000/-

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 Vinay kumar Mohota, Shri Shantilal B. Singhvi and Shri G.G. Singhee shall retire by rotation at the 64th 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 2010-2011 four Audit Committee Meetings were held. The date on which the said meetings were held are 29th May, 2010, 30th July, 2010, 30th October, 2010 and 29th January, 2011.

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 Shantilal 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 up to 31.03.2011.

The Share Transfer & Shareholders'/ Investors' Grievance Committee consist of Shri Vinod Kumar Mohota (Chairman), Shri Vinay Kumar Mohota and Shri Shantilal 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 oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of Investor Services.

During the year, Four 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	4
02	Shri Vinay Kumar Mohota	4
03	Shri Shantilal B. Singhvi	4

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	8,40,000/-	1,00,800/-	9,40,800/-
02	Shri Vinay Kumar Mohota -W. T. Director	7,20,000/-	86,400/-	8,06,400/-
03	Shri Shantilal B. Singhvi – W. T. Director	3,00,000/-	36,000/-	3,36,000/-

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	27.09.2010	10.30 a.m.	Devkaran Mansion, Gate No.2, 3rd Floor, 63, Princess Street, Mumbai – 400 002.
AGM	30.09.2009	10.30 a.m.	
AGM	27.09.2008	10.30 a.m.	



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 27th September, 2010** - Nil
- b) **Annual General Meeting held on 30th September, 2009** - Delisting of Shares from
 - 1) Ahmedabad Stock Exchange Ltd., Ahmedabad
 - 2) Bangalore Stock Exchange Ltd., Bangalore.
- c) **Annual General Meeting held on 27th September, 2008** - Appointment of Additional Directors -
 - 1) Shri Pavan Poddar
 - 2) Shri Suresh Rathi.

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.

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 : 27th September, 2011 at 10.30 A.M.
 Venue : Devkaran Mansion, Gate No.2, Block No.15,
 3rd Floor, 63, Princess Street,
 Mumbai – 400 002


b) Financial Calendar 2011-2012 (Tentative)

Financial Year	:	April to March
First Quarter Results	:	4th Week of July, 2011
Half-Yearly Results	:	4th Week of October, 2011
Third Quarter Results	:	4th Week of January, 2012
Audited Results for the year ending 31st March, 2012	:	4th Week of May, 2012

c) Dates of Book closure : 20.09.2011 to 27.09.2011 (both days inclusive)

d) Dividend payment date : The Board of Directors do not recommend any dividend for the year to conserve resources for modernization / expansion of the manufacturing facilities.

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 2011 – 2012.

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
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	Share Price of the Equity Scrip's of the Company		Volume of shares traded
	High	Low	
April, 2010	141.50	97.95	51813
May, 2010	165.00	102.65	221510
June, 2010	101.80	87.50	107628
July, 2010	108.00	93.00	26930
August, 2010	113.40	90.05	24426
September, 2010	99.75	73.00	113148
October, 2010	94.65	76.70	3318
November, 2010	103.95	84.40	5871
December, 2010	127.00	96.55	22519
January, 2011	172.00	116.25	345852
February, 2011	150.10	83.20	70935
March, 2011	135.75	82.25	144132

j) Distribution of Shareholding as on 31st March, 2011

Range of Shares		No. of share-holders	% of Share-holders	Total holding (No.of shares.)	% of share-holding
From	To				
1	500	510	82.13	75,189	1.81
501	1000	40	6.44	29,905	0.72
1001	2000	15	2.42	21,565	0.52
2001	3000	3	0.48	7,132	0.17
3001	4000	3	0.48	6,829	0.16
4001	5000	3	0.48	13,800	0.33
5001	10000	12	1.93	1,01,000	2.42
10001 & above		35	5.64	39,13,010	93.87
TOTAL		621	100.00	41,68,430	100.00

k) Share Holding pattern as on 31st March, 2011

Type of Shareholder	No. of shares held	% of Total
Promoters – Indian	30,27,807	72.64
– 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	6,87,006	16.48
Indian Public	4,53,617	10.88
Total	41,68,430	100.00


l) Dematerialisation of shares and Liquidity

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, 2011 over 98.58% 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	:	621
Total Nos. of Equity Shares	:	41,68,430
Total Nos. of Equity Shares in Physical form	:	59,110
Total Nos. of Equity Shares in Electronic Mode with	:	
	NSDL	: 18,33,099
	CDSL	: 22,76,221

As per SEBI's directive, no investor shall be required to pay any charges for opening of a Beneficiary Owner Account (BOA) 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 2011-2012. Shareholders are advised to convert their holdings from Physical mode to Demat mode and get benefited 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, 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 ID : 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, 2011 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 : **30th May, 2011**

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



CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY.

