



**The Jamshri Ranjitsinghji
Spg. & Wvg. Mills Co. Ltd.**

102nd Annual Report and Accounts 2009-2010

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

GENERAL MANAGER

Shri J.M. Adhla

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 Second Annual General Meeting of the Shareholders of THE JAMSHRI RANJITSINGHJI SPG & WVG. MILLS CO. LTD., will be held at the Company's Registered office at Fatehchand Damani Nagar, Station Road, Solapur - 413 001, on Thursday the 15th day of July, 2010 at 04.30 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, 2010.
- 2) To Appoint a Director in place of Shri Kiranbhai J. Shah, who retires by rotation but, being eligible, offers himself for reappointment.
- 3) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

- 4) To consider and if thought fit to pass with or without modifications, the following Resolution as a Special Resolution
 "RESOLVED THAT pursuant to Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and (Subject to the approval of the Shareholders in the General Meeting) and the Central Government, the approval of the Company be and is hereby accorded to the appointment of Shri P.R. Damani as the Managing Director of the Company for a further period of 5 years with effect from 1st October, 2010 on the following terms and conditions:

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|------------------|--|
| I. SALARY | : Rs. 50,000/- (Rupees Fifty Thousand only) Per month |
| II. COMMISSION | : One percent of the net profits of the Company, subject to ceiling of 50% of the salary or Rs. 3,00,000/- per annum whichever is less |
| III. PERQUISITES | : The Managing Director, Shri P.R. Damani shall also be entitled to the perquisites listed below, subject to the condition that the perquisites listed under part 'A' shall be limited to the annual salary or Rs. 9,00,000/- per annum whichever is less. |

PART - A

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|----------------------------------|---|
| (i) HOUSING | : House Rent allowance @ 30% of the salary. The expenditure incurred on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 which will be subject to a ceiling of 10% of the salary |
| (ii) MEDICAL REIMBURSEMENT | : Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary for a period of three years |
| (iii) LEAVE TRAVEL CONCESSION | : For self, wife and dependant children once a year to and from any place subject to the condition that only actual fares and no hotel expenses etc. will be allowed. |
| (iv) PERSONAL ACCIDENT INSURANCE | : Of an amount, the annual premium of which shall not exceed Rs. 4,000/- per annum. |
| (v) CLUB FEES | : Fees of Clubs, subject to maximum of two clubs provided no life membership fee or admission fees is paid. |

PART-B

- | | |
|---|---|
| (i) COMPANY'S CONTRIBUTION TOWARDS PROVIDENT FUND SUPERANNUATION FUND AND PENSION | : As per Rules of the Company, but not exceeding 25% of the salary as laid down under the Income-Tax Rules, 1962. |
| (ii) GRATUITY | : Not exceeding one-half month's salary for each completed year of service. |

PART -C

- | | |
|----------------|--|
| (i) CAR | : Free use of Car with driver for the Company's business |
| (ii) TELEPHONE | : Free telephone facility at residence. |

OTHER PERQUISITES:

- | | |
|-----------|--|
| (i) LEAVE | : One full pay and allowance as per Rules of the Company but not exceeding one month's leave for every 11 months of service subject to condition that leave accumulated but not availed of will not be allowed to be encashed. |
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THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

(ii) ENTERTAINMENT

: Reimbursement of all entertainment and all other expenses actually and properly incurred for the business of the company which will not be treated as an item of remuneration for the purpose of the Companies Act, 1956.

MINIMUM REMUNERATION

: Where in any financial year during the tenure of Mr. P.R.Damani as the Managing Director, if the Company has no profit or the profits are inadequate then there will be no reduction in the remuneration by way of Salary or perquisites.

By Order of the Board of Directors

Place : Mumbai
Date : 24th May,2010

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 17th June,2010 to 24th June,2010 (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 Kiranbhal J Shah

Shri Kiranbhal J Shah is a reputed share broker with a wide experience of more than 40 years in the trade and business. He is a member of the Audit Committee and Chairman of the Shareholders/ Investors Grievances Committee constituted by the Board of Directors of the Company. The Board considers that the Company would benefit from his experience and knowledge and recommends his re-appointment as Director on Board of Company under item No. 2 of the Agenda of accompanying Notice of 102nd Annual General Meeting of the Members of the Company.

ITEM 4

Shri P.R.Damani

Shri P.R.Damani is holding directorship in 6 Companies. He was appointed as the Managing Director for a period of 5 years which term will expire on 30th September, 2010. Shri P.R. Damani is an Industrialist with vast and varied experience and he has been closely associated with textile industry for a long time. He has devoted time and energy for the growth of the Company. As a result of his stewardship the Company has launched and successfully completed modernization and expansion programmes. Because of his deft and efficient handling of the affairs, the Company has been able to achieve changes in product mix to cater to the changing consumer's tastes.

In the circumstances the Board at its meeting held on 24th May,2010 decided to continue to avail of the services of Shri P.R.Damani and reappoint him as the Managing Director for a further period of 5 years w.e.f. 1st October,2010 at the remuneration mentioned in the Special Resolution.

None of the Directors is in any way interested or concerned with the Special Resolution except Shri P.R.Damani himself, Shri N.R.Damani is interested as his brother though he has no pecuniary interest. Directors commend the Special Resolution to your approval.

This may be treated as an abstract u/s 302 of the Companies Act, 1956.

