

**Board of Directors**

**Chairman**

Dr. Ranchhoddas Mohota

**Managing Director**

Shri Vinodkumar Mohota

**Directors**

Shri Vinay Kumar Mohota

Shri S. B. Singhvi

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.)

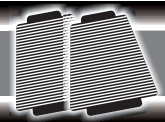
**Export Office**

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**

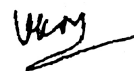
Notice is hereby given that the 67<sup>th</sup> Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on Saturday the 27<sup>th</sup> day of September, 2014 at 10.30 a.m. at the Registered Office of the Company at Block No.15, 3rd Floor, Devkaran Mansion, Gate No.2, 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, 2014, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vinay kumar Mohota, who retires by rotation and being eligible, offers himself for re-appointment..
3. To appoint a Director in place of Shri Shantilal B. Singhvi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Pavan Poddar, 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:

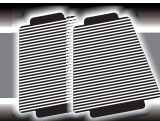
“RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Batliboi & Purohit, Chartered Accountants, Mumbai, the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this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

HINGANGHAT  
Date : 25.08.2014

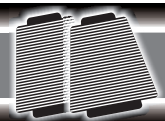

**NOTES:**

- i. 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.
- ii. The Register of Members and Share Transfer Books of the Company will remain closed **from 20<sup>th</sup> September 2014 to 27<sup>th</sup> September, 2014** (both days inclusive).
- iii. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
- iv. Members are requested to bring their copy of the Annual Report to the Meeting.
- v. Members are requested to send their queries, if any, in writing at least 10 days in advance of the day of the meeting.
- vi. The information required to be provided under the listing agreements entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/reappointed is annexed hereto.

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT**

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

<b>Name</b>	<b>Shri Vinay Kumar Mohota</b>	<b>Shri Shantilal B. Singhvi</b>	<b>Shri Pavan Poddar</b>
Date of Birth	06.09.1967	20.03.1937	10.11.1949
Qualification	B.E., M.B.A.	Matriculate	M.B.A.
Date of first Appointment	01.04.2006	01.04.2006	28.08.2008
Expertise	General Administration and Production.	General Administration and Marketing.	General Administration
Directorship held in other Companies	None	None	Poddar Udyog Ltd. Nortex Fort Ltd. Vertex Systems Ltd. Technische Software & System India Ltd. Orient Steel & Industries Ltd Iris Health Services Ltd. Heralds Agencies Ltd. Pragati Business Ltd. Blueview Trade link Pvt.Ltd. Bharat Chamber of Commerce.
Chairman/ Member of Committee of the other Companies	None	None	None


**FINANCIAL HIGHLIGHTS**

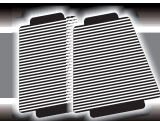
(Rs.in lacs)

PARTICULARS	31ST MARCH									
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Total Income	28312.88	25218.66	22799.67	23749.19	18796.99	15336.52	15542.93	12736.96	16415.49	15701.15
Operating Profit	1606.15	1497.56	1024.99	1405.40	1062.85	636.85	814.08	1067.42	956.14	922.53
Interest	1024.69	1017.32	975.48	573.56	650.22	586.19	410.08	263.97	266.34	256.53
Depreciation	419.75	455.49	495.86	538.19	580.21	557.84	500.51	486.21	586.85	538.14
Tax	(17.73)	(12.13)	71.29	(185.80)	(55.02)	134.09	28.00	34.14	10.32	4.00
Net Profit/(Loss)	143.98	12.62	(271.67)	107.85	(222.60)	(373.09)	(124.51)	283.08	92.63	123.86
Gross Block	12430.62	12348.54	12324.94	12263.09	12171.78	12191.26	11705.48	8897.92	**7944.69	*10143.33
Investments	45.12	83.11	95.69	435.56	147.74	244.09	244.09	218.03	180.12	--
Net Current Assets	7660.12	7171.93	6788.68	5707.03	5327.36	4477.75	4482.15	5020.69	4073.58	5227.18
Equity Share Capital	1252.56	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87	418.87
Reserves	2091.06	2349.61	1989.70	2318.35	2277.20	2603.08	3060.37	3338.36	3172.30	3410.30
Borrowings	7401.69	7949.79	8868.94	8734.32	8764.26	8281.70	7874.21	5766.20	4418.88	5849.81
Book Value Per Share Rs.	20.39	70.66	51.91	58.42	55.84	61.18	70.13	74.42	67.63	71.13
Earning Per Share Rs.	0.92	0.10	(6.52)	2.59	(5.34)	(8.94)	(2.99)	6.79	2.22	2.97

\* 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.