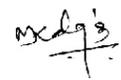
We, Vinod Kumar Mohota, Managing Director and Mukesh Mahajan, G. M. Finance of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd., to the best of our knowledge and belief, certify that –

- a. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2011 and all its Schedules and Notes on accounts, as well as the Cash Flow Statement.
- b. Based on our knowledge and information, these Statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made.
- c. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
- d. To the best of our knowledge and information :
 1. these statements do not contain any materially untrue statement or omit to state a material factor contains statement that might be misleading.
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- e. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent or illegal.
- f. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures and confirm them to be adequate.
- g. The Company's other certifying officers and we have disclosed, based on our most recent evaluation of internal controls and systems and have to state
 1. That there were no deficiencies in the design or operation of internal controls, which we are aware;
 2. That there have been adequate internal controls in the Company.
 3. That there was no fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control system there were no changes in accounting policies during the year.

For and on behalf of the Board

Place : Hinganghat
Dated : 30th May, 2011


Vinod Kumar Mohota
Managing Director


Mukesh Mahajan
G. M. Finance



ANNEXURE 'III' TO THE DIRECTOR'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENT & OUTLOOK

The Indian Textiles is the second largest in the world, second only to China 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 30 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.

India has seen a significant growth in domestic demand with its apparel market shifting from traditional segmentation to multi-layered one with varied consumer needs. Besides, its textile industry is collaborating more frequently with international companies. Meanwhile, Indian government is making an effort to boost its textile industry.

India's garment exports accounted for US\$ 10.17 billion during the year 2008-09, giving it an enviable market share of 2.99%. India is the 6th largest exporter of readymade garments (RMG) with a 2.6% world market share. The industry supports 7 million people as part of its workforce, and aims to double this figure by 2011-12. The apparel sector alone contributes to 8% of India's total exports with exports recording a 1% growth over last year. By the year 2011-12, India expects to record a 15% growth in quantity and 20% growth in values.

India's domestic market has grown significantly in the past registering a Compounded Annual Growth Rate (CAGR) of 13%. Despite the demand slump, the domestic market is expected to grow by around 9-10% in the next 5 years. The Indian apparel market is moving away from the traditional segmentation to a much deeper and wider segmentation based on consumer needs. Also India's textile industry is seeing an increase in collaboration between national and international companies, International apparel companies like Hugo Boss, Liz Claiborne, diesel.

There are major policy initiatives taken by the Ministry. Under the Scheme for Integrated Textile Parks, 40 Parks have been sanctioned till date in nine states, with total project cost of about Rs.4,141 crore with government contribution of Rs.1,425 crore. When fully functional the Parks would have an investment of Rs.19,500 crore.

In line with the Policy Announcement of the Government, the Integrated Skill Development Scheme has been launched for the textiles and apparel sector, including jute and handicrafts. Under this Scheme, the Government has envisaged to invest Rs.2,360 crore over the next five years.

The Indian textile sector is growing at an estimated rate of 8% per annum and it is expected to reach \$110 billion by the year 2015 with an export of \$45 billion. To sustain its growth, Indian textile industry requires an investment of \$24 billion by 2015.

OPPORTUNITIES & THREATS:

India has rich resources of raw materials of textile industry. It is one of the largest producers of cotton in the world and is also rich in resources of fibres the polyester, silk, viscose etc. India is rich in highly trained manpower. The country has a huge advantage due to lower wage rates. Because of low labour rates the manufacturing cost in textile automatically comes down to very reasonable rates. India is highly competitive in spinning sector and has presence in almost all processes of the value chain. Indian garment industry is very diverse in size, manufacturing facility, type of apparel produced, quantity and quality of output, cost, requirement for fabric etc. it comprises suppliers of ready-made garments for both, domestic or export markets.

Indian textile industry is highly fragmented in industry structure, and is led by small scale companies. The reservation of production for very small companies that was imposed with intention to help out small scale companies across the country, led substantial fragmentation that distorted the competitiveness of industry. Smaller companies do not have the fiscal resources to enhance technology or invest in the high-end engineering of processes. Hence they lose in



productivity. Indian labour laws are relatively unfavorable to trades and there is an urgent need for labour reforms in India. India seriously lacks in trade pact memberships, which leads to restricted access to the other major markets.

SEGMENTWISE PERFORMANCE:

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

RISK AND CONCERNS:

Uncertainties of Raw Material rates of polyester, viscose & drastic increase of 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 BITRA/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.

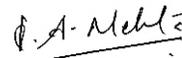
We have examined the compliance of conditions of Corporate Governance by **The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Limited**, for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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.

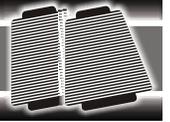
We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W**



**K. A. Mehta
Partner
Membership No. 111749**

**Place : Hinganghat
Dated: 30/05/2011**



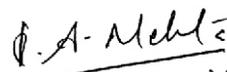
AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. Mumbai** as at 31st March, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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 2011,
 - ii) In the case of the Profit & Loss Account of the Profit 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: 30/05/2011

**ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011 OF THE RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS LTD. (Referred to in Paragraph 1 thereof.)**

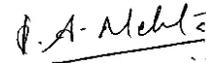
- i)
 - a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The management has confirmed that wherever practicable, physical verification of all the major fixed assets has been carried out. No serious discrepancies 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 31.03.2011 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) In our opinion, the Company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- 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 31.03.2011 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: 30/05/2011

