



# MOHOTA INDUSTRIES LIMITED

(Formerly Known as 'The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.')

Corporate Office: Post Box No.1, Hinganghat, Dist. Wardha, Maharashtra - 442 301

Ph.: 07153-244282, 244039 FAX: 244753 Web: [www.mohotaindustries.com](http://www.mohotaindustries.com) E-mail: [info@rsrmm.com](mailto:info@rsrmm.com)



CIN: L99999MH1946PLC005261

Dtd: 04/09/2021

**The Manager (Listing),  
BSE Ltd.,  
Rotunda Building, 1<sup>st</sup> Floor,  
Dalal Street, Fort,  
Mumbai - 440 001**

**Code: 530047**

**The Manager (Listing),  
National Stock Exchange of India Ltd.,  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Code: MOHOTAIND**

Sub: Annual Report of Mohota Industries Limited for the FY 2020-21.

Ref: Regulations 34(1) of the SEBI (Listing Obligations and Disclosures Requirements).  
Regulations 2015.

Dear Sir/ Madam.

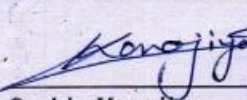
Pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements).  
Regulations 2015, we are submitting herewith Company's 74<sup>th</sup> Annual Report for the Financial Year  
2020-21.

This is for your kind information and records.

Thanking You

Yours Faithfully

**For Mohota Industries Limited**



Sachin Kanojiya

Company Secretary and Compliance Officer

Mo. 9049754940



Encl.: 74<sup>th</sup> Annual Report



**MOHOTA  
INDUSTRIES LIMITED**

Regd. Office : 409, 4th Floor, 174 Gold Mohur CHS Ltd. Shamaldas Gandhi Marg, Kalbadevi, Mumbai-02 [M.S.]  
Ph.: 022 - 22084711, 22081556 E-mail: [mho@rsrmm.com](mailto:mho@rsrmm.com)

### 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 & Managing Director**

Vinod Kumar Mohota

### **Directors**

Vinay Kumar Mohota

Likhit Masram

Ravindra Paliwal

Vijaya Mohota

Pradip Harne

### **Chief Financial Officer**

Mukesh B. Mahajan

### **CS & Compliance Officer**

Sachin N. Kanojiya

### **Bankers**

State Bank of India  
Bank of India

### **Statutory Auditor**

M/s. BPSD & Associates, ( FRN 118251W)  
Chartered Accountants, Nagpur

### **Secretarial Auditor**

DM & Associates Company Secretaries LLP,  
Company Secretary, Mumbai,  
(ICSI unique Code: L2017MH003500)

### **Registered Office**

409, 4th Floor,  
174, Gold Mohur CHS Ltd.,  
Shamaldas Gandhi Marg,  
Kalbadevi Mumbai – 400002.

### **Corporate Office**

Ram Mandir Ward, Hinganghat-442301,  
Dist – Wardha (M.S.)

### **Registrar and Share Transfer Agent**

Bigshare Services Pvt. Ltd.,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai-400059 [M.S.]

### **Works**

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



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 74th Annual General Meeting of the Members of The Mohota Industries Limited will be held on Thursday the **30th day of September, 2021 at 10.30 A.M.** at Devkaran Mansion, Gate No.2, 3rd Floor, 63 Princess Street, Mumbai - 400002 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, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Shri Vinod Kumar Mohota, who retires by rotation and being eligible offers himself for re-appointment.
3. 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. BPSD & Associates**, Chartered Accountants, (ICAI Registration no. 118251W), Nagpur 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 78th (Seventy Eight) AGM of the Company to be held in the year 2025 (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

4. **Appointment of Shri Pradip Wasudeorao Harne (DIN: 09084304), 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), 152, 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 article of Articles of Association of the Company, the Consent of the Company be and is hereby accorded to the appointment of Shri Pradip Wasudeorao Harne (DIN: 09084304) as Whole- Time Director of the Company, who was appointed as an Additional Director of the Company with effect from March 01, 2021 pursuant to Section 161 of the Act, and who holds office as such, up to the date of this Annual General Meeting, 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 his candidature for the office of Director, on the following terms & conditions and remuneration as recommended by Nomination and Remuneration Committee.

**I. Period of Appointment** - 3 years i.e. from 30th Sep 2021 to 30th Sep 2024.

**II. Remuneration:**

**Salary including allowances:** Rs. 37132/- per month.

**III. Other Terms of Appointment**

- 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 Whole Time 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 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.
- iv) Shri Pradip Wasudeorao Harne 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 Pradip Wasudeorao Harne 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 Pradip Wasudeorao Harne 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 deemed necessary, usual, expedient or proper to give effect to this resolution."

Except Shri Pradip Wasudeorao Harne, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

**By the order of the Board  
For, Mohota Industries Limited.**

**Sd/-  
Vinod Kumar Mohota  
Chairman & Managing Director**

**Place: HINGANGHAT  
Date: 14.08.2021**

## 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 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 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. A statement giving the details of the Directors seeking Appointment/re-appointment under Item Nos. 2 & 5 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 23rd September 2021 to 30th September, 2021** (both days inclusive), for the purpose of AGM.
10. 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.
11. Members are requested to bring their copy of the Annual Report to the Meeting. Since the practice of distribution of copy of Annual Report at the venue of AGM has been discontinued.
12. 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.
13. **Nomination Facility:**  
As per 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.
14. **Voting through Electronic means :**  
In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and regulation 44 of the Listing Regulation, the Members are provided with the facility to cast their vote electronically through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

The facility for voting, through poll shall be made available at the venue of the 74th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

**The instructions for members for voting electronically are as under:-**

**In case of Members receiving e-mail:**

1. The voting period begins on **27.09.2021 (9.00 A.M.) and ends on 29.09.2021 (5.00 P.M.)**. During this period shareholders of the Company, holding shares either in Physical form or in Dematerialised form, as on the cut-off date i.e. 23.09.2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 05.00 p.m. on 29.09.2021.
2. Shareholders who have already voted prior to the meeting date would not be entitled for voting at the meeting venue.
3. The Shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
4. Click on "Shareholders" tab.
5. Now, select the "Mohota Industries Limited [Formerly - The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.]" from the drop down menu and click on "SUBMIT"
6. **i) Now Enter your User ID**
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- ii) Next enter the Image verification as displayed and click on Login.**
7. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:
9. Now, fill up the following details in the appropriate boxes.

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form) in the PAN field.</li><li>• In case the serial number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Ex. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. If the details are not recorded with the depository or company please enter the member ID / Folio number in the Dividend Bank details field as mentioned in instruction 6.

