

ONE HUNDRED & FOURTH REPORT OF THE DIRECTORS

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March,2012.

1. FINANCIAL RESULTS

	THIS YEAR	PREVIOUS YEAR
Gross Profit/(Loss)	43,73,416	8,72,04,578
ADDITIONS/DEDUCTIONS		
Depreciation	45,83,026	29,15,672
Profit/(Loss) after taxation	(2,09,610)	8,42,88,906
: Balance brought forward	(1,25,46,940)	(9,68,35,846)
Profit/(Loss) dealt with as under	(1,27,56,550)	(1,25,46,940)
Surplus/(Deficit) carried to Balance Sheet	(1,27,56,550)	(1,25,46,940)

2. DIVIDEND

In view of accumulated loss the Directors are unable 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 :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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;
- iii) 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;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

4. WORKING

The working during the year was adversely effected due to steep rise in the prices of Raw Material and shortage of Labour for working the plant to full capacity.

The recession in textile Industry continued during the year effecting the sales realization of finished product.

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.

Government's emphasis to increase power generation will enable your company to receive uninterrupted power supply without fluctuation in voltage. This will be helpful in increasing the production and reducing the cost. Realisation of yarn is expected to increase with revival of weaving sector.

7. B.I.F.R

B.I.F.R has taken out the Company from the purview of SICA as the net worth of the Company became positive

8. 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.

9. INSURANCE

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

10. PUBLIC DEPOSITS

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

11. AUDITORS' REPORT

Auditors' Report do not call for any specific response u/s. 217(3) of the Companies Act,1956.

12. 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.

13. 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, 2013.

14. 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.

15. ACKNOWLEDGEMENTS

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

16. 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 : 21st May, 2012

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) SECOND COMPRESSOR ELEMENT IS CHANGED TO GIVE 205 CFM AIR INSTEAD OF 165 CFM ON SAME POWER CONSUMPTION.
- ii) COOLING WATER OF COMPRESSOR IS REUSED FOR GARDENING.
- iii) POWER FACTOR IS MAINTAINED TO UNITY LEVEL.
- iv) MODIFICATION IN HUMIDITY PLANT WORKING BY ADJUSTING IMPEPLERS.
- v) ELECTRONIC CHALKS ARE FITTED.

b. ADDITIONAL INVESTMENT AND PROPOSAL IF ANY BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY.

- i) TO CHANGE ELEMENT ON ONE COMPRESSOR.
- ii) TO STOP ONE OF THE TRANSFORMER BY READJUSTING THE LOAD.
- iii) TO INSTALL ELECTRONICS CHALKS ON BALANCE TUBE 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 CHANGE OF ELEMENTS ON COMPRESSOR HAS SAVED CONSIDERABLE ENERGY.
- ii) RE USING OF WASTE WATER HAS NOT ONLY SAVED THE WATER BUT ENERGY FOR PUMPING THE SAME.
- iii) THE POWER FACTOR IMPROVEMENT HAS RESULTED IN LOWER POWER COST.
- iv) HUMIDIFICATION PLANT WORKING READJUSTMENT HAS SAVED CONSIDERABLE ENERGY.
- v) ELECTRONIC CHALKS HAVE SAVED ENERGY.
- vi) STOPPING OF TRANSFORMER WILL SAVE CONSIDERABLE EDDY CURRENT LOSS & THERE BY ENERGY SAVING.

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 NIL
- ii) FOREIGN CURRENCY USED. NIL

NOTES : FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

FORM "A"

A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR 01.04.2011-31.03.2012	PREVIOUS YEAR 01.04.2010-31.03.2011
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1	Electricity		
	a) Purchased		
	Unit (Kwh) in Lakhs	99.59	121.16
	Total Amount (Rs. In Lakhs)	583.10	566.44
	Rate/Unit (Rs.)	5.86	4.68
	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.		0.00
	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) INVERTER DRIVE IS FITTED ON BLOW ROOM NOS. 2 & 3.
- ii) MECHANICAL DRIVE IS MODIFIED ON C 1/3 CARD NOS. 6 TO 10 & INVERTERS ARE FITTED.
- iii) AIR IS INDUCED IN PNUMEFIL SUCTION TO AVOID SUCTION DUCT CHOKE UP ON RING FRAME.

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

PRODUCT DEVELOPMENT / IMPROVEMENT.

- i) MACHINE BREAKDOWN IS REDUCED CONSIDERABLY ALSO MARGINAL ENERGY IS SAVED.
- ii) MAJOR MECHANICAL DRIVE GEARS ARE REDUCED, HENCE WEAR & TEAR OF THIS PARTS AVOIDED. THE BREAKDOWN OF MACHINE REDUCED CONSIDERABLY.
- iii) YARN BREAKAGES ON RING FRAMES ARE CONSIDERABLY REDUCED.

3. IMPORT SUBSTITUTION

NIL

4. FURTHER PLAN OF ACTION.

- I) TO STUDY THE CAUSE OF END BREAKAGES AT BOTTOM POSITION ON RING FRAMES AND FIND OUT SOLUTION TO CONTROL THE SAME.

5. EXPENDITURE ON R & D.

(RS. IN LACS)

A) CAPITAL	NIL
B) RECURRING	2.68
C) TOTAL	2.68
D) TOTAL R & D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER	0.06

TECHNOLOGY ABSORPTION, ADOPTION AND INOVATION

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

- I) EFFORTS FOR ESTABLISHING PRODUCTIVITY OF POLYESTER YARN IN PROGRESS.

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, 2012 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. 2.6 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
- (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 2012 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 in respect of unutilized Cenvat credit amounting to Rs. 100.60 lacs appearing in the books; we are informed that the management is actively considering available alternatives for utilizing this balance.
- (vii) We draw attention in respect of deposit and maintain separate account for the gratuity which is required by AS-15.i.e.Employee Benefits. The company has done actuarial valuation and made provision for the same but has not maintain the Separate Account for gratuity which is required by AS-15
- (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, 2012;
 - (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
F.R.NO.: 106456W

M. MEHTA
Partner
M.No: 42990

Place: Mumbai
Date: 21/05/2012

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, no substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) As explained to us, physically verification has been conducted by the management at reasonable intervals in respect of inventory.
- (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, 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:

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	0.19	2006-2007	Various dates	Not yet paid

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

- (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 do not exceed the net worth of the company. The company has earned cash profit during the year and in the immediately preceding year
- (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. Hence clause 4(xiv) is not applicable to company.
- (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 working capital loan limit is enhanced to Rs. 160 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
F.R.NO.: 106456W

M. MEHTA
Partner
M.No: 42990

Place: Mumbai
Date: 21/05/2012

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT :

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST and women.