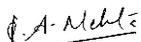

Balance Sheet as at 31st March, 2011

	SCHEDULE	As at 31st March 2011	(Rs.in Lacs) As at 31st March 2010
SOURCE OF FUNDS			
Shareholders Funds:			
Share Capital	'A'	714.87	714.87
Reserves and Surplus	'B'	2,318.35	2,277.20
		3,033.22	2,992.07
LOAN FUNDS			
Secured Loans	'C'	7,370.60	7,866.53
Unsecured Loans	'D'	1,363.73	897.73
Deferred Tax Liability (Net)		481.59	295.79
Total		12,249.14	12,052.12
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'E'	12,263.08	12,171.78
Less : Depreciation		6,228.82	5,667.66
Net Block		6,034.26	6,504.12
Add : Capital Work in Progress (including advances & preoperative expenses)		25.12	---
		6,059.38	6,504.12
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	'F'	435.56	147.74
Sundry Debtors	'G'	5,380.87	4,401.97
Cash & Bank Balances		3,528.38	2,966.50
Loans & Advances		33.02	30.90
		1,246.87	1,045.14
	[a]	10,189.14	8,444.51
LESS :			
CURRENT LIABILITIES & PROVISIONS	'H'	[b]	4,482.11
NET CURRENT ASSETS	[a-b]	5,707.03	3,117.15
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
VRS Expenses		72.90	98.63
Less : VRS Expenses Written-off		25.73	25.73
		47.17	72.90
Total		12,249.14	12,052.12

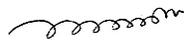
NOTES TO THE ACCOUNTS
'Q'

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



SHANTILAL B. SINGHVI
DIRECTOR

PLACE : HINGANGHAT
DATED : 30/05/2011



Profit & Loss Account for the year ended 31st March, 2011

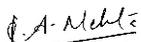
	SCHEDULE	Year ended 31st March 2011	(Rs.in Lacs) Year ended 31st March 2010
INCOME			
SALES (GROSS)			
Manufacturing		14,716.25	12,424.68
Trading		8,956.79	6,266.47
		23,673.04	18,691.15
Other Income	'I'	76.14	105.84
		23,749.18	18,796.99
Increase / (Decrease) in Stocks	'J'	817.36	(218.35)
		24,566.54	18,578.64
EXPENDITURE			
Manufacturing Expenses	'K'	13,412.84	9,524.88
Cost of Traded Goods	'L'	6,750.35	5,420.09
Payments and Benefits to Employees	'M'	1,670.48	1,498.77
Repairs & Maintenance	'N'	43.64	40.70
Administrative, Selling and Other Expenses	'O'	1,173.42	961.82
Financial Expenses	'P'	658.24	701.48
VRS Expenses Written-off		25.73	25.73
Depreciation	600.24		651.13
Less: Transfer from Revaluation Reserve (Refer to Note No. 3 of schedule 'Q')	62.05	538.19	70.92
		24,272.89	18,753.68
Profit/(Loss) for the year before Taxation		293.65	(175.04)
Add : Prior years adjustments		--	7.46
		293.65	(167.58)
Less : - Provision for Deferred Tax		185.80	55.02
		107.85	(222.60)
Balance transferred to balance sheet		107.85	(222.60)
EARNINGS PER SHARE OF RS.10/- EACH BASIC AND DILUTED (Refer to Note No. 9 of Schedule 'Q')		2.59	(5.34)

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. RANCIHODDAS MOHOTA
CHAIRMAN



VINOD KUMAR MOHOTA
MANAGING DIRECTOR

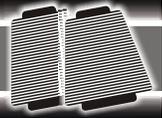


VINAY KUMAR MOHOTA
DIRECTOR



SHANTILAL B. SINGHVI
DIRECTOR

PLACE : HINGANGHAT
DATED : 30/05/2011


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)

 2,36,000 10% Non-Cumulative Redeemable Preference
Shares of Rs.100/- each, fully paid-up

 60,000 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

Balance in Profit & Loss 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 2011**

700.00

300.00

1,000.00

416.84

0.08

0.11

0.19

2.22

236.00

60.00

714.87

1,107.61

598.29

107.85

368.55

4.65

363.90
62.05

202.75

2,318.35
**(Rs.in Lacs)
As at
31st March 2010**

700.00

300.00

1,000.00

416.84

0.08

0.11

0.19

2.22

236.00

60.00

714.87

1,107.61

820.89

(222.60)

471.83

32.35

439.48
70.93

202.75

2,277.20



SCHEDULES

SCHEDULE 'C'

SECURED LOANS

Term Loan from Bank & Financial Institutions
(Refer to Note No. 6(a) of Schedule "Q")

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

	As at 31st March 2011	(Rs.in Lacs) As at 31st March 2010
Term Loan from Bank & Financial Institutions (Refer to Note No. 6(a) of Schedule "Q")	4,489.26	4,770.18
Working Capital Loan from Banks (Refer to Note No. 6(b) of Schedule "Q")	2,881.34	3,096.35
	7,370.60	7,866.53

SCHEDULE 'D'

UNSECURED LOANS

Others

	As at 31st March 2011	(Rs.in Lacs) As at 31st March 2010
Others	1,363.73	897.73

SCHEDULE - 'E'