10. After entering these details appropriately, click on "SUBMIT" tab.
11. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice of AGM.
13. Click on the EVSN of "Mohota Industries Limited" on which you choose to vote.
14. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

15. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
16. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
17. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
19. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on forgot Password & enter the details as prompted by the system.
20. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.
21. **Note for Institutional Shareholders and Custodians.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
22. I. In case you have any queries or issues regarding e-voting, you may refer **the Frequently Asked Questions ("FAQS")** and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- II. Please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting. If a Member casts vote by both the modes, then votes cast through e-voting shall prevail and voting at the Meeting will be treated invalid. The voting rights of the Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on the Cut-off date of 23rd September, 2021.
- III. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).
- IV. The Company has appointed M/s DM & Associates Company secretaries LLP, Company Secretary, (ICSI unique Code: L2017MH003500), as the Scrutinizer, to scrutinize the e-voting process (including poll at the meeting), in a fair and transparent manner.
- V. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The report declared along with the report of the Scrutinizer shall be placed on the website of the Company- [www.mohotaindustries.com](http://www.mohotaindustries.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).
- VI. The report declared along with the report of the Scrutinizer shall be placed on the website of the Company- [www.mohotaindustries.com](http://www.mohotaindustries.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).



**Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

Particular	Vinod Kumar Mohota	Pradip W. Harne
DIN	00247348	08563104
Date of Birth & Age	27th October, 1961	07th May, 1968
Qualification	Bachelor of Commerce	Bachelor of Commerce
Date of first Appointment on the Board	16th August, 1994	01st March 2021
Experience & Expertise	More than 34 years of experience in Banking, Finance, Management, Business administration and Industrial Law	More than 29 years of experience in Export, Central Excise, Service Tax, GST, Legal & Licensing work in Manufacturing Industries.
No of Board Meetings attended during the year	5 out of 5	NA
Directorship held in other Companies	None	None
Chairman/ Member of Committee of the other Companies	None	None
Shareholding in the Company	117647 (0.799%)	700 Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Vinay Kumar Mohota, Director	None
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Refer Explanatory statement	Refer Explanatory statement of Notice

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**Item No. 4**

The Board of Directors in its Board Meeting held on 28th June, 2021 on the recommendation of Nomination and Remuneration Committee and subject to the approval of Shareholders, has approve the appointment of Shri Pradip Harne as whole-Time Director of the company for the period of 3 years from 30th Sep, 2021 to 30th Sep 2024 on the terms and conditions as mention in the Notice.

**Brief resume of appointee is given below:**

Shri Pradip Harne, aged 53 years is a Commerce Graduate He is affiliated with the Group Company since 1992 and having more than 29 years of experience in the field of Export, Central Excise, Service Tax, GST, Legal and Licensing work in the Industry.

Board Considers that the appointments is in the best interest of the Company.

Accordingly, the Board recommends the resolutions as set out at Item No.4 for approval by the Members to be passed as Special Resolution.

Except, the appointee him selves, None of the Directors, Manager or any other key managerial personnel or any of their relatives, in their capacity of being a Director, is concerned or interested, whether financially or otherwise, in these Resolutions.

**Particulars required to be furnished in respect of clause (iii) under Part II of Schedule V, pursuant to sections 196 & 197 of the Companies Act, 2013:**

Sr. No.	Particulars	Details																		
I. General Information																				
1	Nature of industry	Textile Industry																		
2.	Date or expected date of commencement of commercial production	Already in Working																		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																		
4.	Financial performances based on given indicators	<div>(Rupees in Lakhs)</div> <table><tr><td></td><td>2020-21</td><td>2019-20</td></tr><tr><td>Total Revenue</td><td>855.48</td><td>11429.44</td></tr><tr><td>PBT</td><td>-1754.14</td><td>-3400.20</td></tr><tr><td>PAT</td><td>-1754.14</td><td>-3079.40</td></tr><tr><td>*Net Worth</td><td>148.48</td><td>1902.62</td></tr><tr><td>EPS</td><td>-11.93</td><td>-20.94</td></tr></table> <div>* Amount excluding revaluation reserve</div>		2020-21	2019-20	Total Revenue	855.48	11429.44	PBT	-1754.14	-3400.20	PAT	-1754.14	-3079.40	*Net Worth	148.48	1902.62	EPS	-11.93	-20.94
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PAT	-1754.14	-3079.40																		
*Net Worth	148.48	1902.62																		
EPS	-11.93	-20.94																		
5.	Foreign investments or collaborations, if any	Nil																		
II. Information about the appointee:																				
1	Background details	Item No. 5 of Explanatory Statement may be referred																		
2	Past remuneration	<table><tr><td>Salary in FY 2020-21</td><td>Salary in FY 2019-20</td></tr><tr><td>Nil</td><td>Nil</td></tr></table>	Salary in FY 2020-21	Salary in FY 2019-20	Nil	Nil														
Salary in FY 2020-21	Salary in FY 2019-20																			
Nil	Nil																			
3	Recognition or awards	Nil																		
4	Job profile and his suitability	Furnished in Exp. Statement annexed to Notice																		
5	Remuneration Proposed	37,132/- Per month																		

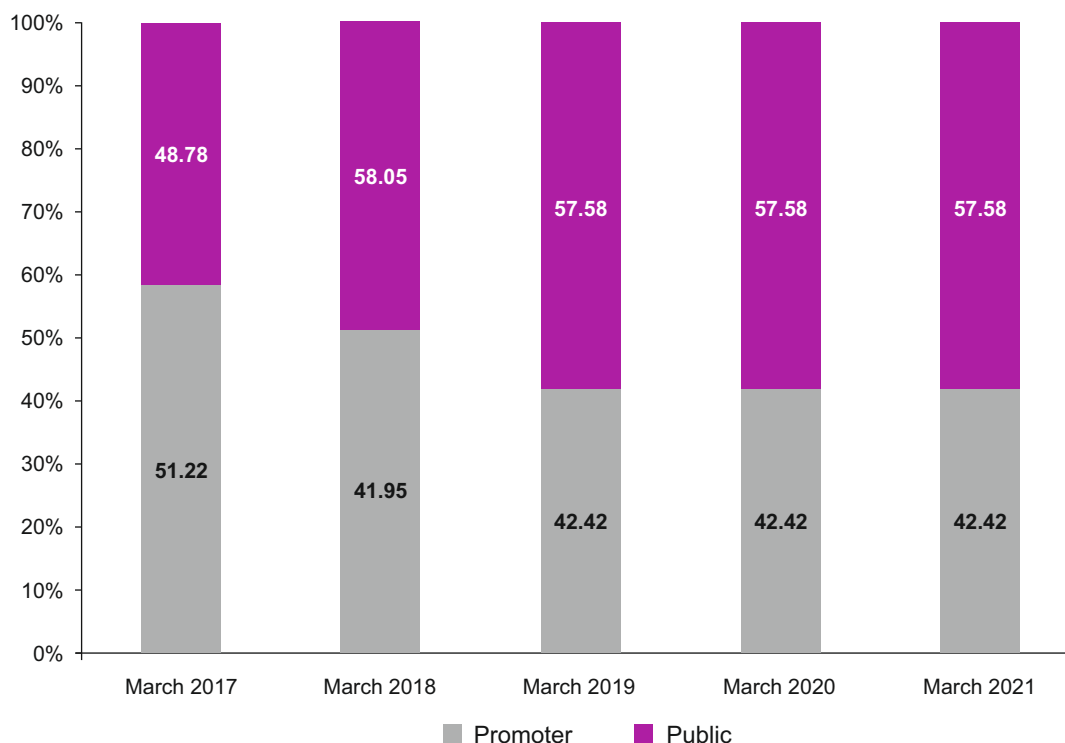
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Normal and reasonable
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Nil
<b>III. Other information:</b>		
1	Reasons of loss or inadequate profits	Due to overall impact of Covid-19 pandemic
2	Steps taken or proposed to be taken for improvement is under implementation	Disinvestment & Sale of movable/immovable noncore properties
3	Expected increase in productivity and profits in measurable terms	Nil/Fund generation is aim

