

# The 68th Annual report 2014-2015



The Rai Saheb  
Rekhchand Mohota  
Spinning & Weaving Mills Ltd





*Clothing the  
nation since  
1898*

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**Board of Directors*****Chairman***

Dr. Ranchhoddas Mohota

***Managing Director***

Shri Vinod Kumar Mohota

***Directors***

Shri Vinay Kumar Mohota

Shri Shantilal B. Singhvi

Shri G. G. Singhee

Shri Suresh Rath

Ms. Aditi Bagri

Shri Krishnakant Tekriwal

**Bankers**

State Bank of India

Bank of India

**Auditors**

M/s. Batliboi & Purohit

Chartered Accountants, Mumbai

**Registered Office**

Block No.15, 3<sup>rd</sup> Floor,

Devkaran Mansion, Gate No.2,

63, Princess Street,

Mumbai – 400 002

**Corporate Office**

Ram Mandir Ward, Hinganghat,

Dist – Wardha – 442301 (M.S.)

**Export Office**

309, ACME Plaza,

Andheri Kurla Road, Andheri (E),

Mumbai – 400 059

**Works**

1. Ram Mandir Ward, Hinganghat  
Dist – Wardha (M.S.)
2. Village Burkoni, Tah. Hinganghat  
Dist – Wardha (M.S.)



## From the Chairman's Desk

Dear Shareowners,

I am happy to communicate to you that once again we have had a good year and look forward to attain the anticipated growth in the coming years with your support.

**The Indian Textile industry is showing a steady growth and is expected to grow. The global trade share is expected to increase to 8% (USD 80 Billion) in the next 5 years.**

In FY 2014-15, the textile industry is estimated to have contributed USD 42 Billion (4%) to India's GDP, and 27% to the country's foreign exchange inflows.

Being one of the key focus sectors under the Government's "Make in India" campaign is a testimony to the huge growth potential the industry holds, both in terms of infrastructure development and skill improvement. Globally, favorable trade policy reforms would also allow the industry to expand its trade partners, improve its export competitiveness and contribute substantially to the nation's income.

However, the competition from the neighboring countries such as Bangladesh and China seems challenging. Factors such as exchange rate fluctuation, differences in the prices of the products and delayed economic revival may slow down the growth rate of this sector.

Our strong presence in the country and resilient work force are our key strengths that can help us to pursue the path of future growth.

### Performance Highlights:

During FY 2014-15, your Company's total sales registered a growth of 12.76% and Net profit being ₹ 214.92 lacs as against ₹ 143.98 lacs in FY 2013-14. The increase in sales was led by volume growth in domestic market.

The Company also declared Bonus Shares from its permitted reserves/ surplus @ 1:6 during the FY 2014-2015. The Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31<sup>st</sup>, 2015.

There is no audit qualification in the financial statement by the statutory auditors for the current year. I look forward to seeing you at the forthcoming annual general meeting of your company.

- Dr. Ranchhoddas Mohota  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68<sup>th</sup> Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on **Wednesday the 30<sup>th</sup> day of September, 2015** at 10.30 a.m. at the Registered Office of the Company at Devkaran Mansion, Gate No.2, Block No.15, 3rd Floor, 63 Princess Street, Mumbai - 400 002 to transact the following business.

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015, the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. Ranchhoddas Mohota, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, approval of the company be and is hereby given to ratify the appointment of M/s Batliboi & Purohit , Chartered Accountants ( ICAI Firm Registration Number: 101048W) as approved by the members at the 67<sup>th</sup> Annual General Meeting of the company as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Seventieth (70th) AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out of pocket and traveling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee."

### SPECIAL BUSINESS

5. **Appointment of Mr. Girdharlal G. Singhee as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Girdharlal G. Singhee (DIN: 01479800), director of the Company who retires by rotation at this Annual General Meeting and has submitted declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a consecutive term of four (4) years commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

**6. Appointment of Mr. Suresh Rath i as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act,2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Suresh Rath i (DIN: 00474117), director of the Company who retires by rotation at this Annual General Meeting and has submitted declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a consecutive term of four (4) years commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

**7. Appointment of Ms. Aditi Bagri as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act,2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Aditi Bagri (DIN: 06943139), Director of the company and who submitted a declarations that she meets the criteria of independence under Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five (5) years commencing from 30<sup>th</sup> September, 2015 and ending on the date of the Annual General Meeting to be held in the year 2020, and whose office shall not be liable to retire by rotation.."