FIXED ASSETS

Description of Assets	GROSS BLOCK (AT COST)					DEPRECIATION				NET DEPRECIATED BLOCK	
	As on 31st March 2010	Addition	Sub Total	Deduction on Account of sale/ Discarded	As on 31st March 2011	Up to 31.03.2010	FOR THE YEAR	DEDUCTION ON A/C OF SALE/ DISCARDED	Total as at 31st March 2011	As at 31st March 2011	As at 31st March 2010
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	---	1,725.48	---	1,725.48	543.30	79.41	---	622.71	1,102.77	1,182.18
NONFACTORY BUILDING	219.59	---	219.59	---	219.59	56.02	6.74	---	62.76	156.83	163.57
PLANT & MACHINERY	10,026.06	127.28	10,153.34	41.08	10,112.26	4,972.43	506.60	34.71	5,444.32	4,667.94	5,053.63
FURNITURE & FIXTURE	55.97	10.13	66.10	---	66.10	41.37	2.62	---	43.99	22.11	14.60
VEHICLES	59.53	---	59.53	5.03	54.50	44.94	3.67	4.37	44.24	10.26	14.59
INTANGIBLE ASSETS	34.68	---	34.68	---	34.68	9.60	1.20	---	10.80	23.88	25.08
GRAND TOTAL :	12,171.78	137.41	12,309.19	46.11	12,263.08	5,667.66	600.24	39.08	6,228.82	6,034.26	6,504.12
PREVIOUS YEAR	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


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

	No. Shares/Units	Face Value Rs.	As at 31st March 2011	(Rs.in Lacs) As at 31st March 2010
FULLY PAIDUP EQUITY SHARES (QUOTED)				
State Bank of Bikaner & Jaipur Ltd.	- (29000)	10/-	---	92.04
Infrastructure Development Fin. Co. Ltd	- (11000)	10/-	---	22.50
Bartronics India Ltd.	10000 (-)	10/-	23.20	23.20
HEG Ltd.	41900 (-)	10/-	135.95	-
Birla Cotsyn Ltd.	1200000 (-)	1/-	12.64	-
Micro Tech India Ltd.	6000 (-)	10/-	12.25	-
Indorama Synthetics Ltd.	12500 (-)	10/-	10.07	-
Suraj Dimond Ltd.	14000 (-)	10/-	10.29	-
Maharaja Shree Umed Mills Ltd.	82488 (-)	10/-	194.32	-
L & T	600 (-)	2/-	10.49	-
Sutlej Tex Ltd.	4118 (-)	10/-	10.74	-
Nahar Spg. Mills Ltd.	10000 (-)	5/-	10.70	-
Rajasthan Spg. & Wvg. Mills Ltd.	3000 (-)	10/-	4.91	-
IN UNITS OF MUTUAL FUND (UN-QUOTED)				
UTI INDIA LIFESTYLE FUND - GROWTH	- (100000)	10/-	-	10.00
			435.56	147.74
Book value of Quoted Investment	435.56			
Book value of Non-Quoted Investment	Nil			
Market value of Quoted Investment	447.05			
SCHEDULE 'G'				
CURRENT ASSETS, LOANS AND ADVANCES				
INVENTORIES (As certified by the Management)				
Store, Cotton Seed and Coal (at cost)			141.96	133.99
Raw Materials (at cost)			1,680.87	1,527.31
Stock in Process (at cost)			1,901.36	1,465.94
Cloth and Yarn (at cost)			1,656.68	1,274.73
			5,380.87	4,401.97
SUNDRY DEBTORS :				
(Unsecured and considered good unless otherwise stated)				
Over Six Months			416.69	495.88
Others			3,111.69	2,470.62
			3,528.38	2,966.50
CASH AND BANK BALANCES :				
Cash in hand			7.03	12.20
With schedule Banks : In Fixed Deposits			13.66	5.40
In Current Accounts			12.33	13.30
			33.02	30.90
LOANS AND ADVANCES : (Unsecured considered goods unless otherwise stated)				
Intercompany Deposits :			166.53	44.18
Advances (recoverable in cash or kind or value to be received) :				
To Staff & Workers			7.88	1.42
To Suppliers			254.15	279.75
To Others			657.73	543.21
Deposits			15.90	15.86
Advance payment of tax			93.48	117.42
Balance with Excise Department			51.20	43.30
			1,246.87	1,045.14
			10,189.14	8,444.51