**By the order of the Board  
For, Mohota Industries Limited.**

**Sd/-  
Vinod Kumar Mohota  
Chairman & Managing Director**

**Place: HINGANGHAT  
Date: 14/08/2021**

### Shareholding Pattern



### FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

PARTICULARS	FINANCIAL YEARS									
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Total Income	855.48	11429.44	30458.69	35759.19	33207.68	32961.61	31926.57	28312.88	25218.66	22799.67
Operating Profit	(598.08)	(2094.27)	1499.29	2025.29	1654.27	1696.86	1679.85	1606.15	1497.56	1024.99
Interest	853.20	998.76	1026.39	950.57	815.93	740.47	956.47	915.07	1017.32	975.48
Depreciation	302.85	307.17	313.63	336.72	369.40	424.67	324.77	419.75	455.49	495.86
Tax	(0)	(320.80)	10.16	240.16	67.96	84.38	(88.10)	(17.73)	(12.13)	71.29
Net Profit/(Loss)	(1754.14)	(3079.40)	43.38	373.50	291.86	334.50	214.92	143.98	12.62	(271.67)
Gross Block	26863.58	27109.07	27940.99	27991.96	22939.26	12458.29	12439.70	12430.62	12348.54	12324.94
Investments	1554.32	1554.32	1100.60	1102.78	—	—	38.92	45.12	83.11	95.69
Net Current Assets	5084.69	5419.89	7646.94	7178.56	7202.63	7496.84	5759.77	7660.12	7171.93	6788.68
Equity Share Capital	1470.71	1470.71	1470.71	1458.94	1458.94	1458.94	1458.94	1252.56	418.87	418.87
Reserves	15927.77	16211.20	19293.19	18861.07	13119.34	2506.36	2036.86	2091.06	2349.61	1989.70
Borrowings	8256.62	7473.03	6873.15	6565.77	6419.12	6163.71	6678.66	7401.69	7949.79	8868.94
Book Value Per Share (₹)	(8.71)	19.88	19.88	21.32	18.87	17.41	14.82	20.39	70.66	51.91
Earning Per Share (₹)	(11.93)	(20.94)	0.29	2.56	2.00	2.09	1.28	0.92	0.10	(6.52)

The previous year figures are re-stated as per IND AS principle.

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the (74th) Seventy- Forth Annual Report on the business and operation of the Company together with the Audited Financial Statement for the year ended March 31 2021. A summary of the Financial Results is given below. The Management discussion and analysis is also included in this report.

( ₹ in Lakhs)

FINANCIAL RESULTS	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Gross Revenue	855.48	11,429.45
Gross Profit (before interest, depreciation & tax)	(598.08)	(2094.27)
Less: Interest	853.20	998.76
Depreciation	302.85	307.17
<b>Profit before tax &amp; extraordinary item</b>	<b>(1754.14)</b>	<b>(3400.20)</b>
Less: Provision for tax	-	-
Mat Current	-	(320.80)
Deferred	-	-
<b>Net Profit for the year</b>	<b>(1754.14)</b>	<b>(3079.40)</b>
Total Other Comprehensive Income	-	(2.59)
<b>Total Comprehensive Income for the period</b>	<b>(1754.14)</b>	<b>(3081.99)</b>
Appropriation : Transfer to Reserve & Surplus	-	-
<b>Surplus/(Deficit) in the Statement of Profit &amp; Loss Account</b>	<b>(1754.14)</b>	<b>(3079.40)</b>

### 1. CORPORATE OVERVIEW

Mohota Industries Limited (Formerly- The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.) ("The Company") is one of the oldest Composite Textile Mill in Vidarbha region of Maharashtra. The Company has its Corporate Head Office at Hinganghat, Dist – Wardha, Maharashtra.

### 2. FINANCIAL PERFORMANCE AND DEVELOPMENT

During the year company ran its unit on job work basis. The Gross Revenue of the company reduced to Rs.855.48 lakhs compared with Rs.11,429.45 Lakhs in the previous year. The Net loss stood at Rs.1754.14 Lakhs as against Rs.3079.40 Lakhs in the previous year. The closure of the Company's unit has posed a challenge for the Company to resume operations. Your Directors are exploring alternate avenues to make the units operative.

### 3. DIVIDEND AND RESERVE

In view of the Company's business loss, the Board of Directors of your Company has decided, not to recommend any Dividend for the period under review.

The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

### 4. SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2021 stood at ` 1470.71 Lakhs. During the period under review Company has not issued any preference shares, Sweat Equity shares, Bonus shares or provided any Stock Option Scheme to the employees. None of the Directors of the Company hold instruments convertible into equity shares of the Company. Company has not bought back any of its securities.

### 5. FINANCE AND ACCOUNTS

During the financial year due to lock down and lack of working capital, the Company's total production remains vulnerable and company worked on Job Work basis.

During the year under review, the company did not carry out any rating activity from Credit Rating Agency due to NPA of Company's account. Last Rating given by 'BRICKWORK' was "D" for the Company's long term borrowings and Company's short term borrowings.



As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2021 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. 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, 2021. The Notes to the Financial Statements adequately cover the Standalone Audited Statements and form an integral part of this Report.

#### **Impact of Global Crisis: COVID-19**

In March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. Consequent to this, Government of India declared nation-wide lockdown on March 24, 2020, which has impacted normal business operations of the Company. Our factory had to be closed for about first quarter to follow the Standard Operating Procedure (SOP) prescribed by both the Central and State Governments. We resumed the production from mid of second quarter on Job Work basis. However due to absence of working capital and freezing of bank account due to NPA, company was not able to utilize its full capacity.

#### **6. CORPORATE GOVERNANCE**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, forms an integral part of this report as Annexure-E.

#### **7. EXTRACT OF ANNUAL RETURN**

The Annual Return for the period ended March 2021 will be available on the company's Web site at [www.mohotaindustries.com](http://www.mohotaindustries.com) after conclusion of 74th AGM.

#### **8. DIRECTORS**

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Vinod Kumar Mohota, director of the Company, retire by rotation at the forthcoming Annual General Meeting being eligible, offer himself for re-appointment.

The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Shri Pradip Wasudeorao Harne (DIN: 09084304) as additional directors in the category of Executive Director w.e.f. March 1, 2021. The Company has received requisite notices in writing from the members proposing his name for the office of Director. Board recommends his appointment as Whole Time Director on the Board of Directors of the Company, to hold office for a term of 3 (Three) years for the consideration of the members at the ensuing General Meeting.

