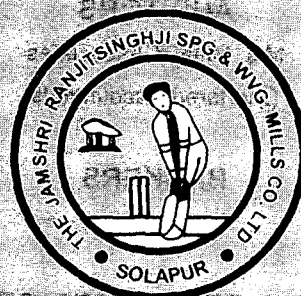


**THE JAMSHRI
RANJITSINGHJI
SPG & WVG.
MILLS COMPANY
LIMITED**

ADVISOR

GENERAL MANAGER

SOLICITORS



101st ANNUAL REPORT 2008-09

BOARD OF DIRECTORS

Shri Prem Ratan Damani
Chairman & Managing Director

Shri Navratan Damani
Joint Managing Director

Shri J. P. Singhal
Executive Director

Shri E.A.K. Faizullahbhoj
Shri Kiranbhai J Shah
Shri S.K. Somany

ADVISOR

Shri S.R. Gandhi

GENERAL MANAGER

Shri J.M. Adhia

SOLICITORS

M/s. Mulla & Mulla and Craigie Blunt and Caroe

AUDITORS

M/s. Mittal & Associates
Chartered Accountants

BANKERS

Bank of India

MILLS & REGISTERED OFFICE

Fatehchand Damani Nagar,
Station Road,
Solapur – 413 001

LISTED AT

The Stock Exchange – Mumbai.

NOTICE

NOTICE is hereby given that the Hundred and first Annual General Meeting of the Shareholders of THE JAMSHRI RANJITSINGHI SPG. & WVG. MILLS CO. LTD., will be held at the Company's Registered office at Fatehchand Damani Nagar, Station Road, Solapur - 413 001, on Saturday, the 26th September, 2009 at 12.30 P.M. (S.T.) to transact the following business;

- 1) To receive and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 2009.
- 2) To Appoint a Director in place of Shri E.A.K. Faizullahbhoj, who retires by rotation but, being eligible, offers himself for reappointment.
- 3) To appoint Auditors and to fix their remuneration.

Place : Mumbai

By Order of the Board of Directors

Date : 29th June, 2009

P.R DAMANI

CHAIRMAN

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and Shares Transfer Books in respect of Equity Shares of the Company will remain closed from 25th August, 2009 to 2nd September, 2009 (both days inclusive).
- (c) Shareholders are requested to intimate immediately any change in their registered address.
- (d) Shareholders seeking any information with regard to Accounts are requested to write to the Company early so as to enable the management to keep the information ready.
- (e) **BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT OR RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENTS.**

ITEM 2**Shri E.A.K. Faizullahbhoj**

Shri E.A.K Faizullahbhoj is an eminent Solicitor and partner of M/s. Mulla & Mulla Cragie Blunt & Caroe. He is on the Board of Company since last 25 years and has given valuable legal advice whenever required. He is a member of the remuneration committee constituted by the Board of Directors. The Board considers that the Company would be benefited from his experience and knowledge and recommends his re-appointment as Director on the Board of Company under item No.2 of the Agenda of accompanying Notice of 101st Annual General Meeting of the Members of the Company.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.**ONE HUNDRED & FIRST REPORT OF THE DIRECTORS**

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS

	THIS YEAR	PREVIOUS YEAR
Gross Profit/(Loss)	9,53,798	83,52,639
ADDITIONS/DEDUCTIONS		
Depreciation	46,72,890	59,33,706
Profit/(Loss) before taxation	(37,19,092)	24,18,933
Add/Less: Fringe Benefit Tax	2,16,117	2,83,662
: Share premium account as per sanctioned Rehabilitation Scheme of B.I.F.R.	13,96,00,920	0
: Balance brought forward	(27,97,07,647)	(28,18,42,918)
Profit/(Loss) dealt with as under	(14,40,41,936)	(27,97,07,647)
Surplus/(Deficit) carried to Balance Sheet	(14,40,41,936)	(27,97,07,647)

2. DIVIDEND

In view of negative net worth of the Company it is not possible for the Directors to recommend any dividend.

3. RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of Companies Act, 1956 your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgements 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 and of the profit or loss of the Company for the period;
- that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the annual accounts on a going concern basis.