In the domestic market, the unorganized sector continues to play a competitive role due to significant cost advantages. However innovation, technology and good management capabilities will play a key role in success of industry players.

B) OPPORTUNITIES AND THREATS

India's performance and growth in the textile sector is aided by several key advantages that the country enjoys, in terms of availability of adequate raw material, large market demand, presence of supporting industries and supporting policy initiatives from the government.

C) RISKS AND CONCERNS

The Textiles sector is largely fragmented. It is also hampered by a shortage of trained and specialized human capital, weak labour laws, frail logistics and supply chain system. Besides that, the volatility in the raw material prices, higher interest cost, high labour cost, increase in energy cost are some of the major challenges the textile industry is facing.

Increasing energy costs and intense competition are some of the immediate risks and concerns to be addressed by more effective Power management and increasing production of high value products.

D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded, protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

E) FINANCIAL AND OPERATIONAL PERFORMANCE

Please refer Director's Report.

F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT.

The Company has always recognized the manpower as its asset and that the people had been the driving force for the growth and expansion of the Company. Industrial relations during the year were cordial and peaceful.

The Company has taken a number of new initiatives, to improve efficiencies and reduce costs.

G) CAUTIONARY STATEMENT

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

Statement in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

Corporate Governance**1. PHILOSOPHY ON CODE OF GOVERNANCE**

The philosophy underlying Corporate Governance seeks to create a system of "Checks and balances" based on transparency, ensuring integrity, clarity and consistency in the dealings of the Company with all its stakeholders. Good Governance ensures that the best corporate practices are followed by a Company. Implementation of the good governance indicates not only compliance of the laws and regulations of the land but also indicates the values, practices and culture of the organization.

2. Board of Directors

- i. The Board consists of 6 Directors. 1 is Managing Director, 1 is Joint Managing Director 1 is Executive Director and 3 are Non-Executive Directors. Out of 6 Directors, 3 Directors are independent Directors.

The details of the Board of Directors of the Company are given below:

Name	Date of Appointment	Category	No. of Board Meetings attended	Last AGM	No. of other Directorship in public limited companies	Outside Committee Membership@	Outside Committee Chairmanship@
Shri P.R. Damani	21/07/1966	Promoter/ Managing Director	4	Yes	2	—	—
Shri N.R. Damani	02/05/1978	Promoter/ Joint Managing Director	4	Yes	2	—	—
Shri E.A.K. Faizullahoy	20/12/1982	Non Executive Independent Director	3	No	—	—	—
Shri S.K. Somany	29/07/1988	Non Executive Independent Director	4	Yes	5	2	4
Shri Kiranbhai J Shah	09/10/1984	Non Executive Independent Director	4	No	—	—	—
Shri J.P. Singhal	31/07/2003	Executive Director	NIL	Yes	—	—	—

Though Shri E.A.K. Faizullahoy is a partner of the Company's solicitor firm, and since the Company has no transactions with the firm for the past three years, in the opinion of the management he is an independent director.

@ Only two committees of the Board namely the Audit Committee and the Shareholders / Investor Grievance Committee are considered.

RESPONSIBILITIES

The Board of Directors' responsibilities inter alia include review of:

- * Strategy and business plans
- * Annual operating and capital expenditure budget
- * Investment and exposure limits
- * Business risk analysis and control
- * Senior executive appointment
- * Compliance with statutory / regulatory requirements and review of major legal issues
- * Adoption of quarterly results / annual results
- * Transaction pertaining to purchase, disposal of property, major provisions and write offs.

BOARD MEETINGS

The meetings of the Board of Directors' are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure, etc. is circulated to all the directors. It also highlights important matters discussed at the shareholders grievance committee. Four Board meetings were held during the period 1st April 2011 to 31st March 2012. They were held on 12th May, 2011, 29th July, 2011, 14th November, 2011, 7th February 2012.

Details of Director re-appointed during the year:

Name of Director	Shri S K Somany
Age	81
Date of Appointment	29/07/1988
Expertise in specific functional areas	Industrialist
Qualification	B.com
No. of Equity Shares Held	100
List of Outside Company Directorships held in Public Limited Companies.	5
Chairman/ Member of the Committees of Directors of other Companies in which he/she is a Director. @	6

@ Only two committees of the Board namely the Audit Committee and the Shareholders/ Investor Grievance Committee are considered.

3. REMUNERATION OF DIRECTORS

Name of the Director	Salary	Perquisite	Sitting Fees	Total	No. of Shares
Shri P.R. Damani	Rs6,72,000/-.	Rs.1,83,360/-	—	Rs.8,55,360/-	1043090
Shri N.R. Damani	Rs4,70,400/-.	Rs.1,56,550/-	—	Rs.6,26,950/-	641607
Shri E.A.K. Faizullabhoy	—	—	Rs.750	Rs.750	1565
Shri S.K. Somany	—	—	Rs.3,000	Rs.3,000	100
Shri Kiranbhai J Shah	—	—	Rs.3,000	Rs.3,000	Nil
Shri J.P. Singhal	Rs.1,68,000	Rs.10,000	—	Rs.1,78,000	1088

4. AUDIT COMMITTEE

- i. The Audit Committee of the Board of Directors was formed by the Board on 30th July,2002 and Committee comprises of 3 members. The functions of the Committee are as specified in Clause 49 of the Listing Agreement entered with Stock Exchanges in which the Company's shares are listed. These include overseeing of Company's financial reporting process, recommending the appointment and removal of external auditors, reviewing the quarterly and annual financial statement, financial management policies, adequacy of internal control system , internal audit function including discussing significant findings, reviewing reasons for default into payment and related parties transactions.

There were four meetings held during the period under review on 12th May,2011, 29th July,2011, 14th November,2011 and 7th February,2012. The attendance of members for the meetings is as follows:

ii & iii.

Name of the Member	Designation	No. of meeting attended
Shri S.K. Somany	Chairman	Four
Shri Kiranbhai J Shah	Member	Four
Shri N.R. Damani	Member	Four

Shri S. K. Somany has financial management expertise because of his considerable experience in the textile industry.