Shri Santosh Kumar Rajpuria (DIN: 03106216), Whole Time Director has resigned from the Board w.e.f. 1 March, 2021 due to health issue.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. They also confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and also Code of Conduct for directors and senior management personnel. Brief profile of the appointing directors has been provided in the Notice convening Annual General Meeting.

#### **9. KEY MANAGEMENT PERSONNEL**

Company has following Key Managerial Personnel pursuant to section 203 of the Companies Act, 2013

Sr. No.	Name of the Person	Designation
i	Shri Vinod Kumar Mohota	Chairman & Managing Director
ii	Shri Vinay Kumar Mohota	Whole-time Director
iii	Shri Mukesh B. Mahajan	Chief Financial Officer
iv	Shri Sachin N. Kanojiya	Company Secretary

Remuneration and other details of Key Managerial Personnel for the year ended March 31, 2021 are provided in the Extract of Annual Return and Corporate Governance Report.

- 10. BOARD EVALUATION**  
Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared and reviewed based on the evaluation policy after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.
- The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).
- The performance evaluation of the independent Directors, Board as whole and individual Directors was completed. The performance evaluation of the Chairman & Managing Director and the Non-Independent Directors were carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.
- 11. NUMBER OF MEETINGS OF THE BOARD**  
During the year under consideration, 7 (Seven) Board Meetings were convened and held, The details of the meetings of the Board and other Committees held during the Financial Year 2020-21 forms part of the Corporate Governance Report
- 12. COMMITTEES OF THE BOARD**  
The Board of Directors have the following Committees:
1. Audit Committee
  2. Nomination and Remuneration Committee
  3. Stakeholders' Relationship Committee)
  4. Corporate Social Responsibility Committee.
  5. Risk Management Committee
  6. Executive Committee of the Board
- The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.
- 13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**  
Details of loan, Guarantee or Investments made by the Company under Section 186 of the Companies Act, 2013, are given in the notes to Financial Statements.
- 14. VIGIL MECHANISM/ WHISTLE-BLOWER POLICY**  
The Company has a Whistle-blower policy & Vigil Mechanism pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Listing Regulation for their Directors and Employees to report their genuine concerns or grievances. The policy has been posted on the website of the Company at [www.mohotaindustries.com](http://www.mohotaindustries.com).
- 15. NOMINATION AND REMUNERATION POLICY**  
The Board of Directors has formulated the Nomination & Remuneration policy for its Directors, key managerial personnel and senior employees keeping in view the following:
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- This policy also lays down criteria for selection and appointment of Board Members. Details of this policy can be accessed at Company's web-site at [www.mohotaindustries.com](http://www.mohotaindustries.com).
- 16. RISK MANAGEMENT POLICY**  
Company has developed and implements Risk Management Policy including identification of elements of risk which in the opinion of the Board may threaten to the existence of the Company. Board and Audit Committee periodically reviewed/evaluates the risk management framework so that the future risk can be minimized.
- 17. RELATED PARTY TRANSACTION**  
All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable. The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval. Transactions which are of repetitive nature are reviewed on a quarterly basis and a statement giving details of all Related Party Transactions was placed before the Audit Committee and the Board for review and approval.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report.

## 18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are following significant and material orders passed by the High Court that would impact the going concern status of the Company and its future operations.

There are following significant and material orders passed by the High Court that would impact the going concern status of the Company and its future operations.

1. Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), vide an order No. MA 685/2020 in C.P. (IB)-4500/(MB)/2019 Dated 08th May, 2020 (Copy of Order received on 12 May, 2020) has admitted the application for withdrawal of corporate Insolvency Resolution Process (CIRP) in respect of Mohota Industries Limited (the "Company") under the Insolvency and Bankruptcy Code, 2016 ("IBC"). By the said Order dated 08 May, 2020, Company is released from the rigor of CIRP and the power of Management and the Board of Directors of the Company are reinstated.

2. Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) Wardha Division has disconnected the Power supply of Company's Plant situated at Ram Mandir Ward Hinganghat-442301 on 07th May 2021 due to nonpayment of Electricity Bills. Disconnection of power supply resulted in suspension of Company's entire production

3. Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), vide an order No. C.P. (IB)- 134/(MB)/2021 Dated 15th July, 2021 admitted the application for order under section 7 of IBC by State Bank of India, counsel for the respondent admitted the debt as claimed by the petitioner.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of knowledge and ability, hereby confirm:

- (i) That in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) 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 as at March 31, 2021 and of the profit/loss of the Company for the year ended on that date;
- (iii) 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, 2013 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;
- (v) That the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 20. AUDITOR'S REPORT AND STATUTORY AUDIT

**M/s. BPSD & Associates**, Chartered Accountants, (ICAI Registration no. 118251W), Nagpur have been appointed as Statutory Auditors of the Company at the 73rd Annual General Meeting for a period of five years i.e. up to the conclusion of the Seventy Eight (78th) AGM of the Company to be held in the year 2025 subject to ratification by members at every ensuing AGM. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting as required under the provision of section 139 of Companies Act, 2013 to audit the accounts of the company for the FY 2021-22.

The Company has received consent and written confirmation from **M/s. BPSD & Associates**, Chartered Accountant that their appointment, if made, would be in conformity with limit specified in the said section.

Auditor express following opinion on the financial results during the year under review:

- a) The Company has invested Rs. 15.52 crores in a partnership firm. The financial statements of the said partnership firm for the year ended March 31, 2021 were not available; hence the impact on the profit/ (loss) and corresponding impact on the carrying amount of investment is not ascertainable.
- b) The Company has not performed impairment testing with respect to the investment in a partnership firm as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets'; hence the impact on the carrying amount of investment is not ascertainable.
- c) Balances of trade receivables, trade payables, loans and advances, Deposits given/ taken are subject to confirmations, reconciliations and consequent adjustments.
- d) Deposits with Government Revenue Authorities are subject to confirmations and full recoverability is not ascertainable.
- e) Grant receivable from Government under PSI 2007 Mega Project Incentive Scheme is subject to confirmations to eligibility of the Audit and full recoverability of said grant is not ascertainable owing to closure of manufacturing activity and switching to Job Work.

#### **Material Uncertainty related to Going Concern**

We draw attention to standalone financial results that the Company has incurred net loss during the year and the current liabilities have exceeded the current assets. Further, the Company has defaulted in repayment of principal dues and interest payable to banks. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

We draw attention to standalone financial results that the Company has defaulted in repayment of principal dues and interest payable to banks. The Company has provided interest liability based on last available sanction letter on the principal outstanding and is actively in discussion with the lenders for debt restructuring. Pending the final outcome of the restructuring with the bankers, no further adjustment have been made in the standalone financial results in respect of the principal amount of loan and interest provided thereon. Our opinion is not qualified in respect of this matter.

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. 29 to 38 of the Accounts. These are self-explanatory and do not call for any further comments.

#### **21. COST AUDITORS**

As per the requirement of Central Government and pursuant to Section 148(3) of the Companies Act, 2013 and Rules 6(2) read with the Companies (Cost Records and Audit) Rules, 2014 is not applicable as company working on Job Work basis.