4. WORKING

The steep rise in price of cotton has adversely affected current year's working. The manufacturing of non remunerative cotton yarn was stopped during the year and efforts are being made to manufacture high value blended yarn. The impact of same will be seen during the current year.

Interruption in power supply and increasing cost of Power is a cause of concern. All efforts are being made for further optimization of production and control cost of production.

The revised draft rehabilitation scheme was submitted on 31/03/2008 and which was approved by BIFR on 12/08/2008. The Company is following up with Government Authorities for Reliefs and Concessions sanctioned by BIFR.

The Company has paid full amount of Rs.18.50 Crores to Bank of India as per the terms of OTS. As per the sanctioned scheme of BIFR the simple interest @BPLR on Rs.18.50 Crores amounts to Rs.3,03,22,836/-. The Company has requested waiver of interest from Bank of India.

The Company has raised Rs.350 Lacs by way of Rights Issue of Equity Shares. As per the sanctioned scheme of BIFR. The Company's networth should become positive by 2013-2014.

5. CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as a part of this Annual Report of the Company. A certificate from Auditors of the Company regarding compliance of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

6. CURRENT OUTLOOK

With the change in product mix and efforts for manufacturing fancy yarn, the Management is hopeful of better performance. Further, reduction in Finance cost will also be helpful in lowering the cost. Increase in the range of products is expected to yield better realisation of the products.

Government's emphasis to increase power generation will enable to receive uninterrupted power supply without fluctuation in voltage. This will be helpful in increasing the production and reducing the cost.

7. DIRECTORS

Under Articles 146 of the Articles of Association of the Company, Shri E.A.K. Faizullahoy retires by rotation and is eligible for reappointment.

8. INSURANCE

Your Company's Buildings, Plant and Machinery, Tool, Electrical installations, Stock in Process, Finished Goods and Raw Materials have been adequately insured.

9. PUBLIC DEPOSITS

The Company has not taken any Fixed Deposit from the Public.

10. AUDITORS' REPORT

Auditors' Report para VI & VII are self explanatory and do not call for any specific response u/s. 217(3) of the Companies Act, 1956.

11. AUDITORS

You are requested to appoint the Auditors to hold office from conclusion of the meeting till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors, M/s. Mittal & Associates, Chartered Accountants being eligible offer themselves for reappointment.

12. COST AUDITORS

The Company has appointed Shri S.V. Vhatte and Associates, Cost Accountant for conducting the Cost Audit of the Textiles for the financial year ended March, 2009.

13. PARTICULARS OF EMPLOYEES

There is no Employee in receipt of remuneration exceeding Rs.2,00,000/- p.m. or part thereof or Rs.24,00,000/- p.a. Accordingly no particulars are furnished u/s. 217(2A) of the Companies Act.

14. ACKNOWLEDGEMENTS

Your Directors place on record the timely assistance and cooperation given to the Company by Bank of India. Your Directors also place on record their appreciation of contribution made by the employees at all levels to the operations of the Company during the year under review.

15. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EARNING AND OUTGO

Information pursuant to Section 217(i)(e) of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 is given in the annexure.

Place : MUMBAI

Date : 29th June, 2009

For and on behalf of the Board

P.R. DAMANI
CHAIRMAN

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.**ANNEXURE "A" TO DIRECTORS REPORT**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY**a. ENERGY CONSERVATION MEASURES TAKEN.**