5. REMUNERATION COMMITTEE

- i. **Brief description of terms of reference**

Remuneration Committee was constituted on 25th October,2002 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for Managing/Executive directors.

- ii. **Composition, name of members and Chairperson**

Committee comprises of Shri E.A.K. Faizullabhoy, Chairman and Shri S.K. Somany, Member. During 1st April,2011 to 31st March,2012.one meeting of Remuneration Committee was held on 21st April ,2011.

- iii. **Attendance during the year**

Name of the Member	Designation	No. of meeting attended
Shri E.A.K. Faizullabhoy	Chairman	One
Shri S.K. Somany	Member	One

iv. Remuneration policy

The Managing / Executive Directors are paid remuneration as per the Agreements entered between them and the Company. These Agreements are placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of the Managing / Executive Directors comprises of salary, commission, perquisites and allowances, contributions to provident fund and gratuity. However no commission is paid due to inadequacy of profits. The non-executive directors do not draw any remuneration from the Company except sitting fees. The details of remuneration to directors is furnished in paragraph 3 above. Presently the Company does not have a scheme for grant of Stock option either to Managing Director/Executive Director or to the employees.

6. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

- | | | |
|--|---|---------------------------------|
| i. Name of non-executive director heading the committee | : | Shri Kiranbhai J. Shah |
| ii. Name & designation of Compliance officer | : | Shri A.K. Mohta Finance Manager |
| iii. Number of shareholders' complaints received so far | : | Nil |
| iv. Number of complaint/s resolved to the satisfaction of the shareholders | : | — |
| v. Number of pending complaints | : | Nil |

The Investor Grievances Committee was constituted on 25th October,2002 to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Reports, etc. There were Four meetings held during the period under review on 12th May,2011, 29th July,2011, 14th November ,2011 and 7th February ,2012. The attendance of members for the meetings is as follows:

Name of the Member	Designation	No. of meeting attended
Shri Kiranbhai J. Shah	Chairman	Four
Shri N.R. Damani	Member	Four

7. GENERAL BODY MEETING

- i. Location and time of General Meetings held in last 3 years

Year	AGM/EGM	Location	Date	Time
2010-2011	AGM	Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.	06th August,2011	12.30 p.m.
2009-2010	AGM	Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.	15th July,2010	04.30 p.m.
2008-2009	AGM	Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.	26th September,2009	12.30 p.m.

- ii. The following Special Resolutions were passed in the previous 3 AGMs

Subject matter of Resolution	Date of AGM
_____	26.09.2009
Re-appointment of Managing Director	15.07.2010
Re-appointment of Managing Director	06.08.2011

- iii. No Special Resolution was passed by Postal Ballot during the year 2011-12

8. DISCLOSURES

- i. There were no materially significant related party transaction with the promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The details of the transaction with related parties are given in Clause No. 2.6 of the Notes forming part of the Accounts.
- ii. There were no non-compliance by the Company & no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter relating to the capital markets during the last three years.
- iii. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement .

9. CEO / CFO Certification.

The Joint Managing Director (CFO) furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal control as required under Clause 49 of the Listing Agreement.

10. Means of Communication

- i. The Company publishes Quarterly & Half Yearly results in the prescribed form within the prescribed time.
- ii. The results were forthwith sent to the Stock Exchanges where shares are listed and also published in the Free Press Journal, Navshakti in Mumbai and Vishwa Samachar at Solapur.
- iii. The Company does not have a website where results or official news are displayed.
- iv. No presentations were made to Institutional Investors or analyst during the year.
- v. Management discussion and analysis form part of the Annual Report.

11. GENERAL SHAREHOLDER INFORMATION**i. ANNUAL GENERAL MEETING**

- Date and Time : 26 /07/2012
 Venue : Fatehchand Damani Nagar, Station Road, Solapur-413001.
- ii. Financial Year : 2011-2012
- iii. Book Closure Date : 17/07/2012 to 24/07/2012
- iv. Dividend Payment Date : Not Applicable
- v. Listing of Equity Shares on : The Stock Exchange, Mumbai
- vi. Stock Code : 502901 The Stock Exchange, Mumbai
 Demat ISIN Nos. in NSDL & CDSL for Equity Shares INE462D01018 Mumbai

vii & viii. Market Price Data & Bse Sensex

Month	Stock Price Data of the Company		BSE INDEX	
	Highest	Lowest	Highest	Lowest
April,2011	28.00	23.25	19811.14	18976.19
May, 2011	32.40	22.55	19253.87	17786.13
June, 2011	32.95	28.75	18873.39	17314.38
July, 2011	33.45	28.30	19131.70	18131.86
August, 2011	28.85	16.50	18440.07	15765.53
September, 2011	28.50	19.35	17211.80	15801.01
October, 2011	27.70	21.65	17908.13	15745.43
November, 2011	28.40	16.35	17702.26	15478.69
December, 2011	26.00	17.20	17003.17	15135.86
January,2012	31.50	24.75	17258.97	15358.02
February,2012	30.90	24.95	18523.78	17061.55
March, 2012	35.50	27.00	18040.69	16920.61

- ix. Registrar & Transfer Agents : Computech Sharecap Ltd., 147, Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai - 400 023.
 Telephone : 22635000-01-02-03

x. Share Transfer System :

Application for transfer of shares held in physical form are received at the office of Registrar & Share transfer agent of the Company. Presently, the share transfers instrument which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has as per SEBI guidelines, also offered the facility of transfer of shares under dematerialization cum transfer. Under the system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to dematerialize the shares, to approach Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a Dematerialization request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company dematerializes the shares. In case the transferee does not wish to dematerialize the shares, he need not exercise the option and the Company dispatches the shares certificate/s to the shareholder.

xi. Distribution of Shareholding as on 31st March,2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
Upto 2500	8658	99.33%	1104386	15.78%
2501-5000	31	0.36%	106653	1.52%
5001-10000	8	0.09%	53728	0.77%
10001-20000	7	0.08%	88125	1.26%
20001-30000	4	0.05%	101411	1.45%
30001-40000	1	0.01%	34128	0.49%
40001-50000	1	0.01%	42785	0.61%
50001-100000	1	0.01%	64092	0.92%
100001 & above	5	0.06%	5404256	77.20%
Total	8716	100.000	6999564	100.000

xii. Dematerialization of equity shares & Liquidity:

Nearly 90.76% of total equity shares capital is held in dematerialized form with NSDL and CDSL.

xiii. Category of Shareholdings as on 31st March,2012.