SCHEDULES

	As at 31st March 2011	(Rs.in Lacs) As at 31st March 2010
SCHEDULE 'H'		
CURRENT LIABILITIES AND PROVISIONS :		
CURRENT LIABILITIES:		
SUNDRY CREDITORS :		
Raw Material & Other Purchases	3,490.00	2,415.92
Store Purchases	79.87	99.18
Expenses	309.36	260.43
Statutory Liabilities	43.91	46.95
Others	33.26	29.53
Advance against Sales	410.16	178.32
Interest Accrued but not due	63.40	34.67
	4,429.96	3,065.00
PROVISIONS :		
For taxation	45.00	45.00
For Fringe Benefit Tax	7.15	7.15
	4,482.11	3,117.15
SCHEDULE 'I'		
OTHER INCOME		
Profit on sale of shares	65.21	81.02
Profit/(Loss) on Sale of fixed Assets	3.70	15.34
Agricultural Income	(1.79)	1.86
Dividend	9.02	7.62
	76.14	105.84
SCHEDULE 'J'		
INCREASE/(DECREASE) IN INVENTORIES		
CLOSING STOCKS		
Finished Goods	1,656.68	1,274.73
Stock in process	1,901.35	1,465.94
	(a) 3,558.03	2,740.67
LESS: OPENING STOCKS		
Finished Goods	1,274.73	1,577.20
Stock in process	1,465.94	1,381.82
	(b) 2,740.67	2,959.02
	(a-b) 817.36	(218.35)
SCHEDULE 'K'		
MANUFACTURING EXPENSES :		
Materials Consumed		
Raw Materials	10,832.72	7,033.95
Store & spare parts consumed	1,040.43	1,055.64
Coal & Power consumed	1,467.53	1,345.16
Job Charges	72.16	90.13
	13,412.84	9,524.88


SCHEDULES

	(Rs.in Lacs)	
	Year ended 31st March 2011	Year ended 31st March 2010
SCHEDULE 'L'		
COST OF TRADED GOODS		
Export Trading Purchases	6,750.35	5,420.09
	6,750.35	5,420.09
SCHEDULE 'M'		
PAYMENTS AND BENEFITS TO EMPLOYEES		
Salaries, Wages, and other allowances	1,463.54	1,303.13
Contribution to P. F. and other funds	202.86	190.72
Workman & staff welfare expenses	4.08	4.92
	1,670.48	1,498.77
SCHEDULE 'N'		
REPAIRS & MAINTENANCE :		
Machinery Repairs	28.35	26.74
Building Repairs	14.26	12.52
Sundry Repairs	1.03	1.44
	43.64	40.70
SCHEDULE 'O'		
ADMINISTRATIVE, SELLING AND OTHER EXPENSES :		
Rates, Taxes & Water charges	181.08	86.06
Rent	23.71	28.12
Insurance	17.90	12.00
Freight charges	21.33	36.17
Shipping & Sampling	323.55	310.37
Selling & Distribution expenses	25.36	-
Coolie & Cartage	0.30	0.70
Testing & Certification Fees	0.77	0.23
Membership & Subscription	1.71	2.32
Commision & Brokerage	414.24	340.59
Motor vehicle expenses	34.83	26.05
Miscellaneous expenses	71.16	65.00
Computer expenses	1.40	1.08
Managerial Remuneration	18.60	17.16
Legal & Professional Charges	36.07	34.44
Auditors Remuneration :		
As Auditor	0.77	0.70
As Tax Auditor	0.17	0.20
For Certification etc.	0.17	0.44
Travelling expenses	0.30	0.19
	1,173.42	961.82
SCHEDULE 'P'		
FINANCIAL EXPENSES :		
Interest Paid :		
Interest On Term Loans	341.75	380.79
Interest On Working Capital	303.52	320.02
Interest On Others	6.69	5.17
Less : Interest Received	78.41	55.76
	573.55	650.22
Add : Bank Charges	84.69	51.26
	658.24	701.48



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 diminution in the value of which is permanent in nature has been provided.

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 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>2010-2011</u>	<u>(Rs. in lacs)</u> <u>2009-2010</u>
2. Contingent liability not provided for:		
For Bank Guarantee issued	Rs. 129.74	Rs. 116.42
3. A sum of Rs. 62,04,748/- 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 write off by Rs. 4,65,008/- in respect of 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. 2009-10) was Rs.38.99 lacs, payment made during the year and debited to profit & loss account is Rs.50.28 lacs and estimated liability at the close of the current year stands at Rs.43.50 lacs.		
5. (a) In accordance with the transitional provisions of Accounting Standard 15 Gratuity liability as on 31.03.2011 is Rs.541.53 lacs as per actuarial valuation and present value of plan assets at the end of period is Rs.594.16. Hence no Gratuity provision has been made during the financial year.		



(b) Disclosure for defined benefit plans based on actuarial valuation in respect of gratuity as on 31.03.2011 is as under -

Change in define benefit obligation :	Rs.in lacs
Present value of defined benefit obligation as on 01.04.2011	677.00
Interest Cost	55.85
Current service cost	41.84
Past Service Cost (Non Vested Benefit)	-
Past Service Cost (Vested Benefit)	1.29
Liability Transfer in	-
Liability Transfer out	-
Benefit Paid	(24.17)
Actuarial (gain)/loss on obligations	(210.28)
Present value of defined benefit obligation as on 31.03.2011	541.53
 Change in Fair value of Plan Assets:	
Opening Balance	566.85
Expected Return	45.75
Contributions	-
Benefit Paid	(24.17)
Actuarial gain/(loss)	6.13
Closing balance	594.16
Actuarial Return	-
 Amount Recognized in the Balance Sheet :	
Liability at the end of the year	594.16
Fair Value of Plan Assets	541.53
Net (Assets/Liability) recognized	52.63
 Expenses Recognized in the Profit & Loss Account	
Current service cost	41.84
Interest on obligation	55.85
Expected return on plan assets	(45.35)
Net Actuarial (gain / loss)	(216.41)
Past Service Cost (Vested Benefit)	1.29
Expenses recognized in P & L	(162.78)
 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.3714.26 lacs from State Bank of India, Mumbai and Rs. 774.99 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 & Burkoni. 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 Shantilal 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.N.	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	20,83,200 7,47,000	
3.	Relatives of Key Management Personnel	Rent Salary	1,71,000 1,98,755	