#### **22. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s DM & Associates Company Secretaries LLP Company Secretary, (ICSI unique Code: L2017MH003500) to undertake the Secretarial Audit of the Company for Financial Year 2021-22. The Secretarial Audit Report for Financial Year 2020-21 is included as **Annexure – A** and forms an integral part of this Report.

There is no audit qualification by the Secretarial Auditor for the year under review.

#### **23. SAFETY AND POLLUTION CONTROL**

The 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: following are the measures taken by the Company.

1. The Company planted Trees across the plant sites at Hinganghat and Burkoni.
2. The Company has organized various in-plant safety training sessions for its workers and staff members.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure – B to this Report.

#### **25. PARTICULARS OF EMPLOYEES**

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure 'C' and forms an integral part of this Report. A

statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 'C- (b)'** and forms an integral part of this annual report. The above Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days

The Company at present does not have any employee drawing salary in excess of the limit specified under section 197 of Companies Act, 2013.

**26. SUBSIDIARIES**

The Company does not have any subsidiary/subsidiaries within the meaning of Companies Act, 2013.

**27. DEPOSIT**

The Company has not accepted any deposits from public. Therefore, the requirement of Chapter V of the Companies Act, 2013 is not applicable to it.

**28. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has a policy on Corporate Social Responsibility and the same has been posted on the website of the Company at [www.mohotaindustries.com](http://www.mohotaindustries.com) The Annual Report on CSR Activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure- D**, which forms part of this report.

**29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013**

The Company laid down an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No sexual harassment complaints were received during the year 2020-21.

**30. CAUTIONARY STATEMENT**

Statement in this Director's Report including Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions may be "Forward Looking Statements" within the meaning of applicable securities laws & regulation. Actual results might differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the market in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

**31. 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

Place: HINGANGHAT  
Date: 14/08/2021

Sd/-  
**Vinod Kumar Mohota**  
Chairman & Managing Director



## **INDIAN ECONOMY**

With an overall slowdown in the global economy which is estimated to have contracted by around 3.3% in 2020 on account of COVID-19 pandemic, the prospects in 2021 have shown sizeable improvement and the negative growth is expected to be reversed with positive growth of 6% expected to moderate to 4.4% in 2022. These are unprecedented and uncertain times. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries.

The vaccination drive has picked up momentum pan-India and the outlook remains positive with the advent of new vaccines reaching the market. Emerging Markets like India have witnessed a slowdown and there is economic fallout registered on account of sustained lockdowns in various parts of the Country. Growth in India is estimated to have contracted to -7.3% in FY 2021 with the country witnessing a second wave of the pandemic in March, 2021. The localised lockdowns have resumed which are likely to impair economic activity. However, the COVID-19 pandemic has severely impacted economies worldwide. Basis the fallout, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

The measures taken by the government to contain spread of the COVID-19 pandemic have had an impact on the economic activities as well as on the data collection mechanisms. Estimates are, therefore, likely to undergo sharp revisions for the aforesaid causes in due course. V-shaped economic recovery is expected due to mega vaccination drive, recovery in the services sector and strong growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, e-way bills, GST collection, steel consumption, etc.

## **GLOBAL TEXTILE**

The COVID-19 pandemic has impacted each and every business in some way or the other, the global textile industry has been drastically impacted. Asia, being one of the largest markets for textile industry in the world has suffered due to sudden drop in international demand for their products coupled with prolonged lockdowns and restrictions in majority of Asian countries. Shortage of cotton and other raw materials and several supply chain disruptions have worsened the situation globally. It is estimated that exports to major buying regions in the European Union, United States, and Japan might decline by approx. 70%.

The key markets in the textile industry are China, European Union, the United States and India, all of which were affected due to the COVID-19 pandemic.

## **INDIAN TEXTILE INDUSTRY**

The textiles and apparels sector is a major contributor to the Indian economy in terms of foreign exchange earnings and employment. Textile & garments industry in India is expected to reach US\$223 Billion by 2021 from US\$140.4 Billion in 2018. India is the third-largest textile manufacturing industry and contributes approximately 6% to the total textile production, globally.

India ranks 2nd as the largest producer of textiles and garments and is the 5th largest exporter of textiles spanning apparel, home and technical products. The Indian textile industry is set for growth, buoyed by both strong domestic consumption as well as export demand. Favourable demographic, rising per capita income and a shift in customer preference to branded products is expected to revive the textile industry which has been severely impacted by the COVID-19 pandemic.

The Government of India is working on major initiatives and reforms in the Textile sector, including launch of a 'Mega Integrated Textile Region and Apparel (MITRA) Park' scheme to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period; starting a focused product scheme; positioning the country as a global hub in the man-made fibre (MMF) and technical textiles segments. Competitive advantage, robust demand, favourable government policies, increasing investments and urbanisation are expected to be the key drivers for revival of the industry.

## **Opportunities and Challenges**

The future for the Indian textile industry looks promising, buoyed by strong domestic consumption. Overall, the government has been supportive in encouraging textile industry in India. Many incentives and schemes have been announced in the Union Budget to promote the sector. Further, introduction of GST is seen as a positive step in the long run. With the right government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market.

However, there are several challenges ahead for the Textile industry for enhancing its competitive strength and global positioning in terms of inflexible labour laws, poor infrastructure and competition from other low cost countries which will have to be addressed to sustain the growth momentum of the industry.

## STRENGTHS OF THE TEXTILE INDUSTRY

The following are a few strengths of the Indian Textile Industry:

- An Independent and self-reliant industry;
- Large and potential domestic and international market;
- Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operations;
- Availability of skilled manpower provides competitive advantage to the industry;
- Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry;
- Promising export potential.

## WEAKNESSES OF THE TEXTILE INDUSTRY

The following are a few drawbacks of the textile industry, which it has to overcome.

- The Industry is a highly fragmented Industry.
- It is highly dependent on Cotton.
- There is lower productivity in various segments.
- There is a declining Mill Segment.
- Lack of Technological Development that affect the productivity and other activities in whole value chain.
- Infrastructural Bottlenecks and inefficiencies such as, transaction time at ports and transportation time.
- Unfavorable labour laws.
- Lack of trade membership, which restricts us to tap other potential markets.

## SEGMENTWISE PERFORMANCE:

The Company has only one business segment i.e. "Textiles".

## INTERNAL CONTROL SYSTEM AND ADEQUACY:

The Company has a proper and adequate Internal Control System to ensure that its assets are safeguarded and protected against unauthorized use and disposition and all the transactions are properly recorded and reported. The Company also has a system of management reviews to ensure compliance with the prescribed procedures and authority levels.

Pursuant to section 134(5)(e) of the Companies Act, 2013, The Company has proper and adequate Internal Control and Internal Financial Control System, same is reviewed by Company's Internal Auditor together with Statutory Auditors, the Report by auditor on the Company's Internal Financial Control System forms a part of Independent Auditors Report.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Employees are the Company's most valuable resources. The Company continues to create a favorable environment at work place. The Company also recognizes the importance of training and continuously deputed its work force in various courses/seminars relating to important management tools like 'Total Quality Management' (TQM). The management is specifically calling professionals from various research institutes to train its work force. There were 654 permanent employees on the rolls of the Company.

