



The Rai Saheb Rekhchand Mohota Spinning & Weaving Mills Ltd.



**The 70th Annual Report
2016 - 2017**

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 K. P. Tekriwal

Smt. Ritu Kabra

Chief Financial Officer

Shri Mukesh Mahajan

Company Secretary

Shri Sachin Kanojiya

Bankers

State Bank of India

Bank of India

Statutory Auditor

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

Chartered Accountants, Mumbai

Secretarial Auditor

Dinesh Kumar Deora,

Company Secretaries, Mumbai

Cost Auditor

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

Registrar and Share Transfer Agent

Bigshare Services Pvt. Ltd., Mumbai

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,

We are in the era of economic reforms through GST i.e. “One Nation One Tax” and our future seems to be very bright.

We closed the financial year 2016-17 on expected lines. During FY 2016-17, the company's total sales registered a marginal growth and we achieved a net profit of ₹ 277.01 lacs.

A buoyant economy, India is today a land of opportunities blessed with a favorable demographic dividend and a growth rate of above 7%. The backdrop of “Skill India” and “Make in India” initiatives by the Government, presents an excellent opportunity for the Indian textile sector, which is the second largest employment generator after agriculture.

Moving forward, we are preparing ourselves for GST related challenges ahead, budgeting and strategizing our plans to achieve targets for the F Y 2017-18.

In the end, I must acknowledge and appreciate the continuous and untiring efforts of all our stakeholders and customers for their never-ending support in shaping the performance of the company and enabling the group to reach its present position. I believe that their continuous endeavors will assist the organization to achieve new heights every day.

With opportunities abound, we at RSR are equipping ourselves to leverage our strengths as an organization that is ‘Built to Last’. Having embraced transformation, this new tapestry is weaved to create an unprecedented future beyond imagination for this company with a glorious past.

Sd/-
Dr. Ranchhoddas Mohota
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 70th Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on Wednesday the 27th day of September, 2017 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, 2017 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 Vinod Kumar Mohota, who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint a Director in place of Shri Vinay Kumar Mohota, who retires by rotation and being eligible offer himself for re-appointment.
5. To Appoint the 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, 141, 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, M/s M.M. Parikh & Co., Chartered Accountants, Mumbai (Firm Registration Number: 107557W) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 75th (Seventy Fifth) AGM of the Company to be held in the year 2022 (Subject to ratification by the members at every AGM) on such remuneration plus GST, out of pocket and traveling expenses etc., as may be Fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee."

SPECIAL BUSINESS

6. Approval of Cost Auditor's Remuneration:

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 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 31st March, 2018, amounting to Rs.30,000/- plus GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid Audit."

7. Authority for Borrowing Powers to the Board of Directors- Section 180 (1) (c):

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 Section 180(1)(C) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow from time to time all such sums of monies as they may deem necessary for the purpose of business of the Company notwithstanding that monies to be borrowed together with the monies already borrowed by the Company may exceed the aggregate of the Paid-up-Capital of the Company and its free reserves i.e. to say reserves not set apart for any specific purpose (apart from temporary loans as defined in the said provisions of the Act obtained from the Company's Bankers in the ordinary course of business) provided that the total amount upto which monies to be borrowed by the Board of Directors shall not exceed the aggregate of Rs. 400 Crores (Rupees Four hundred Crores only)."

8. Mortgaging / Creating Charge over assets of the Company-Section 180(1) (a):

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

“RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules, if any, made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on all or any of the movable and/or immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events, in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non - convertible and/or securities linked to equity shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 400 Crores (Rupees Four hundred Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements with Banks/ Financial Institutions as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid.”