Category	No. of Shares	% of total Shares
Promoters & their relatives	5242009	74.89
Mutual Funds & UTI	200	00.00
Banks/FIs/Insurance Co. (Central/State Govt. Institutions / Non-Government Institutions)	31369	00.45
Foreign Institutional Investors	100	0.00
Private Corporate Bodies	44023	00.63
NRIs/OCBs	183464	02.62
Indian Public	1498399	21.41
Total	6999564	100.00

xiv. Financial Calendars (Provisional)

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	26-07-2012
2nd Quarter ending 30th September	29-10-2012
3rd Quarter ending 31st December	30-01-2013
4th Quarter ending 31st March	27-05-2013

For 2011-2012, Company does not have any proposal for postal ballot.

xv. There are no Outstanding GDRs/ADRs/Warrants or Convertible instruments.

xvi. Plant Location : Fatehchand Damani Nagar, Station Road, Solapur – 413 001.

xvii. Address for Communication : The Jamshri Ranjitsinghji Spg. & Wvg. Mills Co.Ltd.
Fatehchand Damani Nagar Station Road, SOLAPUR - 413 001.

NON MANDATORY REQUIREMENTS

The Board

All the Independent Directors (3) are holding office for more than 9 years.

Remuneration Committee:

Details are given under the heading "Remuneration Committee".

Shareholders' rights

The quarterly financial results, after they are taken on record by the Board of Directors, are forthwith sent to Bombay Stock Exchange Ltd. The results, in the prescribed Proforma, are published in the following newspapers, viz., "Free Press Journal and Navshakti" in Mumbai and "Vishwa Samachar" at Solapur.

Therefore, the results were not separately circulated to all Shareholders.

Whistle Blower Policy

The Company has a whistle blower mechanism wherein the employees are free to report violation of laws, rules regulation or unethical conduct to their immediate Supervisor or such other person as may be notified by the Management to the workgroups. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

As required by the amended clause 49 of the Listing Agreement the Board of Directors of the Company have adopted a code of conduct for all Board Members and Senior Management of the Company. The members of the Board of Directors and Senior Management of the Company have affirmed compliance of the said code during the period under review.

**For The Jamshri Ranjitsinghji
Spg & Wvg Mills Company Ltd.**

P. R. Damani
Managing Director

Mumbai
Date: 21/05/2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited

We have examined the compliance of conditions of Corporate Governance by The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited, for the year ended March 31,2012, 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, except for the following:

1. Employee Benefit referred to AS 15- The company has done actuarial valuation and made provision for the same but has not maintain the Separate Account for gratuity which is required by AS-15
2. Related party Transactions referred to in paragraph 8 (i) – "Disclosures" 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.

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 and on behalf of
MITTAL & ASSOCIATES
Chartered Accountants
F.R.NO.: 106456W

M. MEHTA
Partner
M.No: 42990

Place: Mumbai
Date: 21/05/2012

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.**BALANCE SHEET AS AT 31ST MARCH, 2012**

PARTICULARS	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
a) Share capital	1	69,934,810	69,934,810
b) Reserves and surplus	2	(12,756,550)	(12,546,940)
NON-CURRENT LIABILITIES			
a) Long term Borrowing	3	1,148,235	0
b) Other long-term liabilities	4	904,667	904,667
c) Long-term provisions	5	6,961,051	6,875,372
CURRENT LIABILITIES			
a) Short term Borrowing	6	15,753,248	12,162,211
b) Trade payables	7	15,450,803	14,757,606
c) Other current liabilities	8	5,694,228	21,758,103
d) Short-term provisions	9	4,637,910	4,162,336
TOTAL		107,728,403	118,008,165
II. ASSETS			
NON-CURRENT ASSETS			
a) Fixed assets			
Tangible assets	10	31,852,438	24,690,939
b) Non Current Investments	11	400,000	312,500
c) Long-term loans and advances	12	20,463,115	20,891,964
d) Other non-current assets	13	136,778	194,778
CURRENT ASSETS			
a) Inventories	14	17,899,374	36,522,469
b) Trade receivables	15	20,342,858	16,744,630
c) Cash and cash equivalent	16	2,045,505	3,704,134
d) Short-term loans and advances	17	12,936,841	14,176,560
e) Other Current Assets	18	1,651,494	770,191
TOTAL		107,728,403	118,008,165
Significant Accounting Policies & Notes on Accounts	26		

The accompanying notes are an integral part of the financial statement

As per our Report attached

FOR MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
 F.R.NO: 106456W

P.R. DAMANI
CHAIRMAN & MANAGING DIRECTOR

M MEHTA
PARTNER
 MEMBERSHIP NO.: 42990

KIRANBHAI J SHAH
DIRECTOR

PLACE: MUMBAI
 DATE :- 21st May 2012

SHWETA R. KALANTRI
COMPANY SECRETARY
 M.NO. A26092

PROFIT & LOSS FOR THE YEAR ENDED 31 ST MARCH, 2012

PARTICULARS	Note No.	Year ended 31st March 2012	Year ended 31st March 2011
INCOME			
I. Revenue from Operations	19	454,961,401	520,841,476
Less : Excise Duty		0	0
II. Other Income	20	637,500	622,917
III. Total Revenue (I + II)		<u>455,598,901</u>	<u>521,464,393</u>
IV. EXPENSES			
(a) Cost of Materials Consumed	21	324,298,500	323,456,960
(b) Changes in inventories of finished goods, Work in progress.	22	7,175,230	(9,795,811)
(c) Employee Benefit expense	23	22,309,004	25,392,089
(d) Finance Costs	24	2,003,296	5,033,099
(e) Depreciation		4,583,026	2,915,672
(f) Other expenses	25	95,439,455	90,173,479
Total Expenses		<u>455,808,511</u>	<u>437,175,487</u>
V. Profit/(Loss) Before tax		(209,610)	84,288,906
VI. Tax Expense			
Current Tax		0	0
VII. Profit/(loss) After tax		(209,610)	84,288,906
VIII. Profit/ (loss) for the period from continuing operations			
Earnings per equity share			
Basic & Diluted Earning per share		(0.03)	12.04