The Company has taken following initiatives for skill development program for worker & staff.

1. Shop floor training to technical staff on "Air Engineering" (Humidification system) by B.T.R.A. a renowned Textile Research Association.
  2. Deputed staff members to attend National Textile Conference organized by Textile Association of India.
  3. Deputed employees to attend various seminars organized by EPFO, VIA, ICSI etc. as a part of an ongoing development process.
- Industrial relations are cordial and satisfactory.

**Cautionary Statement:**

Statements made in this report describing outlook as well as Company's Plan Projections and expectations may constitute 'forward looking Statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

**On Behalf of the Board**

**Sd/-**

**Vinod Kumar Mohota**

**Chairman & Managing Director**

**Place: HINGANGHAT**

**Date: 14/08/2021**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021  
[Pursuant to Section 204(1) of the Companies Act, 2013  
and Rule No. 9 of the Companies (Appointment and Remuneration  
of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
Mohota Industries Limited  
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mohota Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2021, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made there under;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3 The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- 4 Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- 5 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 6 Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:-
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018.
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company;

- a Water (Prevention & Control of Pollution) Act, 1974;
- b Air (Prevention & Control of Pollution) Act, 1981;
- c Hazardous Waste ( Management & Handling ) Rules, 1989;
- d The Boilers Act, 1923.
- e Factories Act, 1948;
- f Environment (Protection) Act, 1986

We have also examined compliance with the applicable clauses of the following:

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions at the Board Meetings were taken unanimously.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (e) During the audit period, the Company has not undertaken event / action having a major impact on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For DM & Associates Company Secretaries LLP**

**Company Secretaries**

ICSI Unique Code L2017MH003500

**Sd/-**

**Mohd Akram**

**Partner**

**ACS NO 22589, C P NO 9411**

**Place: Mumbai**

**Date: 01/08/2021**

**UDIN Number: A022589C000719824**

**Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.**



## Annexure - I

To,  
The Members,  
Mohota Industries Limited  
Mumbai

Our report of even date is to be read along with this letter,

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For DM & Associates Company Secretaries LLP**  
**Company Secretaries**  
ICSI Unique Code L2017MH003500

**Sd/-**  
**Mohd Akram**  
**Partner**  
**ACS NO 22589, C P NO 9411**

**Place: Mumbai**  
**Date: 01/08/2021**  
**UDIN Number: A022589C000719824**

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The Information Under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021 is given here below and forms part of the Directors' Report.

### 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 following measures were taken by the Company.

1. Replaced the regular fluorescent tube lights with new energy saver LED tube lights at factory on regular basis
2. Compressed air leak study carried out to arrest air leakages, Installed oversize LT power cable to reduce cable losses.
3. 4 KW per hour of energy save by converting DC motor to AC motor.
4. All transformers are equipped with OLTC to reduce the losses due to over voltage.
5. Conversion of 25 HP pump into 20 HP resulted saving in power and time management.

**(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' is given below:**

#### FORM – A

I.	Power and Fuel Consumption	2020-2021	2019-2020
	<b>1. Electricity</b>		
	(a) Purchased		
	Unit (kwh in Lakhs)	54.27	137.46
	Total Amount ( ₹ In Lakhs)	328.72	675.75
	Rate/Unit ( ₹)	6.05	4.92
	(b) Own Generation (Through Diesel Generator)		
	Unit (kwh in Lakhs)	Nil	Nil
	Units per Ltr. of Diesel	Nil	Nil
	Cost/Unit ( ₹)	Nil	Nil
	<b>2. Furnace Oil / L.S.H.S.</b>	N.A.	N.A.
	<b>3. Rice Husk/ Coal/Briquettes (Boiler)</b>		
	Quantity (M. T.)	Nil	1466.67
	Total Cost ( in Lakhs)	Nil	82.75
	Average Rate ( per M.T.)	Nil	5720.03

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 products more cost effective.
4. **Expenditure on R & D:** Expenditure on Research & Development is 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 : NA
2. Benefits derived : NA
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.

(₹ in Lakhs)

(b) Earning and outgo	:	2020-21	2019-20
i) Foreign Exchange earning	:	Nil	Nil
ii) Foreign Exchange outgo	:	Nil	Nil

**A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Sr No.	Name of the Director & Key Managerial Person (KMP) and Designation	Remuneration to Director & KMP for the Financial Year 2020-21 (Amt in Rs.)	% Increase in the remuneration in the Financial Year 2020-21	Ratio of Remuneration of each Director to median remuneration of employee
1	Shri Vinod kumar Mohota Chairman & Managing Director	Nil	*	NA
2	Shri Vinay kumar Mohota Executive Director	Nil	*	NA
3.	Pradip Harne Executive Director	37,132/-	#	#
4.	Smt. Vijaya Mohota Non Executive Director	Nil	—	—
5.	Shri Likhit Masram Non Executive Director	Nil	—	—
6.	Shri Ravindra Paliwal Non Executive Director	Nil	—	—
7.	Shri Mukesh B. Mahajan Chief Financial Officer	7,13,373/-	(25.49)%	N.A.
8.	Shri Sachin N. Kanojiya Company Secretary & Compliance officer	3,50,913/-	(25.49)%	N.A.

- (ii) The median remuneration of employees of the Company during the financial year was 2,24,106/-;
- (iii) In the financial year, there was an increase of 7.01% in the median remuneration of employees;
- (iv) There were 654 permanent employees on the rolls of the Company;
- (v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 5.70% and the percentile increase in the managerial remuneration was nil and increase in the remuneration of Management is based on performance and the Remuneration policy of the company;
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(# Details not provided as Shri Pradip Harne was appointed as an Additional Director w.e.f. 1st march 2021)

\*Promoter Director did not receive any salary in FY 2020-21).

## ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the companies Act, 2013 and rule 8 of the Companies (Corporate Social Responsibility Policy) Rule, 2014]

1. A brief Outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and project or programs:

Mohota Industries Limited CSR activity mainly focus on i) Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water. and

- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. The Company has formulated Corporate Social Responsibility Policy Pursuant to Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, is hosted on the Company's web site viz. [www.mohotaindustries.com](http://www.mohotaindustries.com).