- i) POWER FACTOR IS MAINTAINED NEARER TO UNITY.
- ii) INSTALLATION OF CFL LAMPS & ELECTRONICS CHALKS.
- iii) HUMIDIFICATION PLANT LOAD HAS BEEN REGULARISED IN VIEW OF CHANGE IN PRODUCT MIX FROM COTTON YARN -TO BLENDED YARN.
- b. ADDITIONAL INVESTMENT AND PROPOSAL IF ANY BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY.
 - i) INVERTER DRIVE TO BE FITTED ON CARDING MACHINES & SPEED FRAMES.
 - ii) ELECTRONIC CHALKS TO BE FITTED ON BALANCE TUBES LIGHTS
- c. IMPACT OF MEASURES AT (a) AND (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND ON THE COST OF PRODUCTION OF GOODS.
 - i) THE POWER FACTOR IMPROVEMENT HAS SAVED THE ENERGY AND ATTRACTED DISCOUNT OF 7% ON ENERGY BILL.
 - ii) INVERTERS ON CARDING MACHINE WILL ELIMINATE CUMBER SOME MECHANICAL DRIVE AND REDUCE THE ELECTRICITY LOAD ON MACHINES.
 - iii) AVOIDING INTERMITTENTLY WORKING OF HUMIDIFICATION PLANT RESULTED IN POWER SAVING.
 - iv) INSTALLATION OF ELECTRONIC CHALKS HAVE REDUCED ENERGY CONSUMPTION BY 8 WATT PER TUBE LIGHT
 - v) INSTALLATION OF CFL TUBE LIGHTS HAVE REDUCED ENERGY CONSUMPTION WITHOUT EFFECTING ILLUMINATION.
- d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF THE PRODUCTION : FORM - "A" ENCLOSED.

B. TECHNOLOGY ABSORPTION.

e. EFFORTS MADE IN TECHNOLOGY ABSORPTION : FORM - "B" ENCLOSED.

C. FOREIGN EXCHANGE EARNING AND OUTGO.**(RS. IN LACS)**

- i) FOREIGN CURRENCY EARNED
- ii) FOREIGN CURRENCY USED.

NIL
2.37

NOTES : FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009**FORM "A"****A. POWER AND FUEL CONSUMPTION****1 Electricity****a) Purchased**

Unit (kwh) in lakhs

119.10

153.19

Total Amount (Rs. in lakhs)

511.44

635.91

Rate/Unit (Rs.)

4.29

4.15

b) Own generation through Diesel Generator

Unit (KWH) in lakhs

0.00

0.00

Total Cost (Rs. in lakhs)

0.00

0.00

Cost/Unit (Rs.)

0.00

0.00

2. Coal

Quantity in M. Tons

0.00

0.00

Total Cost (Rs. in lakhs)

0.00

0.00

Average Rate (Rs./M.Tons)

0.00

0.00

3. Other Fuels

Quantity in M. Tons

0.00

0.00

Total Cost (Rs. in lakhs)

0.00

0.00

Average Rate (Rs./M.Tons)

0.00

0.00

B CONSUMPTION PER UNIT OF PRODUCTION**1. Electricity (Units)**

per kg of yarn

3.25

2.95

per linear metre of fabric

0.00

0.00

2. Fuels (Rs.)

per kg of yarn

0.00

0.00

per linear metre of fabric

0.00

0.00

FORM - B**DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)****1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY.**

- i) SPEED FRAME TOP ARMS MODIFIED TO WORK SYNTHETIC MATERIALS ON TWO MACHINES
- ii) ORDINARY WINDING MACHINE CRADLES ARE MODIFIED TO WORK 100% POLYESTER YARN.

2. BENEFIT DERIVED AS A RESULT OF THE ABOVE R & D.**PRODUCT DEVELOPMENT / IMPROVEMENT**

- i) MODIFIED TOP ARMS HAVE SUBSTANTIALLY REDUCED END BREAKAGES ON SPEED FRAMES AND IMPROVED PRODUCTIVITY.
- ii) MODIFICATION OF CRADLE ON ORDINARY WINDING HAS RESULTED IN PRODUCING PROPER PACKAGE.

3. IMPORT SUBSTITUTION

NIL

4. FURTHER PLAN OF ACTION.

- i) WE SHALL IMPROVE QUALITY OF YARN BY IDENTIFYING AND ATTENDING PROCESS PARAMETERS.

5. EXPENDITURE ON R & D.**(RS. IN LACS)**

a) CAPITAL	NIL
b) RECURRING	3.38
c) TOTAL	3.38
d) TOTAL R & D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER	0.08

TECHNOLOGY ABSORPTION, ADOPTION AND INOVATION

EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION ADOPTION AND INOVATION AND BENEFITS AS A RESULT THEREOF.