9. Earning per share	31.03.2011	31.03.2010
Face value per share	Rs. 10	Rs. 10
Profit/(Loss) after tax	Rs. 1,07,85,125	Rs. (2,22,60,478)
No. of Shares used in computing EPS -		
Basic and diluted	4168430	4168430
Earning per Share - basic and diluted	Rs. 2.59	Rs. (5.34)



10. In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India, Company has recognized Deferred Tax Liability of Rs. 185.80 lacs in the Profit & Loss Account.

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

	31.03.2011	31.03.2010
<u>Deferred tax Assets</u>		
Provision for Gratuity	Nil	96,75,355
Income tax loss	63,12,334	1,28,34,926
<u>Deferred tax Liability</u>		
Depreciation	5,44,71,397	5,20,88,932
Net Deferred tax Asset / (Liability)	(4,81,59,063)	(2,95,78,651)

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. Licensed and installed capacity, Production, Turnover and Stock :-

(A) Installed Capacity

Class of Goods	Licenced Capacity		Installed Capacity	
	2010-2011	2009-2010	2010-2011	2009-2010
Cloth Looms - Shuttle (No.)	N.A.	N.A.	192	192
- Airjet (No.)			48	48
Yarn Spindles (No.)	N.A.	N.A.	36096	36096


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

CLASS OF GOODS	OPENING STOCK		PRODUCTION/ PURCHASES	CLOSING STOCK		TURNOVER	
	QUANTITY	VALUE (Rs)		QUANTITY	QUANTITY	VALUE (Rs)	QUANTITY
CLOTH Mtrs.	419059 (682886)	23581725 (30208520)	16340942 (16854286)	424058 (419059)	27222529 (23581725)	16335943 (17118113)	791753756 644413008)
YARN Kgs.	81646 (250834)	13546564 (31597854)	3847024 (3879263)	164205 (81646)	36998366 (13546564)	3764465 (4048451)	635591250 (531101518)
WASTE Kgs.	(-)	(-)	381290 (482906)	-	-	381290 (482906)	7763393 (9253432)

* Above Turnover is net of DEPB, Duty drawback, Exchange rate & other export incentive received amounting to total Rs.6,06,92,968/-

Notes :

- Production & Clearance includes 2400 mtrs. cloth issued as sample.
- Production & clearance includes 20505 mtrs. Cloth processed for outside party on job basis.
- Above cloth figures includes Finished Cloth Opening Stock 96947 mtrs. and purchases Mtrs. 584545.
- Above figure excludes Dhوتي (Opening stock 6847 Pcs. Rs.23,55,255) purchase (18716 Pcs. Rs.47,48,949/-) Sales (12891 Pcs. Rs.38,42,603/-, Closing Stock 12672 Pcs. Rs.4354063).
- Closing stock includes 4104 kgs. of yarn returned & lying outside the bonded warehouse.
- Above yarn figure excludes 587087 kg. yarn captively consumed at Hinganghat Unit, 498909 kg. yarn captively consumed at Burkoni weaving unit & balance 87240 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 1047783 kg. purchased from outside & subsequently issued to Burkoni unit 924519 kg., to weaving at Hinganghat 74202 kg., & Spinning at Hinganghat 49062 kg.

ii) EXPORT DIVISION (TRADING)

CLASS OF GOODS	OPENING STOCK		PRODUCTION/ PURCHASES	CLOSING STOCK		TURNOVER	
	QUANTITY	VALUE (Rs)		QUANTITY	QUANTITY	VALUE (Rs)	QUANTITY
Cotton Yarn (Kgs.)	- (-)	- (-)	1367845 (1195327)	- (-)	- (-)	1367845 (1195327)	248123999 175717601)
P.V.Yarn (Kgs.)	- (-)	- (-)	2796474 (2932256)	- (-)	- (-)	2796474 (2932256)	456976874 372584595)



17. Raw Material Consumed :

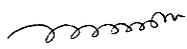
	2010-2011				2009-2010			
		Quantity		Value		Quantity		Value
Cotton	Kgs.	2519049	Rs.	25,06,05,736	Kgs.	1256805	Rs.	11,38,26,766
Man-made Fibre	Kgs.	4277601	Rs.	43,42,39,959	Kgs.	4250600	Rs.	34,33,75,199
Power Loom Cloth	Mtrs.	6494603	Rs.	20,83,72,205	Mtrs.	2953295	Rs.	9,07,90,620
Yarn Kgs.		1047784	Rs.	19,00,53,372	Kgs.	1297734	Rs.	15,54,03,064
			Rs.	1,08,32,71,272			Rs.	70,33,95,649