2. The Composition of the CSR Committee:

Name of the Member	Designation
1. Shri Vinod Kumar Mohota, Chairman & MD	Chairman
2. Shri Vinay Kumar Mohota, Director	Member
3. Shri Ravindra Paliwal, Independent Director	Member

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : [www.mohotaindustries.com](http://www.mohotaindustries.com).
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).: **Not Applicable**.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. : **Nil**
6. Average net profit of the company as per section 135(5). NIL (Rs. 9,09,88,539/-Loss )
7. (a) Two percent of average net profit of the company as per section 135(5): **Nil**  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **Nil**  
 (c) Amount required to be set off for the financial year, if any: **Nil**  
 (d) Total CSR obligation for the financial year (7a+7b- 7c). : **Nil**
8. (a) CSR amount spent or unspent for the financial year: **NA**  
 (b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**  
 (d) Amount spent in Administrative Overheads: **Nil**  
 (e) Amount spent on Impact Assessment, if applicable: **Nil**  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **NIL**  
 (g) Excess amount for set off, if any: **NIL**
9. (a) Details of Unspent CSR amount for the preceding three financial years : **Not applicable**  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).  
 (a) Date of creation or acquisition of the capital asset(s). : **Not Applicable**  
 (b) Amount of CSR spent for creation or acquisition of capital asset. : **Not Applicable**  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Not Applicable**  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For Mohota Industries Limited

Vinay Kumar Mohota  
Director

For Mohota Industries Limited

Vinod Kumar Mohota  
Chairman of CSR Committee



## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

### COMPANY'S PHILOSOPHY

Mohota Industries Limited ("The Company", "MIL") Governance philosophy is based on trusteeship, transparency and accountability. As a Corporate Citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct, MIL Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances. The Company's governance framework is based on the following principles;

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them discharge their fiduciary duties;
- Timely disclosure of Material Operational and Financial information to the Stakeholders;
- Systems and processes in place for Internal Control, and
- Proper business conduct by the Board, Senior Management and Employees;
- The Company continues to focus its resources, strengths and strategies to achieve the vision to excel as a trusted, Socially, Responsible and customer driven organization providing maximum value to all Stakeholders.

### 1. BOARD OF DIRECTORS ("BOARD")

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial, legal and marketing background. The Company is managed by the Board of Directors in Co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Board has constituted various Committees of Directors for proper and effective disposal of the matters. The meetings of the Board and Committees are being held frequently as required. All the Directors attending the Board and Committee meetings are provided with full details of information and they actively participate in the proceedings.

#### a) Size and Composition of the Board

The Company has a judicious mix of Executive and Non- Executive Directors. As on March 31, 2021 the Board of Directors of the Company consists of Six Directors out of which three are executive and three are non-executive Directors. The Chairman of the Board is an Executive Director.

The details of the composition of the Board and the number of other Directorships or Memberships of Board/ Committees held by each Director are as under

#### Composition and category of the Directors:

Name of the Director	Designation & Category	Directorship in other Companies	No. of Memberships in Board Committees as	
			Chairman	Member
Shri Vinod Kumar Mohota	Promoter/ Chairman & Mg. Director	Nil	–	2
Shri Vinay Kumar Mohota	Promoter/ Executive Director	Nil	–	1
Shri Pradip Harne	Executive Director / Additional Director	Nil	–	1
Smt. Vijaya S. Mohota	Women Independent Director	Nil	–	–
Shri Likhit Masram	Non-Executive/ Independent Director	Nil	2	2
Shri Ravindra Raghunandan Paliwal	Non-Executive/ Independent Director	Nil	–	1

**Notes:**

1. The Directorships held by the Directors as mentioned above, do not include alternate Directorships and Directorships in Private & Foreign Companies and Companies Registered under Section 8 of the Companies Act, 2013.
2. In accordance with Regulations, Chairmanships/Memberships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies including Mohota Industries limited have been considered.
3. Shri Vinod Kumar Mohota and Shri Vinay Kumar Mohota are related to each other. Further, no other relationship exists between the Directors inter-se.
4. Shri Santosh Kumar Rajpuria has resigned from the post of whole Time Director w.e.f. 01st March, 2021 due to personal reason. Shri Krishnakant Tekriwal has resigned from the post of Independent Director of the company w.e.f. 01 June 2020.
5. Non-executive Directors does not hold any shares in the Company.
6. Details of Director(s) retiring or being re-appointed are given in Notice to Annual General Meeting.
7. Shri Pradip Harne appointed as an additional director of the company w.e.f. 1st March 2021.

**b) Number of Board Meetings:**

During the year 2020-21, The Board of Directors met (7) seven times on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
01	01.06.2020	7	4
02	28.08.2020	6	6
03	21.09.2020	6	6
04	28.10.2020	6	5
05	17.11.2020	6	5
06	13.02.2021	6	6
07	01.03.2021	6	6

**c) Attendance of Directors:**

Attendance record of the Directors at the Board Meetings held during the financial year 2020–21 and the last Annual General Meeting held on 24th December 2020.

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting.
Shri Vinod Kumar Mohota	7	7	Yes
Shri Vinay Kumar Mohota	7	7	Yes
Shri Santosh Kumar Rajpuria (Resigned w.e.f 01/03/2021)	7	7	Yes
Shri Likhith Masram	7	6	Yes
Shri Ravindra Raghunandan Paliwal	7	6	No
Smt Vijaya Mohota	7	5	No
Shri Pradip Harne (Appointed W.e.f. 01/03/2021)	NA	NA	NA

**d) Remuneration of Directors:**

The remuneration of the Directors is decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee as per the remuneration policy of the Company and in accordance with the provisions of the Companies Act, 2013 and the ceilings as fixed by the shareholders. Following are the details of remuneration paid to the Directors for the year ending March 31, 2021. Considering the overall financial issues on the company Promoter director Shri Vinod Kumar Mohota and Shri Vinay Kumar Mohota have decided to forgo their salaries till the financial distress resolve.

Name of the Director	Sitting Fees	Salary	Perks	Commission	Total
Shri Vinod Kumar Mohota	Nil	Nil	Nil	Nil	Nil
Shri Vinay Kumar Mohota	Nil	Nil	Nil	Nil	Nil
Shri Santosh Kumar Rajpuria	Nil	2,74,043	Nil	Nil	2,74,043

**Note:** Salary includes Basic Salary, Allowances & Company's contribution to Provident Fund etc.

**e) Re-appointment/ Appointment of Directors:**

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Vinod Kumar Mohota (DIN: 00247348), Director of the Company, retire by rotation at the forthcoming Annual General Meeting being eligible, offer himself for re-appointment.

The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Shri Pradip Wasudeorao Harne (DIN: 09084304) as an additional directors in the category of Executive Director w.e.f. March 1, 2021. The Company has received requisite notices in writing from the members proposing his name for the office of Director. Board recommends his appointment as Whole Time Director on the Board of Directors of the Company, to hold office for a term of 3 (Three) years for the consideration of the members at the ensuing General Meeting.

Shri Santosh Kumar Rajpuria (DIN: 03106216), Whole Time Director has resigned from the Board w.e.f. 1 March, 2021 due to health issue.

**Core Skill/Expertise/ Competence of Directors**

The company is engaged in non regulated sectors viz. Textile. Accordingly, the core skills/ expertise/ competencies identified by the Board as required in the context of its business and company are Expertise, Experience and Knowledge of:

- Production & Manufacturing
- Finance and Administration
- Trade and Commerce
- Sales and Marketing
- Product and Process Engineering
- Social, Environmental, Corporate and Legal Laws
- Legal and Regulatory framework
- Management and Administration

Sr. No.	Name of the Committee Members	Skill Set, Expertise and Competence
01	Shri Vinod Kumar Mohota	Rich experience in Banking, Finance, Management, Administration and Industrial Law.
02	Shri Vinay Kumar Mohota	Technocrat with Rich and varied experience in Production, Engineering Project, Operational Management of Industries and Sales and Marketing.
03	Shri Santosh Kumar Rajpuria (Resigned w.e.f 01/03/2021)	Varied experience in the spheres of Finance, Administration, General Management, Accounting with expertise in Company Law.
04	Shri Likhith Masram	Experience in Legal Law, Finance and Corporate Law & Governance with expertise in Civil & Company Law.
05	Shri Ravindra Raghunandan Paliwal	Knowledge and experience in production , Engineering, Technology, General Administration and Management.
06	Smt Vijay Mohota	Specialization in the area of Corporate & Civil Law and Corporate Governance and expertise in financial services, Accounting, and Risk Management
07	Shri Pradip Harne (Appointed w.e.f. 01/03/2021)	Specialization and experience in the area of Export, Central Excise, Service Tax, GST and legal works.

