



The Rai Saheb Rekhchand Mohota Spinning & Weaving Mills Ltd

**The 69th Annual Report
2015 - 2016**



Manufacturing
Excellence

Vision statement, Mission statement and Values of the Company

Vision.....

To excel as a trusted, socially responsible and customer driven organization providing maximum value to all stakeholders.

Mission.....

To manufacture quality products at competitive cost through technology and team work.

Values.....

- Ethical practice
- Customer Focus
- Commitment to Society, Safety and Environment
- Professional and transparent management
- Empowerment and Accountability
- Adaptability to “change”
- Innovation and Creativity
- Emphasis on human resource development, Cost reduction, Productivity enhancement and resource conservation

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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 Rathi

Shri Krishnakant Premkumar Tekriwal

Smt. Ritu Kabra

Bankers

State Bank of India

Bank of India

Statutory Auditors

M/s. Batliboi & Purohit, (FRN 101048W)

Chartered Accountants, Mumbai

Secretarial Auditor

Dinesh Kumar Deora,

Company Secretaries, Mumbai

Cost Auditors

G R Paliwal and Co. (FRN 100058)

Cost Accountants, Nagpur

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

1.Ram Mandir Ward, Hinganghat - 442 301

Dist – Wardha (M.S.)

2. Village Bukoni, Tah. Hinganghat - 442 301

Dist – Wardha (M.S.)



From the Chairman's Desk

Dear Shareholders,

During our journey, we have experienced and successfully sailed through several periods of extreme volatility.

We just closed our financial year 2015-16 on expected lines. During FY 2015-16, your Company's total sales registered a marginal growth of 3.34% and Net profit of Rs. 334.50 lacs as against Rs. 214.92 lacs in FY 2014-15.

As we march into the new financial year, pinning hopes on favorable economic policies and improved business scenario, it is important for us to introspect more on our performance during the last year.

Moving forward, we are preparing ourselves for the challenges ahead and plan, budget and strategize our plans to achieve our targets for the Financial Year 2016-17.

I am very optimistic that coming Financial Years are going to be very fruitful with the Government giving more thrust on Textile projects. The Government has made a huge budgetary provision for the textile sector with a package of Rs 6,000-crore being approved. The Government is taking initiatives, such as tax sops and relaxation of labour laws. It has set a three-year target of 10 million more jobs, \$30 billion additional exports and \$11 billion fresh investment.

Opening up of textile sector is also going to throw-up more challenges by way of increased competition. We need to gear up to face these challenges through building our capabilities and remaining competitive by optimizing costs and improving value addition to clients.

Sd/-
Dr. Ranchhoddas Mohota
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on Tuesday the 27th day of September, 2016 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, 2016 together with 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 Shri 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 its 67th Annual General Meeting of the Company held on 27th September, 2014, as the Statutory Auditors of the Company, to hold office from 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 Smt. Ritu Kabra as an Independent Director of the Company.**

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 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 SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Smt. Ritu Kabra (DIN: 07402599), who was appointed as an Additional Director of the Company with effect from 13th February, 2016 pursuant to Section 161 of the Act, and who holds office as such, up to the date of this Annual General Meeting, has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Listing Regulation, 2015 and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five years commencing from 27th September, 2016 and ending on the date of the Annual General Meeting to be held in the year 2021, not liable to retire by rotation."

6. Re-Appointment of Shri Vinod Kumar Mohota (DIN 00247348), as Managing Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of sections 2(54), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V - Part II - Section II to the Companies Act, 2013 and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and applicable articles of Articles of Association of the Company, the Consent of the Company be and is hereby accorded to the re-appointment of Shri Vinod Kumar Mohota (DIN: 00247348) as Managing Director of the Company on the following terms & conditions and remuneration as recommended by Nomination and Remuneration Committee.