9. Issue of Secured/Unsecured, Redeemable, Convertible/Non-Convertible Debentures/Bonds on Public Issue/Private Placement/Preferential basis:

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

“RESOLVED THAT in terms of Section 42, Section 71 and all other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Share Capital & Debenture) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008; and other applicable SEBI regulations and guidelines, the provisions of Articles of Association of the Company, provisions and notifications issued by the Reserve Bank of India from time to time and subject to consent, approval, permission of all other concerned statutory and regulatory authorities as may be necessary, approval of the members of the Company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof), to exercise the powers including the powers conferred by this Resolution for making offer(s) or invitation to subscribe, issue, and allot, on private placement/public issue/preferential basis, with or without a green shoe or option to retain over subscription, in one or more tranches, Secured/Unsecured, Redeemable, Rated/Unrated, Convertible/ Non-Convertible Debentures, Bonds or such other securities/instrument, to be listed in India/abroad/unlisted, including but not limited to subordinate bonds, foreign currency bonds, rupee denominated bonds (Masala bonds) or any other debt security, to any eligible investors through issue of requisite offer documents, for an aggregate amount not exceeding the overall borrowing limits of the Company, as approved by the Members, on such terms and conditions as the Board may determine and consider proper and most beneficial to the Company from time to time, including without limitation, as to when the said instrument/ securities are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental there to within a period of one year from date of passing this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalize with investors and trustees; the documents for creating mortgages, charges, pledges and/or hypothecations and to negotiate, modify, finalize and sign the documents, including without limitation the offer letter, debenture trust deed, pledge agreement and any other security documents, in connection with the above Issue by the Company and to do all such acts, deeds, matters and things as may be necessary or ancillary or incidental thereto and to execute all such documents as may be necessary for giving effect to this Resolution.”

10. To change the name of the Company to “Mohota Industries Limited”:

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

“RESOLVED THAT pursuant to Section 13(2) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from “The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd” to “Mohota Industries Limited” or any other name as may be approved by the Central Government, Registrar of Companies, Maharashtra Mumbai and other Regulatory Authorities, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

RESOLVED FURTHER THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

1. The Name of the Company is 'Mohota Industries Limited'.

RESOLVED FURTHER THAT in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized to accept any other name approved by the relevant Regulatory Authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval.”

11. To make Loan and Investment by the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 186 read with rules framed thereunder and other applicable provisions, If any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee thereof) to exercise its powers:

- (i) to give any loan to any person or other body corporate; and/or
- (ii) to give guarantee and /or to provide security in connection with a loan to any other body corporate or person and
- (iii) to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate;

in one or more tranches and from time to time, up to the maximum amount of ₹ 150 Crores (Rupees One Hundred and Fifty Crores only), outstanding at any point of time notwithstanding that the aggregate amount of all the loans/ guarantees / security/ investments so far made together with the proposed loans/ guarantees/ security/ investments to be made, exceeds the limits prescribed under section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board or any person authorized by the Board be and is hereby authorized to decide and finalize the terms and conditions while making investment, giving loan or guarantee or providing securities within the aforesaid limits including with the power to transfer and dispose of the investment so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to this resolution.”

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

Sd/-

**Place: HINGANGHAT
Date: 14.08.2017**

**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 hereto and forms a part of this Notice.
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 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 there under, 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, authorising 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 authorised 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 authorised by him/her.
7. A statement giving the details of the Directors seeking re-appointment under Item Nos. 3 and 4 of the accompanying Notice, as required under Listing Regulations is annexed herewith.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement 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. up to the date of this Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2017 to 27th September, 2017 (both days inclusive), for the purpose of AGM and determining the names of Members eligible for Dividend on Equity Shares, if declared at the Annual General Meeting.
10. The dividend on Equity Shares, if declared at the Annual General Meeting, will be payable on or after 28th September, 2017 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 19th September, 2017; and
 - (b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on 19th September, 2017 furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/ Company.
12. Members are requested to bring their copy of the Annual Report to the Meeting. Since practice of distribution of copy of Annual Report at the venue of AGM has been discontinued.
13. Members are requested to send their queries, if any, in writing at least 10 days in advance of the day of the meeting at the Registered Office of the Company.
14. **Nomination Facility:**
As per the section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.