The previous year figures are regrouped wherever necessary.



## DIRECTORS' REPORT :

Dear Members,

Your Directors are pleased to present their 67<sup>th</sup> report on the business and operation of your company together with Audited Statement of Accounts for the year ended March 31, 2014.

## FINANCIAL RESULTS

(Rs.in Lacs)

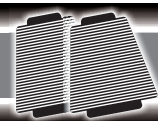
	For The Year ended 31st March 2014	For The Year ended 31st March 2013
Gross Revenue 28312.88	25218.66	
Gross Profit (before interest, depreciation & tax)	1606.15	1497.56
Less : Interest	1024.69	1017.32
Depreciation	419.75	455.49
Profit before tax & extraordinary Item	161.71	24.75
Add : Extraordinary Item	-	-
	161.71	24.75
Less : <u>Provision for tax</u>		
Mat Current	(32.35)	(4.10)
Deferred	14.62	(8.03)
Fringe Benefit Tax	-	-
For earlier years	-	-
Net Profit for the year	143.98	12.62
Appropriation :		
Transfer to General Reserve	143.98	12.62

## DIVIDEND

Your company has already distributed an Interim Dividend @ 1% i.e. Rs.0.10 per equity shares to its share holders whose name appears on the Register of Members on 13.01.2014 i.e. Record Date. The Board of Directors further recommend final Dividend @ 0.50% i. e. Rs.0.05 per equity share of Rs.10/- each to the share holders whose name appears on the Register of Members on 27.09.2014 i.e. Book Closure Date, for the financial year 2013-2014, subject to approval of Shareholders in the ensuing Annual General Meeting.

## BONUS SHARES

Your Board of Directors has declared issue of Bonus Shares from its permitted reserves/ surplus @ 2:1 in its meeting held on 18/12/2013. The same has been approved by members in EGM dated 22/01/2014 and listed on BSE & NSE dated 17/02/2014.



## OPERATIONS

During the financial year under review, your Company's turnover has increased to Rs.28312.88 lacs from Rs. 25218.66 lacs in the corresponding previous year mainly on account of increase in export demand of yarn. Company has generated net profit (after tax) of Rs. 143.98 lacs in the current financial Year.

## EXPORTS

The Company's export during the year calculated on FOB basis amounted to Rs.82.17 crore as against Rs. 49.62 crore in the immediately preceding year, registering increase in sale by 65.59% due to high demand of yarn in international market.

## CURRENT AND FUTURE OUTLOOK

According to the latest estimate, Indian economy grew by 4.70% in F.Y. 2014. Despite a good monsoon, the manufacturing indices had declined, commodity prices stayed at high levels and food inflation reached an all-time high, which resulted in sustained CPI inflation of over 10% in the last financial year. The Rupee depreciated significantly before retracting in the latter half of the year. Consumer sentiments remained subdued for most part of F.Y. 2014.

However, the slow GDP growth appears to have bottomed out and post elections, economic activity is expected to pick up from the second quarter F.Y. 2015.

## OPPORTUNITIES AND CHALLENGES

Textile industry is one of the largest employers in India and has strong linkages with the rural economy. The growing young middle-class population is a source of great potential and provides immense opportunities to spur growth in the industry going forward.

The major challenge that the textile and apparel industry is facing is increasing cost of production arising out of rising wages, high power and interest costs.

## MODERNISATION / EXPANSION

Your Company has incurred capital expenditure of Rs.95.98 lacs on Factory Building, Plant & Machinery and Modernization / upgradation of Hinganghat and Burkoni Unit.

## DEPOSITS

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

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Vinay Kumar Mohota, Shri Shantilal B.Singhvi & Shri Pavan Poddar Directors of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Shri. C.J. Thakar Director of the company has resigned from the Directorship of the company due to health ground since Nov. 2013. The company appreciates for his valuable efforts & guidance provided during his tenure to the company.