Significant Accounting Policies & Notes on Accounts 26

The accompanying notes are an integral part of the financial statement

As per our Report attached

FOR MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
 F.R.NO: 106456W

P.R. DAMANI
CHAIRMAN & MANAGING DIRECTOR

M MEHTA
PARTNER
 MEMBERSHIP NO.: 42990

KIRANBHAI J SHAH
DIRECTOR

PLACE: MUMBAI
 DATE :- 21st May 2012

SHWETA R. KALANTRI
COMPANY SECRETARY
 M.NO. A26092

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012	As at March 31, 2011		
Note 1				
SHARE CAPITAL				
Authorized				
Equity shares, Rs.10/- per value 75,00,000 Equity Shares	75,000,000	75,000,000		
Preference Shares, Rs. 100/-per value 2,50,000 Preference Shares	25,000,000	25,000,000		
Issued				
Equity shares, Rs.10/- per value 69,99,564 Equity shares	69,995,640	69,995,640		
Subscribed & Paid Up:-				
Equity shares, Rs.10/- per value 69,99,564 Equity shares	69,995,640	69,995,640		
Due from Directors	0	0		
Due from Employees	0	0		
Due from others				
Less: Allotment Money in arrear	12,030	12,030		
Less: Call Money in arrear	48,800	48,800		
Total	69,934,810	69,934,810		
RECONCILIATION OF NO. OF SHARES				
Shares at the opening of the year	6,999,564	6,999,564		
Add: new issued	0	0		
Shares at the closing of the year	6,999,564	6,999,564		
Details of shareholders holding more than 5% shares in the Company				
	No of Shares	% holding in the class	No of Shares	% holding in the class
Shri P.R. Damani	1,043,090	15	1,043,090	15
Shri N.R. Damani	641,607	9	641,607	9
Smt Bimladevi Damani	1,531,734	22	1,531,734	22
Smt Sarladevi Damani	1,989,770	28	1,989,770	28
Note 2				
RESERVES AND SURPLUS				
Profit & Loss A/c				
Opening Balance		(12,546,940)		(96,835,846)
During the Year(loss)		(209,610)		84,288,906
Closing Balance		(12,756,550)		(12,546,940)
Note 3				
LONG-TERM BORROWINGS				
Secured Loan				
From Non Banking Financial Company				
Kotak Mahindra Prime Ltd		1,148,235		0
(Secured by Hypothecation of Vehicles)				
EMI Rs.25999/- payable upto December,2014				
EMI Rs. 71205/- payable upto April, 2014				
Total		1,148,235		0

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012	As at March 31, 2011
Note 4		
OTHER LONG TERM LIABILITY		
Other Deposits	248,000	248,000
Trade payables having scheduled payment beyond 12 months after the reporting date	656,667	656,667
Total	904,667	904,667
Note 5		
PROVISION		
LONG TERM PROVISION		
Provision for Gratuity	5,678,731	5,634,130
Provision for Leave encashment	1,282,320	1,201,680
Pollution tax	0	39,562
Total	6,961,051	6,875,372
Note 6		
SHORT-TERM BORROWINGS		
Secured Loan		
Working capital Loan		
Loan from Vyapari Sahkari Bank (Secured by Hypothecation of Inventories and Book Debts interest @ 13%)	15,753,248	12,162,211
Total	15,753,248	12,162,211
Note 7		
TRADE PAYABLE		
Other due within normal operating cycle 0-3	15,450,803	14,757,606
Total	15,450,803	14,757,606
Note 8		
OTHER CURRENT LIABILITY		
Current maturities for long term borrowings	1,166,448	0
Payable for General Exp.	1,038,665	994,379
Statutory Payables	208,976	352,321
Advance received from waste/ sundry sale	216,917	45,289
Outstanding commission (Yarn sale)	53,900	106,992
Outstanding (Yarn sale)	0	9,966,086
Advance recd for yarn sale	3,009,322	10,000,000
Payable for repairs	0	194,365
Advance recd for construction	0	98,671
Total	5,694,228	21,758,103
NOTE 9		
SHORT TERM PROVISIONS		
Provision for expenses	4,227,945	3,675,130
Provision for Statutory expenses	409,965	487,206
Total	4,637,910	4,162,336
Note 10		
<u>Tangible Assets</u>		
<u>As per Schedule</u>		

Note 10

FIXED ASSETS

Tangible Assets

FIXED ASSETS AS ON 31ST MARCH- 2012

Assets	GROSS BLOCK			DEPRECIATION				NETBLOCK		
	As on 01.04.2011 (Rs)	Addition & Transfer (Rs)	Sales & Transfer (Rs)	As on 31.03.2012 (Rs)	Up to 01.04.2011 (Rs)	Deduction Transfer & Adjustment (Rs)	Provided During the Period (Rs)	Up to 31.03.2012 (Rs)	As on 31.03.2012 (Rs)	As on 31.03.2011 (Rs)
Free Hold Land	28,629			28,629	0	0	0	0	28,629	28,629
Building & Ownership block	52,054,272			52,054,272	41,853,058	967,457	967,457	42,820,515	9,233,757	10,201,214
Plant & Machinery	187,765,365	389,064		188,154,429	177,314,759	926,047	926,047	178,240,806	9,913,623	10,450,602
Electrical Installation	9,078,011			9,078,011	6,857,578	428,828	428,828	7,286,406	1,791,605	2,220,433
Laboratory Equipment	3,395,064			3,395,064	2,554,677	160,852	160,852	2,715,529	679,535	840,387
Furniture & Office Equipments	3,051,285	7,417,310		10,468,595	2,105,639	1,021,071	1,021,071	3,126,710	7,341,885	945,646
Vehicles	572,607	3,938,147		4,510,754	568,579	1,078,771	1,078,771	1,647,350	2,863,404	4,028
	255,945,233	11,744,521	0	267,689,754	231,254,290	4,583,026	4,583,026	235,837,316	31,852,438	24,690,939
PREVIOUS YEAR	254,362,518	1,582,715	0	255,945,233	228,338,622	2,915,672	2,915,672	231,254,294	24,690,939	