I. Period of Appointment - 3 years i.e. from 1st April 2016 to 31st March 2019.

II. Remuneration:

Salary including allowances: Rs.1,11,000/- per month in the scale of Rs.1,11,000/- - 5,000/- - 1,21,000/-

Perquisites:	Subject to 100% of salary
i) Provident Fund	Contribution to Provident Fund, Super Annuation Fund or Annuity Fund are not to be included in the computation of the ceiling of the perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
ii) Gratuity	Gratuity payable not to exceed 1/2 month's salary for each completed year of service.
iii) Medical Benefits	Reimbursement of Medical Expenses (including Medical Insurance) for himself and his family, subject normally to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for himself and his family may be reimbursed on actual basis, subject to approval by the Board of Directors.
iv) Leave Travel Concession	For self and family, once in 2 years in accordance with the rules of the Company.
v) Earned/ Privilege Leave	As per Company Rule.
vi) Housing	Company owned/leased Free Furnished accommodation.
vii) Club Fees	Fees of the Clubs subject to a maximum of two Clubs, excluding the admission fees.
viii) Car	Provision of a Chauffeur Car.

III. Other Terms of Appointment of Managing Director:

- i) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V of the Companies Act, 2013, or any other amendments made hereafter in this regard,
- ii) The appointment may be terminated by either party, giving the other party one month's written notice.
- iii) If at any time the Managing Director ceases to be Director of the Company for any reason, whatsoever, he shall cease to be Managing Director of the Company.
- iv) Shri Vinod Kumar Mohota shall be subject to retirement by rotation during his tenure as Managing Director.

RESOLVED FURTHER that Notwithstanding anything contained in the said statement, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the remuneration payable to Shri Vinod Kumar Mohota shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Shri Vinod Kumar Mohota within the limits of Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force).

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds, matter and things, which may be deem necessary, usual, expedient or proper to give effect to this resolution."

None of the Directors of the Company, other than Shri Vinod Kumar Mohota, Shri Ranchhoddas Mohota and Shri Vinay Kumar Mohota are in any way concerned or interested in the above appointment.

7. Re-Appointment of Shri Vinay Kumar Mohota (DIN 00247340), as Whole Time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V - Part II - Section II to the Companies Act, 2013 and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and applicable articles of Articles of Association of the Company, the Consent of the Company be and is hereby accorded to the re-appointment of Shri Vinay Kumar Mohota (DIN: 00247340) as Whole- Time Director of the Company for a period of three (3) years commencing from 1st April, 2016 to 31st March, 2019 on the following terms & conditions and remuneration as recommended by Nomination and Remuneration Committee.

I. Period of Appointment - 3 years i.e. from 1st April 2016 to 31st March 2019.

II. Remuneration:

Salary including allowances: Rs.1,00,000/- per month in the scale of Rs.1,00,000/- - 5,000/- - 1,10,000/-

Perquisites:	Subject to 100% of salary
i) Provident Fund	Contribution to Provident Fund, Super Annuation Fund or Annuity Fund are not to be included in the computation of the ceiling of the perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
ii) Gratuity	Gratuity payable, not to exceed 1/2 month's salary for each completed year of service.
iii) Medical Benefits	Reimbursement of Medical Expenses (including Medical Insurance) for himself and his family, subject normally to a ceiling of one month's salary in a year, or 3 months' salary over a period of 3 years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for himself and his family may be reimbursed on actual basis, subject to approval by the Board of Directors.
iv) Leave Travel Concession	For self and family, once in 2 years in accordance with the rules of the Company.
v) Earned/ Privilege Leave	As per Company Rule.
vi) Housing	Company owned/leased free furnished accommodation.
vii) Club Fees	Fees of the Clubs subject to a maximum of two Clubs, excluding the admission fees.
viii) Car	Provision of a Chauffeur Car.

III. Other Terms of Appointment

- The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Whole Time Director in accordance with Schedule V of the Companies Act, 2013, or any other amendments made hereafter in this regard,
- The appointment may be terminated by either party, giving the other party one month's written notice.
- If at any time the Whole Time Director ceases to be Director of the Company for any reason whatsoever, he shall cease to be Whole Time Director of the Company.
- Shri Vinay kumar Mohota shall be subject to retirement by rotation during his tenure as Whole Time Director.

RESOLVED FURTHER that Notwithstanding anything contained in the said statement, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the remuneration payable to Shri Vinay Kumar Mohota shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Shri Vinay Kumar Mohota within the limits of Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force).