## 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.

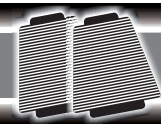
## AUDITOR'S REPORT

The observations made in the Auditor's Report are dealt with separately in the Notes to the Statement of Profit and Loss and the Balance Sheet in Note No. 23 to 39 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 & Company, Cost Accountants, Nagpur as the Cost Auditors of the Company pursuant to Section 233B of The Companies Act, 1956, for conducting the Cost Audit Records of the Company for the financial year 2013-2014, which has been approved by the Central Government.

Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2013 which was required to be filed with the Central Government on or before 30<sup>th</sup> September, 2013 has been filed electronically with the Central Government on 27<sup>th</sup> September, 2013 in XBRL Format.



### **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 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 31.03.2014 and of the profit/loss of the company for the year ended on 31.03.2014;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- d) that the directors have prepared the annual accounts on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information required under Section 217(1)(e) of the Companies Act, 1956 read with rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure 'I' which forms an integral part of this report.

### **CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreement, the Report on the Corporate Governance, together with Auditor's Certificate thereon are annexed to this report as Annexure II & III respectively.

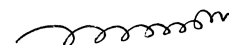
### **PERSONNEL**

The company at present does not have any employee drawing salary in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956 read with rules thereunder.

### **ACKNOWLEDGEMENTS**

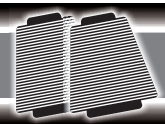
The Directors wish to place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions and Shareholders. The Directors also record their sense of appreciation for the sincere services rendered by all the Executives and Staff of the company and for their valuable contribution in the working of the company.

**On Behalf of the Board**



**Dr. Ranchhoddas Mohota**  
Chairman

**Place : Hinganghat**  
**Dated: 31/05/2014**



## 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 31<sup>st</sup> March, 2014

### I. CONSERVATION OF ENERGY

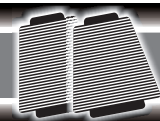
- (a) **Measures taken :** The company is aware of the importance of conservation of energy and continuous efforts are being made to reduce energy cost at all levels. Special attention is being given for the use of energy efficient equipments. During the year Company reviewed and continued to pursue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

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

FORM A		(Rs.in lacs)
I. Power and Fuel Consumption	2013-2014	2012-2013
<b>1. Electricity</b>		
(a) Purchased		
Unit (kwh in lacs)	253.64	268.52
Total Amount (Rs. In lacs)	1,504.75	1,574.07
Rate/Unit (Rs.)	5.93	5.86
(b) Own Generation (Through Diesel Generator)		
Unit (kwh in lacs)	Nil	Nil
Units per Ltr.of Diesel	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
<b>2. Furnace Oil / L.S.H.S.</b>	N. A.	N. A.
<b>3. Rice Husk/ Coal (Boiler)</b>		
Quantity (M. T.)	11,867.60	11,154.08
Total Cost (Rs. in lacs)	469.91	411.67
Average Rate (Rs. per M.T.)	3,959.67	3,690.76

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





## II. TECHNOLOGY ABSORPTION

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

### FORM B

#### I. Research and Development (R & D)

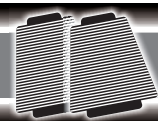
1. **Specific areas** : The R & D activities of the Company are aimed at quality control and improvement/up-gradation of the product range.
2. **Benefits derived** : Improvement in product quality, development of new value added products and cost effectiveness.
3. **Future plan of action** : Development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

#### II. Technology Absorption, adoption and innovation :

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

#### III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (a) **Efforts** : Various efforts are being made to explore and secure new export market for Company's products.
- (b) **Earning and outgo** : **(Rs. in lacs)**
  - i) Foreign Exchange earning : 8217.12
  - ii) Foreign Exchange outgo : 149.90

**ANNEXURE 'II' TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT****A. MANDATORY REQUIREMENTS****THE CORPORATE GOVERNANCE CODE**

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

**Green Initiative in Corporate Governance : Save Paper**

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

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

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

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

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

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

The Annual Report will also be displayed on our Company's website : [www.rsrmm.com](http://www.rsrmm.com) in due course of time.

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

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