(a) C.I.F. Value of Imports :		2010-2011		2009-2010
i) Raw Material	Rs.	-	Rs.	-
ii) Stores, Spares, Dyes & Chemicals	Rs.	15,50,912	Rs.	12,05,478
iii) Capital Goods	Rs.	-	Rs.	-
(b) i) Value of Imported raw materials consumed.	Rs.	-	Rs.	-
Percentage of total raw material consumed.		-		-
ii) Value of indigenous raw materials consumed	Rs.	108,32,71,272	Rs.	70,33,95,649
Percentage of total raw material consumed.		100%		100%
iii) Value of imported stores and spare parts & dyes and chemicals consumed.	Rs.	15,50,912	Rs.	12,05,478
Percentage of total stores, spares parts and dyes & chemicals consumed.		1.51%		1.15%
iv) Value of indigenous stores and spare parts & dyes & chemicals consumed.	Rs.	10,24,92,255	Rs.	10,43,58,838
Percentage of total stores spares parts and dyes & chemicals consumed		98.49%		98.85%
18. Earning in Foreign Exchange Export at F. O. B. value.	Rs.	* 86,97,53,832	Rs.	72,93,47,583
(* Manufacturing Export – Rs. 18,14,42,169				
Trading Export – Rs. 68,83,11,663)				
19. Expenditure in Foreign Currency	Rs.	80,38,292	Rs.	79,91,228

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

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

For and on behalf of the Board


Dr. Ranchhoddas Mohota
Chairman


Vinod Kumar Mohota
Managing Director


Vinay Kumar Mohota
Director


Shantilal B. Singhvi
Director

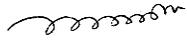
PLACE : Hinganghat
DATED : 30/05/2011



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	2011
	Date	Month	Year
II. Capital raised during the year (Amount in Rs. Thousand).			
	Public Issue	Rights Issue	
	NIL	NIL	
	Bonus Issue	Private Placement	
	NIL	NIL	
III. Position of Mobilisation and Deployment of Funds. (Amount in Rs. Thousand)			
	Total Liability	Total Assets	
	1 2 2 4 9 1 4	1 2 2 4 9 1 4	
Source of Funds	Paidup Capital	Reserve & Surplus	
	7 1 4 8 7	2 3 1 8 3 5	
	Secured loans	Unsecured loans	
	7 3 7 0 6 0	1 3 6 3 7 3	
	Deferred Tax Liability		
	4 8 1 5 9		
Application of Funds	Net Fixed Assets	Investments	
	6 0 5 9 3 8	4 3 5 5 6	
	Net Current Assets	Misc. Expenditure	
	5 7 0 7 0 3	4 7 1 7	
	Accumulated Loss		
	NIL		
IV. Performance of Company (Amount in Rs. Thousand)			
	Turn Over including other income	Total Expenditure	
	2 3 7 4 9 1 9	2 4 2 7 2 9 0	
	+ - Profit/(Loss) before Tax	+ -	Profit/(Loss) after
	+ 2 9 3 6 5	+	1 0 7 8 5
	Earning per share in Rs.	Dividend rate %	
	2 . 5 9	NIL	
V. Generic Name of principal product of Company			
Item Code No. (ITC Code)			
Product Description	YARN	AND	FABRICS

For and on behalf of the Board


Dr. Ranchhoddas Mohota
Chairman


Vinod Kumar Mohota
Managing Director


Vinay Kumar Mohota
Director


Shantilal B. Singhvi
Director

PLACE : Hinganghat
DATED : 30/05/2011



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2011

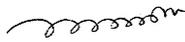
(Rs.in Lacs)

A CASH FLOW FROM OPERATING ACTIVITIES :

	Year ended 31st March 2011	Year ended 31st March 2010
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	293.65	(167.58)
ADJUSTMENTS FOR :		
DEPRECIATION	538.19	580.21
VRS EXPENSES	25.73	25.73
INTEREST	658.24	701.48
INTEREST RECEIVED FROM MERCHANT	27.93	27.00
INTEREST ON WORKING CAPITAL & OTHERS	(394.90)	(376.45)
DIVIDEND	(9.02)	(7.62)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,139.82	782.77
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	(795.46)	(740.16)
INVENTORIES	(978.90)	(686.73)
TRADE PAYABLE	1,301.56	570.94
CASH GENERATED FORM OPERATIONS	667.02	(73.18)
DIRECT TAXES PAID	23.94	(12.61)
BALANCE WITH EXCISE DEPARTMENT	7.91	(39.12)
PROVISION FOR TAXATION	0.00	4.65
ACCRUED INTEREST	63.40	34.66
NET CASH FROM OPERATING ACTIVITIES	762.27	(85.60)
B CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF FIXED ASSETS	(162.53)	(179.86)
SALE OF FIXED ASSETS	6.08	27.54
PURCHASE / SALE OF INVESTMENTS	(222.60)	177.36
INVESTMENT	(68.91)	(96.35)
DIVIDEND	9.02	7.62
INTEREST RECEIVED	50.48	28.76
NET CASH USED IN INVESTING ACTIVITIES	(388.46)	(34.93)
C CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM LONG TERM BORROWINGS	(29.94)	482.55
INTEREST PAID ON TERM LOAN	(341.75)	(380.79)
NET CASH USED IN FINANCING ACTIVITIES	(371.69)	101.76
NET INCREASE IN CASH AND CASH EQUIVALENTS	2.12	(18.77)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	30.90	49.67
CASH AND CASH EQUIVALENTS AT THE END	33.02	30.90