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012	As at March 31, 2011
Note 11		
NON CURRENT INVESTMENTS		
LONG TERM (AT COST):		
NON TRADE INVESTMENT(FULLY PAID):		
VYAPARI SAHAKARI BANK MARYADIT 16000 (P.Y. 12500) EQUITY SHARES OF RS. 25/- EACH FULLY PAID	400,000	312,500
Total	<u>400,000</u>	<u>312,500</u>
Note 12		
LONG TERM LOANS AND ADVANCES		
(Unsecured considered good unless otherwise stated)		
Balance with Govt.	10,069,330	10,069,330
Other Deposites	9,972,698	9,960,175
Staff Loan	421,087	862,459
Total	<u>20,463,115</u>	<u>20,891,964</u>
Note 13		
OTHER NON CURRENT ASSETS		
Long term Trade receivable (beyond 12 months)	2,245,859	2,303,859
Less: Provision for Doubtful Debts	<u>2,109,081</u>	<u>2,109,081</u>
Total	<u>136,778</u>	<u>194,778</u>
Note 14		
INVENTORIES		
Raw material	6,532,007	17,979,872
Material in process	8,564,350	12,715,893
Finished goods & Waste	2,803,017	5,826,704
Total	<u>17,899,374</u>	<u>36,522,469</u>
Note 15		
TRADE RECEIVABLE		
(Unsecured unless otherwise stated)		
More than operating cycle	0	0
Others(within operating cycle)	20,342,858	16,744,630
Total	<u>20,342,858</u>	<u>16,744,630</u>
Note 16		
CASH AND CASH EQUIVALENTS		
Fixed Deposit with Vyapari Sahakari Bank Maryadit	500,000	0
Balances with banks		
In current account	852,010	3,648,597
With Scheduled banks	670,009	1,000
Cash on hand	23,487	54,537
Total	<u>2,045,505</u>	<u>3,704,134</u>

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012		As at March 31, 2011	
Note 17				
SHORT TERM LOANS AND ADVANCES				
(Unsecured considered good unless otherwise stated)				
Trade advance for purchase of machinery/Stores	854,193	0	837,693	0
Less: provision for doubtful advances	<u>152,752</u>	701,441	<u>152,752</u>	684,941
Balance with Govt.		11,316,818		13,175,438
Balances with other Bodies	1,000,000		1,000,000	
Less: provision for doubtful advances	<u>1,000,000</u>	0	<u>1,000,000</u>	0
Tax Deducted at Source		568,582		267,710
Advance for repairs		350,000		48,471
Total		<u><u>12,936,841</u></u>		<u><u>14,176,560</u></u>
Note 18				
OTHER CURRENT ASSETS				
Interest Accrued but not due		392,082		310,133
Interest accrued and due		236,187		334,652
Prepaid expenses		104,151		91,320
Incentive for Raw Material Purchase		514,459		1,505
Advance to suppliers		73,668		32,581
Advance for yarn doubling		330,947		0
Total		<u><u>1,651,494</u></u>		<u><u>770,191</u></u>
Note 19				
Revenue from Operations				
Sale of Products		451,718,810		503,259,854
Other Operating Revenues				
Scrap Sale		3,242,591		1,121,322
Less: Excise Duties		0		0
Sales of Shops & flats		0		16,460,300
Net Revenue		<u><u>454,961,401</u></u>		<u><u>520,841,476</u></u>
Note 20				
OTHER INCOME				
Dividend		37,500		22,917
Licence fees		600,000		600,000
Total		<u><u>637,500</u></u>		<u><u>622,917</u></u>

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012	As at March 31, 2011
Note 21		
COST OF MATERIALS CONSUMED		
Stock at Commencement	17,979,872	5,742,710
Add :- Purchases	312,850,635	332,969,137
	<u>330,830,507</u>	<u>338,711,847</u>
Less :- Stock at Close	6,532,007	17,979,872
Cost of construction	0	2,724,985
Total	<u><u>324,298,500</u></u>	<u><u>323,456,960</u></u>
Note 22		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS		
Opening Stock		
Yarn & Waste	5,826,704	856,808
Material in Process	12,715,893	7,889,978
	<u>18,542,597</u>	<u>8,746,786</u>
Less: Closing Stock		
Yarn & Waste	2,803,017	5,826,704
Material in Process	8,564,350	12,715,893
	<u>11,367,367</u>	<u>18,542,597</u>
Net Change In Inventory	<u><u>7,175,230</u></u>	<u><u>(9,795,811)</u></u>
Note 23		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	17,490,420	17,788,240
Employee's Contribution to Provident Fund and other fund	1,573,351	1,633,184
Gratuity & Leave Encashment Expenses	888,927	3,086,444
Staff/Workers Welfare Expenses	695,996	1,549,477
Managerial Remuneration	1,660,310	1,334,744
Total	<u><u>22,309,004</u></u>	<u><u>25,392,089</u></u>
Note 24		
FINANCE COSTS		
Interest Expenses		
Working capital Loan	1,592,525	1,365,703
Others	908,905	5,125,046
Finance Charges		
Bank Charges & Commission	27,805	44,170
Less:		
Interest received	525,939	1,501,820
Total	<u><u>2,003,296</u></u>	<u><u>5,033,099</u></u>

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2012	As at March 31, 2011
Note 25		
OTHER EXPENSES		
Store Spares & Doubling charges	15,446,160	13,504,115
Power & Fuel	58,310,381	56,644,237
Insurance	277,967	266,518
Repairs to Plant	3,600,031	3,691,650
Repairs to Building	303,094	291,854
Rates & Taxes	1,471,621	1,190,057
(a)	79,409,254	75,588,431
SALES EXPENSES :		
Sales expenses	4,222,145	3,618,222
Brokerage	655,080	0
Sales tax (Vat)	108,507	3,010,858
(b)	4,985,732	6,629,080
ADMINISTRATIVE EXPENSES :		
Printing , Stationery, Postage, Telephone & Advertisement	1,097,869	1,008,391
Professional & legal charges	1,183,539	793,596
Audit fees	118,242	110,300
Tax Audit fees	6,624	6,618
Cost Audit fees	15,000	15,000
Concurrent Audit fees	33,090	66,183
Directors fees	6,750	8,250
Conveyance	145,591	172,544
DIRECTORS TRAVELLING		
Foreign	586,204	367,621
Domestic	118,044	177,301
OTHERS TRAVELLING		
Foreign	0	0
Domestic	595,037	372,593
Motor Car expenses	866,292	788,124
Other repairs	0	1,805,400
Rent & Utility charges paid	6,220,225	0
Less: Rent received	2,824,997	0
Sundry Debit Balance Written off	405,424	47,683
Less: Sundry Credit Balance Written off	362,057	62,232
Sundry Balances Written Off	43,368	(14,549)
Boarding & Lodging	21,085	37,132
Office expenses	191,025	278,628
Directors entertainment expenses	547,856	335,210
Maintenance & Security Charges	1,168,937	1,018,097
Subscription & Periodical	32,132	56,377
Miscellaneous expenses	872,556	553,152
(c)	11,044,469	7,955,968
Total	95,439,455	90,173,479

Note 26**Significant accounting policies and notes on accounts****1 Significant accounting policies****1.1 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Accountings Standards. These financial statements comprises mandatory accounting standards as prescribed by the ICAI, Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of the financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

1.3 Revenue Recognition

Sales (domestic) are recognized on dispatch of products and are stated net of returns, and are inclusive of Excise Duty and Sales Tax / VAT.

