

Board of Directors

Chairman
Dr. Ranchhoddas Mohota

Managing Director
Shri Vinodkumar Mohota

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

Bankers

State Bank of India
Bank of India

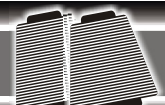
Auditors
M/s. Batliboi & Purohit
Chartered Accountants, Mumbai

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

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

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

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



NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

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

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

By the order of the Board

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

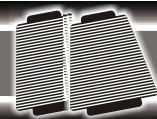


Vinod Kumar Mohota
Managing Director

Place : Hinganghat
Date : 25/08/2010

NOTES:

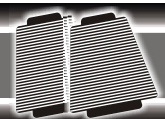
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/herself and the proxy need not be a member of the Company. The Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before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



INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

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



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

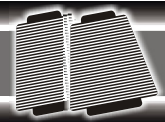
FINANCIAL HIGHLIGHTS

(RS.IN LACS)

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

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

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



DIRECTORS' REPORT :

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

FINANCIAL RESULTS

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

DIVIDEND

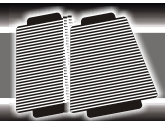
In view of the loss during the year, the Board of Directors have not recommended any Dividend on the paid up Equity share Capital of the company for the year.

OPERATIONS

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

EXPORTS

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



CURRENT AND FUTURE OUTLOOK

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

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

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

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

MODERNISATION / EXPANSION UNDER TUFS

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

CDM PROJECT ACTIVITY

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

DEPOSITS

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

DIRECTORS

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

AUDITORS

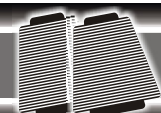
Your Company's Auditor, M/s. Batliboi & Purohit, Chartered Accountants, Mumbai retire at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

AUDITOR'S REPORT

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

COST AUDITORS

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



SAFETY AND POLLUTION CONTROL

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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 31.03.2010 and of the loss of the company for the year ended on 31.03.2010.
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- 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.

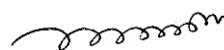
PERSONNEL

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

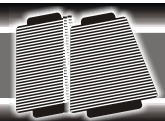
The Directors wish to place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions and Shareholders. The Directors also record their sense of appreciation for the sincere services rendered by all the Executives and Staff of 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: 29/05/2010



ANNEXURE 'I' TO DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY

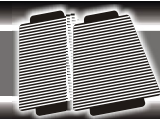
- (a) **Measures taken :** The company is aware of the importance of conservation of energy and continuous efforts are being made to reduce energy cost at all levels. Special attention is being given for the use of energy efficient equipments. During the year Company reviewed and continued to pursue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

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

FORM A

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

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



B. TECHNOLOGY ABSORPTION

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

FORM B

I. Research and Development (R & D)

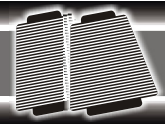
1. **Specific areas** : The R & D activities of the Company are aimed at quality control and improvement/up-gradation of the product range.
2. **Benefits derived** : Improvement in product quality, development of new value added products and cost effectiveness.
3. **Future plan of action** : Development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

II. Technology Absorption, adoption and innovation :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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



ANNEXURE 'II' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

A. MANDATORY REQUIREMENTS

THE CORPORATE GOVERNANCE CODE

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

1. BOARD OF DIRECTORS (“BOARD”)

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

a) Size and Composition of the Board

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

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

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

Composition of the Board

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