**8. Appointment of Mr. Krishnakant Premkumar Tekriwal as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act,2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Krishnakant Premkumar Tekriwal (DIN: 00233697), who was appointed as an Additional Director of the Company with effect from 13 April, 2015 pursuant to Section 161 of the Act, and who holds office as such up to the date of this Annual General Meeting has submitted declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and a notice in writing under Section 160 of the Act received from member, proposing him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) years commencing from 30<sup>th</sup> September, 2015 and ending on the date of the Annual General Meeting to be held in the year 2020."

## 9. Approval of Related Party Transaction

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and revised Clause 49(VII) of the Equity Listing Agreement as amended from time to time, which is applicable effective October 1, 2014, the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties regarding purchase / sales and Job Work Charges of yarn / fabrics / textiles and leasing of premises on such terms and conditions as the Board in its absolute discretion may deem fit. However Provided That the aggregate amount/value of all such purchases / sales and Job Work Charges and lease rent from / to each related party, shall not exceed Rs. 125.00 Crores (Rupees One Hundred Twenty Five Crores Only) during any one financial year."

Sr. No.	Name of the related Party	Name of Director & KMP who is related and Nature of their Relationship	Nature of Transaction	Amount of transaction in INR
1	Crome Textiles Private Limited	Mr. Vinod Kumar Mohota, Managing Director is Common Director & carrying shareholding interest	Purchase / Sales / Job Work Charges	689,852,161/-
2	Navrang Enterprises	Dr. Ranchhoddas Mohota Non executive Director is a Partner and Mr. Vinod Kumar Mohota, Managing Director Mr. Vinay Kumar Mohota, Director's Relatives are Partner	Purchase / Sales / Job Work Charges / Rent	304,308,999/-



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

**10. Approval of Cost Auditor's Remuneration**

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s G. R. Paliwal & Co. Cost Accountants, (Firm Registration No.: 100058), appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company's Textile manufacturing units at Hinganghat and Burkoni, be paid a remuneration, for the Financial Year ending 31<sup>st</sup> March, 2016, amounting to Rs.30,000/- plus service tax as applicable and re-imburement of out of pocket expenses incurred by them in connection with the aforesaid Audit."

By the order of the Board  
The Rai Saheb Rekhchand Mohota  
Spg. and Wvg. Mills Ltd.



Place :Hinganghat  
Date: 25.08.2015

Vinod Kumar Mohota  
Managing Director

## NOTES:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the special business is annexed to this
2. A Member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company.
3. The instrument appointing proxy, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the commencement of the Meeting. Members / Proxies are requested to sign the attendance slip annexed to the proxy form and hand it over at the gate of the venue of the Meeting.
4. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
5. Corporate Members are requested to send a board resolution duly certified, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. The proxy form should be signed by the appointer or his/her attorney duly authorized in writing or, if the appointer is a body corporate, the proxy form should be signed by an officer of the Company under his/her official seal or an attorney duly authorized by him/her.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business at Item No. 5 to 10 of the accompanying Notice is annexed hereto.
8. A statement giving the details of the Directors seeking re-appointment under Item Nos. 3, 5, 6, 7 and 8 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
9. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting.
10. The Register of Members and Share Transfer Books of the Company will remain closed **from 23<sup>rd</sup> September 2015 to 30<sup>th</sup> September, 2015** (both days inclusive), for determining the names of Members eligible for Dividend on Equity Shares, if declared at the Annual General Meeting.
11. The dividend on Equity Shares, if declared at the Annual General Meeting, will be payable on or after 01<sup>st</sup> October, 2015 to those Members;
  - (a) Whose names appear as Members in the Register of Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company/ Registrar and Transfer Agent on or before **22<sup>nd</sup> September, 2015**; and