- i) SLUB MOTION HAS BEEN STARTED TO MANUFACTURE FANCY YARN.
- ii) MINOR INNOVATIONS ARE REGULARLY CARRIED OUT TO COUNTER PROBLEMS ENVISAGED DAY TO DAY.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

AUDITORS' REPORT

To the Members of

The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited

We have audited the attached Balance Sheet of The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, as amended by companies (Auditor's Report) (Amendment) Order, 2004 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. *Related party transactions referred to in note no. 10 are as disclosed by the Company; we are unable to confirm that the list is an exhaustive compilation of all the related parties as defined in Accounting Standard 18. For disclosures as per Accounting Standard 17 refer note no 8 of Notes to Account.*
- (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) We draw attention to Note No. 12(b) & 10(c). The amount of Rs. 713.57 lacs credited in the profit & loss account for the year ended March 31, 2006 under the head 'Extra-ordinary Items' and the Interest for the period October 2005 onwards at original applicable rate, on bank demand loan, term loans and other credit facilities given by a bank which has been provided to Rs 303 lacs, is based on a compromise settlement. Since the bank has retained the right to revert back to the original dues under the original terms and conditions, in the event of any default or non-compliance of the terms & conditions of the settlement, the ultimate outcome of the matter hinges on strict compliance of the compromise settlement.
- (vii) We draw attention to Note No 9 in respect of unutilized Cenvat credit amounting to Rs. 48.50 lacs appearing in the books; we are informed that the management is actively considering available alternatives for utilizing this balance.
- (viii) *As detailed in note no. 7(a) & 7(b) of the notes to accounts, the Company has been incurring continuing losses, resulting in the erosion of its Net-worth. Despite this aspect the accounts of the Company have been prepared on a Going Concern basis.*
- (ix) *Subject to Para (viii) above, we report that in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:*
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date and ;
 - (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
MITTAL & ASSOCIATES
Chartered Accountants

M. MEHTA
Partner

M.No: 42990

Place: Mumbai
Date: 29th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (c) In our opinion, except for the impairment of Rs. 1.37 Lacs, no substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of finished goods.
- (b) The procedure of physical verification by the management, in our opinion is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of the stocks as compared to book records.
- (iii) (a) As informed, the company has not taken any loans, secured, and unsecured loan from companies, firms or other parties listed in the register maintained under section 301 except for a temporary unsecured loan from Damani Textile Company amounting to Rs 13.97 lacs, which was repaid during the year.
- (b) The rates of interest and the terms and conditions are prima facie not prejudicial to the interest of the company.
- (c) There are no terms for repayment of loan or interest.
- (d) Accordingly, Sub clause (d) is not applicable
- (e) As informed, the company has not granted any loans, secured, or unsecured to companies, firms and other party listed in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 58A, 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government under Section 209(1)(d) of the Companies Act, 1956, has prescribed the maintenance of cost records. On a prima facie examination, such records are duly maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the records of the Company, 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 material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

Name of the Statute	Nature Of Dues	Amount (Rs. lacs)	Period to which amount relates	Due Date	Date Of Payment
Maharashtra Value Added Tax Act	Value Added Tax	29.49	2006-07	Various dates	Not yet paid
CST Act	CST	6.24	2006-07	Various dates	Not yet paid
Textile Committee cess payable	Cess	1.50	October 06 to May 07	Various dates	Not yet paid

- (b) According to the information and explanations given to us, there are no Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and cess which have not been deposited on account of any dispute.
- (x) The accumulated losses at the end of financial year exceed the net worth of the company. The company has earned cash profit during the year and in the immediately preceding year also it has earned cash profit because of sale of Land.
- (xi) In our opinion and according to the information and explanations given to us, the company has no dues to financial institution, or debenture holders. With respect to dues to a bank reference is invited to Note No 12.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other similar securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and as per the information and explanation given to us that fresh pledge account has been obtained during the year having maximum limits of Rs. 75 lacs, which are secured by hypothecation of stocks of Raw materials/ Finished goods.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term funds have not been used for long-term application.
- (xviii) The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) According to the information and explanations given to us, the company has not issued debentures during the year.
- (xx) According to the information and explanations given to us, no public issues have been made during the year except right issues made to existing shareholders and promoters of company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of
MITTAL & ASSOCIATES
Chartered Accountants

M. MEHTA

Partner

M.No: 42990

Place: Mumbai

Date: 29th June, 2009