ONE HUNDRED & SECOND REPORT OF THE DIRECTORS

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

	THIS YEAR	PREVIOUS YEAR
Gross Profit/(Loss)	5,07,28,342	9,53,798
ADDITIONS/DEDUCTIONS		
Depreciation	35,22,252	46,72,890
Profit/(Loss) before taxation	4,72,06,090	(37,19,092)
Add/Less : Fringe Benefit Tax	0	2,16,117
: Share premium account as per sanctioned Rehabilitation Scheme of B.I.F.R.	0	13,96,00,920
: Balance brought forward	(14,40,41,936)	(27,97,07,647)
Profit/(Loss) dealt with as under	(9,68,35,846)	(14,40,41,936)
Surplus/(Deficit) carried to Balance Sheet	(9,68,35,846)	(14,40,41,936)

2. DIVIDEND

In the absence of positive-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 judgment 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 working during the year under review improved compared to previous year. This was possible with continued efforts for improvement in quality of products and establishing more value added products. The performance would have been better but for substantial increase in the price of basic raw materials viz. Polyester Staple Fibre & Viscose Staple Fibre. Intermittent power supply has adversely affected the productivity.

As per Rehabilitation Scheme of B.I.F.R. the Government of Maharashtra has sanctioned reliefs in respect of Electricity duty and Octroi duty amounting to Rs.113 Lacs and Rs.156 Lacs respectively for the period from 01/04/2007 to 31/03/2010. The same has been considered in the accounts.

In terms of settlement with Bank of India the Company has also written back liabilities of Rs.114 Lacs.

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 Kiranbhai J Shah 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.

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

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 S.V. Vhatte and Associates, Cost Accountant for conducting the Cost Audit of the Textiles for the financial year ended March, 2011.

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.

For and on behalf of the Board

Place : MUMBAI
Date : 24h May, 2010

P.R. DAMANI
CHAIRMAN

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 ELECTRONICS CHALKS.
- iii) INSTALLATION OF ENERGY SAVING SPINDLES.
- iv) OILING MACHINE INSTALLED FOR CHANGING & TOPPING THE OIL ON RING FRAMES.

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
- iii) TO CHANGE THE DRAFTS SYSTEM OF SPEED FROM PNUMETIC TO SPRING LOADED.

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 ON ENERGY BILL.
- ii) INVERTERS ON CARDING MACHINE WILL ELIMINATE CUMBERSOME. MECHANICAL DRIVE AND REDUCE THE ELECTRICITY LOAD ON MACHINES.
- iii) ENERGY SAVING SPINDLES HAVE NOT ONLY REDUCED ENERGY CONSUMPTION BUT HELPED THE MACHINE TO WORK AT HIGHER SPEED.
- iv) OILING DEVICE HAS HELPED IN AVOIDING EXCESS OR LESS OILING OF SPINDLES & FILTERING USED OIL DURING TOPPING THEREBY CONSIDERABLE SAVING IN ENERGY.
- v) INSTALLATION OF ELECTRONIC CHALKS HAVE REDUCED ENERGY CONSUMPTION.

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
NIL

NOTES : FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

FORM "A"

A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR 1.4.2009 - 31.03.2010	PREVIOUS YEAR 1.4.2008 - 31.03.2009
1. Electricity		
a) Purchased		
Unit (kwh) in lakhs	119.88	119.10
Total Amount (Rs. in lakhs)	498.51	511.44
Rate/Unit (Rs.)	4.16	4.29
b) Own generation through Diesel Generator		
Units (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	3.60	3.25
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.

- MODIFICATION OF DRAFTING SYSTEM ON SPEED FRAMES FOR IMPROVED WORKING OF MAN MADE FIBRE.
- MODIFICATION OF CLEANING DEVICE FOR CARDING MACHINES.

2. BENEFIT DERIVED AS A RESULT OF THE ABOVE R & D.

PRODUCT DEVELOPMENT /IMPROVEMENT

- INCREASE IN PRODUCTIVITY AND CONSISTENT QUALITY.
- REDUCTION IN MACHINE BREAKDOWN DUE TO IMPROVED CLEANING OF MACHINES.

3. IMPORT SUBSTITUTION

NIL

4. FURTHER PLAN OF ACTION:

- TO ESTABLISH PRODUCTION OF FANCY YARN.

5. EXPENDITURE ON R & D.

(RS. IN LACS)

a) CAPITAL	NIL
b) RECURRING	3.72
c) TOTAL	3.72
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.

- EFFORTS FOR ESTABLISHING PRODUCTIVITY OF FANCY YARN IN PROGRESS.

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, 2010 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 2010 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 9 in respect of unutilized Cenvat credit amounting to Rs. 47.97 lacs appearing in the books; we are informed that the management is actively considering available alternatives for utilizing this balance.
- (vii) *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.*
- (viii) *Subject to Para (vii) 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, 2010;
 - (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: 24th May 2010

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. 12.49 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.
- (b) 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, 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	VAT	23.99	2006-07	Various dates	Not yet paid
		111.09	2009-2010	—do—	—do—
CST Act	CST	6.24	2006-2007	Various dates	Not yet paid
		7.71	2009-2010	—do—	—do—
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, 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.
- (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.
- (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 Cash Credit has been obtained during the year having maximum limits of Rs. 125 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.
- (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: 24th May 2010