For and on behalf of the Board

PLACE : HINGANGHAT
DATE : 30/05/2011


DR. RANCHHODDAS MOHOTA
CHAIRMAN


VINOD KUMAR MOHOTA
MANAGING DIRECTOR

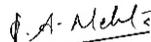

VINAY KUMAR MOHOTA
DIRECTOR


SHANTILAL B. SINGHVI
DIRECTOR

AUDITORS CERTIFICATE

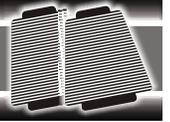
'We have examined the above Cash Flow Statement of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirement of Clause 32 of the listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th May, 2011 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 : 30/05/2011



Date : 25th August, 2011

Dear Shareholders,

Sub.: Green Initiative in Corporate Governance Electronic Mode of Service of Documents.

The Ministry of Corporate Affairs, Government of India, has by Circular Nos.: 17/2011, dated 21st April, 2011 and 18/2011, dated 29th April, 2011 respectively, clarified that a Company will have complied with the provisions of the Companies Act, 1956, if service of Notice(s) / Document(s) on its Shareholders has been made through Electronic Mode. This initiative by the Government is indeed commendable and your Company supports the same. We are sure, that as a responsible Shareholder, you too will support this initiative. By registering yourself with the Company for e-communication, you will be able to receive such Notice(s) / Document(s) etc. promptly and without loss in postal transit.

It is proposed that, henceforth documents like Notices of Meetings, Annual Reports, Director's Report, Auditor's Report and other Shareholders' communications will be sent electronically to the e.mail address provided by you and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your e.mail address, you are requested to keep your Depository Participant (DP) informed the same.

For shares held in Physical form, Shareholders can either register their e.mail address with the Company / RTA at info@rsrmm.com / finance@rsrmm.com / info@bigshareonline.com mentioning their name(s) and folio no. or return this letter duly filled-in to the Company / RTA.

As most of the Shareholders are holding their shares in Dematerialised form, Board of Directors has decided to circulate hard copy of the Annual Report to all the Shareholders and hence forth the same will be communicated through Electronic Mode. Those who are still holding shares in Physical form, are requested to please get it converted in Electronic form with their Depository Participant at the earliest.

Kindly note that hence forth, if you still wish to get a hard copy of the above documents, the Company will send, free of cost, upon receipt of a request from you.

Thanking you,

Yours faithfully,



S.K.Rajpuria
Compliance Officer.



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



Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

e.mail Address (to be registered) :

Mobile No.:

Bank Details :

Bank's Name & Address:

Branch's Name:

Account No. :

IFSC / RTGS Code No. :

MICR Code No. :

Date :

Signature

Notes for Shareholder(s) :

* This form is also available on the website of the Company, www.rsrm.com in "Financials" Section with caption "Green Initiative".

* Shareholders are requested to keep the Company informed of any change in their e.mail address. Shareholders holding the shares in Demat form are requested to also keep their Depository Participant informed of any change in their e.mail address.





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



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

D.P. ID.*	
Client ID.*	

L. F. No.	
No. of Shares	

ATTENDANCE SLIP

I/We hereby record my-our presence at the 64th ANNUAL GENERAL MEETING of the company held at the Registered Office of the Company at Block No. 15, 3 rd Floor, Devkaran Mansion, Gate No. 2, 63, Princess Street, Mumbai - 400 002 on Tuesday, the 27th September, 2011 at 10.30 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

* Applicable for investors holding shares in Electronic form.

- Note :
- 1) You are requested to sign and hand over this slip at the Meeting Venue.
 - 2) If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



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



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

D.P. ID.*	
Client ID.*	

L. F. No.	
No. of Shares	

FORM OF PROXY

I/We of
 in the district of being a Member / Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.
 hereby appoint of
 in the district of or failing him
 of in the district of
 as my/our proxy to attend and vote for me/us and on my/our behalf at the 64th ANNUAL GENERAL MEETING of the company held at the Registered Office of the Company at Block No. 15, 3rd Floor, Devkaran Mansion, Gate No. 2, 63, Princess Street, Mumbai - 400 002 on Tuesday, the 27th September 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this day of 2011.

Affix Rs. 1.00 Revenue Stamp

* Applicable for investors holding shares in Electronic form.

Signature



Book Post

If undelivered, please return to :

**The Rai Saheb Rekhchand Mohota
Spg. & Wvg. Mills Limited.**

Ram Mandir Ward, Hinganghat - 442 301 Dist. Wardha (M.S.)