1.4 Provisions and contingent liabilities

Provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

1.5 Fixed assets:

Fixed assets are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

1.6 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on the changes in circumstances.

1.7 Depreciation:

- A) The company provides depreciation on plant & machinery, electrical installations and laboratory equipment on straight line method and on other assets on written down value method as per Schedule XIV of the Companies Act, 1956.
- B) The company provides depreciation as per provisions of Section 205(2)(b) of the Companies Act, 1956 on straight line method on the assets acquired upto 31st March 1987, at the rate adopted till that date in accordance with circular No.1/86 dated 21st May 1986 issued by the department of company affairs and on assets acquired thereafter at the rates as per Schedule XIV of the Companies Act, 1956.

1.8 Employee Benefits:**Defined contribution plan :**

Company's contribution paid/payable during the year towards Provident Fund, Employees Pension Fund, ESIC and Labour Welfare fund being charged to profit and loss account.

Defined benefit plan:

Company's liability towards gratuity and leave encashment are based on actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and loss account as income or expense.

1.9 Research and Development:

Revenue expenses relating to research and development activity is charged to profit & loss account. Capital expenditure incurred for research and development is capitalized.

1.10 Investments:

Long-term investments are carried at cost. However provision for diminution in value is made to recognize a decline other than temporary in the value of investments. Current investments are stated at cost or fair value whichever is lower.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash deposit with banks.

1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

1.13 Valuation of Inventories :

Inventories are valued at lower of costs or net realizable value. Cost is ascertained in respect of:-

- i) Raw materials on first-in-first-out basis.
- ii) Stores and spares on first-in-first-out basis
- iii) Material in progress on the basis of cost of raw materials issued, direct labour and appropriate factory overheads and with reasonable estimates, where necessary, upto the stage of completion.
- iv) Finished goods on the basis of cost of raw material, direct labour and appropriate factory overheads and with reasonable estimates, where necessary.

1.14 Taxation:

Income tax expense comprises of current tax, deferred tax charge or credit and current tax is made with reference to taxable income computed for the accounting year, for which the financial statements are prepared by applying the tax rates as applicable. Deferred tax charge reflects the impact of current year timing differences between taxable income and accounting income. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rates. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realization / liabilities.

2.1 Contingent Liabilities:

	2011-12 Rs.in lacs	2010-11 Rs.in lacs
VAT/CST Interest	0	10.40
INCOME TAX	0	19.40

2.2 The company has made Loss of Rs. 2.09 lacs during the year ended 31st March 2012, the accumulated losses amount to Rs. 127.57 lacs resulting in a positive net worth of Rs. 571.78 lacs (previous year positive worth of Rs. 573.87 lacs). B.I.F.R. has taken out the Company from the purview of SICA during the year.

2.3 The company had two business segments viz. Textiles and Construction. The figures pertaining to the construction business have been disclosed separately in the financial statements of the company with the requirements of AS 17 -

Segmental Reporting. The other figures in the financial statements pertain to the textile business.

Particulars	2011-2012			2010-11		
	Textile	Construction	Total	Textile	Construction	Total
REVENUE						
External	451718810	0	451718810	503259854	16460300	519720154
Less : Internal Segment Adjustment	0	0	0	0	0	0
Total Revenue	451718810		451718810	503259854	16460300	519720154
RESULTS	-209610		-209610	70553591	13735315	84288906
OTHER INFORMATION						
Segment Assets	106712866	0	0	89015852	4088000	93103852
Segment Liabilities	106712866	0	0	48557210	0	48557210

2.4 The Company has opted to avail benefit under Central Excise Notification No.30/2004 for non-payment of excise duty on yarn produced and correspondingly will not claim credit on inputs w.e.f 1st July 2006. No provision has been made for the unutilised Cenvat credit amounting to Rs. 100.60 Lacs. The Company is actively considering available alternatives for utilizing this balance.

2.5 In pursuance to Accounting Standard -28 issued by the Institute Chartered Accountants of India, the company has assessed no impairment of assets as on 31st March 2012, hence no provision has been made in the books of accounts.

2.6 **LIST OF RELATED PARTIES:**

A) ASSOCIATES / JOINT VENTURES:

SR. NO.	PARTICULARS
1.	DAMANI TEXTILES CO
2.	MR. P R DAMANI (MANAGING DIRECTOR)
3.	MR. J P SINGHAL (EXECUTIVE DIRECTOR)
4.	MR. N R DAMANI (JOINT MANAGING DIRECTOR)

WE CONFIRM THAT THE FOLLOWING ARE THE KEY MANAGEMENT PERSONNEL OF THE COMPANY:

B) KEY MANAGEMENT PERSONNEL:

SR. NO.	PARTICULARS
1.	SHRI J.M.ADHIA
2.	SHRI A.K. MOHTA

2.7 Related party disclosures enterprises in which the promoter directors are interested.

Sr. No.	Name of the related party	Transaction	Amount (Rs. In lacs)	Balance due to related parties (Rs. In lacs)
1	Mr P R Damani (Managing Director)	Remuneration	8.55 (7.12)	0.39 (0.49)
2	Mr J P Singhal (Executive Director)	Remuneration	1.78 (1.78)	0.15 (0.15)
3	Mr N R Damani (Joint Managing Director)	Remuneration	6.27 (4.44)	0.8 (0.44)

2.8 Key Management Personnel disclosure

Sr. No.	Name of the Key Management	Transaction	Amount (Rs. In lacs)	Balance due to related parties (Rs. In lacs)
1	Mr. J.M. Adhia (General Manager)	Salary	8.98 (8.46)	0.35 (0.41)
2	Mr A . K. Mohta (Finance Manager)	Salary	6.30 (6.09)	0.29 (0.29)

Figures in brackets represent previous year's figures.

2.9. Provision for taxation :

- (a) Current tax: In view of the carried forward losses the company has no taxable income.
- (b) Deferred Tax (AS 22): In view of the carried forward losses the company has deferred tax assets. However, as a matter of prudence the same has not been recognized in the financial statements since the management is not certain that sufficient taxable income will be available in the future against which such deferred tax assets could be adjusted.

2.10 Employee Defined Benefits:-

(As per Actuarial Valuation as on March 31, 2012)

	Gratuity		Leave Encashment	
	Mar-2012 Rs.	Mar-2011 Rs.	Mar-2012 Rs.	Mar-2011 Rs.
(i) Expenses recognized during the year ended March 31, 2012 (included in Schedule of Profit & Loss Account)				
1. Current Service Cost	494437	438556	327600	263190
2. Interest Cost	426253	291968	92407	26091
3. Expected return on plan assets	-	-	-	-
4. Actuarial Loss / (Gain)	(264158)	1123402	(246187)	598102
5. Total Expense	656532	1853926	173820	887383
(ii) Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2012				
1. Present Value Defined Benefit obligation	5634130	5634130	1282320	1201680
2. Fair value of plan assets	-	-	-	-
3. Funded status (Surplus / (Deficit))	(5678731)	(5634130)	(1282320)	(1201680)
4. Net asset / (Liability)	(5678731)	(5634130)	(1282320)	(1201680)
(iii) Change in obligation during the year ended March 31, 2012				
1. Present value of Defined Benefit Obligation at the beginning of the year	5634130	4005614	1201680	381450
2. Current Service Cost	494437	438556	327600	263190
3. Interest Cost	426253	291968	92407	26091
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contributions	-	-	-	-
7. Actuarial (Gains) / Losses	(264158)	1123402	(246187)	598102
8. Benefit Payments	(611931)	(225410)	(93180)	(67153)
9. Present value of Defined Benefit Obligation at the end of the year	5678731	5634130	1282320	1201680
(iv) Change in Assets during the year ended March 31, 2012	-	-	-	-
Actuarial Assumptions:				
1. Discount Rate	8.00 %	7.50%	8.00 %	7.50%
2. Expected rate of return on plan assets	-	-	-	-
3. Expected rate of salary increase	4.00%	4.00%	4.00%	4.00%
4. Mortality Pre-retirement	LIC (1994-96) ULT	LIC(1994-96) ULT	LIC(1994-96) ULT	LIC (1994-96) ULT
5. Withdrawal rates	0.80%	0.80%	0.80%	0.80%

2.11 EARNING PER SHARE:

	2011-2012	2010-2011
NUMERATOR- PROFIT / (LOSS)	-209610	84288906
DENOMINATOR – WEIGHTED AVERAGE NUMBER OF SHARES	6999564	6999564
BASIC EARNINGS PER SHARE	(0.03)	12.04
DILUTED EARNINGS PER SHARE	(0.03)	12.04

2.12 Statutory information in the case of manufacturing companies are as certified by the management.

Production Consumables	Value	Percentage
STORES & SPARES PARTS CONSUMED		
Indigenous	15446160	100%
RAW MATERIALS CONSUMED		
Raw materials	324298500	100%
EXPENDITURE IN FOREIGN CURRENCY		
Travelling	586204	

2.13 No confirmation has been received from the enterprises regarding Micro, Small and Medium enterprises as defined in the Micro, Small, medium enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

2.14 The previous year figures have been regrouped wherever necessary.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year Ended 31st March 2012		Year Ended 31st March 2011	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. CASH FLOW FROM OPERATION ACTIVITIES:				
Net Profit/ (Loss) Before Tax		(209,610)		84,288,906
Adjustments for:				
Depreciation	4,583,026		2,915,672	
Loss/(Profit)On sale Of Fixed Assets (Net)	-		-	
Dividend Received	(37,500)		(22,917)	
Interest Charged	2,501,430		6,490,749	
Interest Received	(525,939)		(1,501,820)	
Provision for Gratuity / Leave encashment	125,241		2,448,746	
		6,646,258		10,330,430
Operating Profit/(Loss) Before Working Capital Changes.		6,436,648		94,619,336
Adjustments for:				
Trade & Other Receivables	(2,382,311)		12,875,342	
Inventories	18,623,095		(19,814,840)	
Trade Payables	(16,170,897)		(77,788,741)	
		69,887		(84,728,239)
Cash Generated / (utilised) From Operations.		6,506,535		9,891,097
Direct Taxes (Paid)/ Received	(300,872)		2,447	
		(300,872)		2,447
Net Cash Generated / (utilised) From Operating Activity		6,205,663		9,893,544
B. Cash Flow From Investing Activity				
Purchase Of Fixed Assets	(11,744,521)		(1,582,715)	
Sale Of Fixed Assets	-		-	
Sale /(Purchase) Of Investments	(87,500)		-	
Interest Received	525,939		1,728,882	
Dividend Received	37,500		22,917	
Net Cash Used In Investing Activities.		(11,268,582)		169,084
C. Cash Flow From Financing Activity				
Proceeds/(Repayments) From/ Of Borrowings (Net)	5,905,720		(242,012)	
Interest Paid	(2,501,430)		(6,490,749)	
Net Cash Used In Financing Activities.		3,404,290		(6,732,761)
Net Increase/(Decrease) In Cash & Cash Equivalents(A+B+C)		(1,658,629)		3,329,867
Cash & cash Equivalents Opening Balance		3,704,134		374,267
		3,704,134		374,267
Cash & Cash Equivalents Closing Balance		2,045,505		3,704,134
(Deposit of Rs. 500000/- with Bank)		-		-
		2,045,505		3,704,134

Note:-

- 1) The above Cash Flow Statement has been prepared under the " indirect method" as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- 2) Previous year's figures have been regrouped wherever necessary.
- 3) Cash Out Flows are shown in brackets

As per our Report attached

FOR MITTAL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 F.R.NO: 106456W

P.R. DAMANI
 CHAIRMAN & MANAGING DIRECTOR

M MEHTA
 PARTNER
 MEMBERSHIP NO.: 42990

KIRANBHAI J SHAH
 DIRECTOR

PLACE: MUMBAI
 DATE :- 21st May 2012

SHWETA R. KALANTRI
 COMPANY SECRETARY
 M.NO. A26092