**f) Code of Conduct:**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm Annual Compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website viz. [www.mohotaindustries.com](http://www.mohotaindustries.com).

**Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

**g) Familiarisation Programme for Directors:**

At the time of appointing a Director, a formal letter of appointment is given to appointee, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail the Compliances required from him/her under Companies Act, 2013, Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the Familiarization Program for Directors are available on the Company's website – [www.mohotaindustries.com](http://www.mohotaindustries.com).

**h) Insider Trading Code**

The Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015(The PIT Regulations). The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. [www.mohotaindustries.com](http://www.mohotaindustries.com).

**2. BOARD COMMITTEES**

The Board has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. Recommendations / decisions of the committees are submitted to the Board for its consideration. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

**The Board currently has the following Committees:**

- a) Audit Committee,
- b) Stakeholders' Relationship Committee,
- c) Nomination and Remuneration Committee,
- d) Corporate Social Responsibility Committee,
- e) Risk Management Committee and
- f) Executive Committee of the Board

**a) Audit Committee :**

Audit Committee of the Board of Directors ("Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope of the Committee are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations. All the members of the Audit Committee are financially literate and bring in expertise in the various fields including Finance, Taxation, Manufacturing, Risk, Operations etc.

During the period under review the Board of Directors in its meeting held on 01 June 2020 have reconstituted Audit Committee by inducting Smt Vijaya Mohota in place of Shri Krishnakant Tekriwal.

The Audit Committee met five (5) times during the Financial Year 2020-21. The maximum gap between two Meetings was not more than 120 days. The Committee met on Aug 28, 2020; Sep 21, 2020; Oct 28, 2020; Nov 17, 2020; Feb 13, 2021. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on December 24, 2020.

The Table below provides the composition and attendance of the Audit Committee members:

Sr. No.	Name of the Audit Committee members	Designation	Category	No of Meetings attended
01	Shri Likhit Masram	Chairman	Independent	5 out of 5
02	Shri Vinod Kumar Mohota	Member	Managing Director	5 out of 5
03	Smt Vijaya Mohota (Appointment 01 June 2020)	Member	Independent	3 out of 5
05	Shri Ravindra R. Paliwal	Member	Independent	5 out of 5

The terms of reference of the Audit Committee inter alia include the following;

- Overseeing Financial Reporting process.
- Reviewing periodic financial results, financial statements and adequacy of internal control system.
- Discussions with the Auditors about the scope of audit including their observations.
- Approving internal Audit Plans, reviewing the functions and periodic audit reports.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the Financial Statement and the Auditors' Report thereon.
- Approval or any subsequent modification of transactions of the Company with Related Parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of Internal Financial Controls and Risk Management Systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as Board of Director Specify from time to time to the Audit Committee.

#### b) Stakeholders Relationship Committee

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee of the Board has been constituted. The composition, quorum, powers, role and scope of the Committee are in accordance with Section 178 of the Companies Act, 2013 and the provisions of Regulation 20 of the Listing Regulations as amended time to time. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of Investor Services.

During the period under review the Board of Directors in its meeting held on 01 March 2021 have reconstituted Stakeholders Relationship Committee by inducting Shri Pradip Harne in place of Shri Santosh Rajpuria.

During the year under review 2 (Two) meeting was held on Sep 21, 2020 and March 1, 2021. Table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

Sr. No.	Name of the Audit Committee members	Designation	Category	No of Meetings attended
01	Shri Likhit Masram	Chairman	Non – Executive Director/ independent	2 out of 2
02	Shri Vinod Kumar Mohota	Member	Executive/ Managing Director	2 out of 2
03	Shri Santosh Kumar Rajpuria (Resign w.e.f. March 01, 2021)	Member	Executive Director	2 out of 2
04	Shri Pradip Harne (App. w.e.f. March 01, 2021)	Member	Executive Director	NA

The terms of reference of the Stakeholders Relationship Committee inter-alia include the followings:

1. To Consider, review and redress grievances/complaints of shareholders, debenture-holders and other security holders including complaint relating to transfer of shares, non-receipt of annual report; non-receipt of declared dividends etc;
2. Approval of transfer of shares/debentures and issue of duplicate/split/ consolidation/sub-division of share/ debenture certificates;
3. To deal with all aspects relating to issue and allotment of shares and debentures and/or other securities of the company;
4. To fix record date/book closure of share/debenture transfer book of the Company from time to time;

5. To appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
6. To carry out any other function as prescribed under the Listing Regulations, the Companies Act, 2013 and other Applicable Law as amended from time to time.
7. To carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Bigshare Services Pvt. Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

Mr. Sachin Kanojiya, Company Secretary is the Compliance Officer of the Company.

#### **Details of Shareholders' Complaints Received, Solved And Pending.**

No complaints were received during the year ended March 31, 2021. There were no complaints outstanding as on March 31, 2021. The number of pending share transfers and pending requests for dematerialization as on March 31, 2021 were NIL. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days as on March 31, 2021.

Complaints pending as on April 1, 2020	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on March 31, 2021	0

The above table includes Complaints received by the Company from SEBI SCORES.

#### **c) Nomination and Remuneration Committee**

The appointment and remuneration of Directors and Key Managerial persons are governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company.

During the period under review the Board has reconstituted the committee on June 01, 2020 by inducting Smt. Vijaya Mohota, Independent Directors, in place of Shri Krishnakant Tekriwal.

The composition, quorum, powers, role and scope of the Committee are in accordance with Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of the Listing Regulations.

During the Financial Year 2020-2021 Two (2) Nomination and Remuneration Committee Meetings were held on September 21, 2020 and March 01, 2021.

The compositions of the Nomination and Remuneration Committee and attendance of the members are as below:

Sr. No.	Name of the Audit Committee members	Designation	Category	No of Meetings attended
01	Shri Likhith Masram	Chairman	Independent	2 out of 2
02	Shri Krishnakant Tekriwal (Ceased w.e.f. 01.06.2020)	Member	Independent	NA
03	Smt. Vijaya Mohota (Appt. w.e.f.01.06.2020)	Member	Independent	2 out of 2
04	Shri Ravindra Paliwal	Member	Independent	2 out of 2

The terms of reference of the Nomination and Remuneration Committee inter-alia include the followings:

1. To help in determining the appropriate size, diversity and composition of the Board;
2. To identify the person who qualifies to become director and who may be appointed in senior management in accordance with the criteria laid down;
3. To recommend to the Board, appointment/reappointment and removal of Directors, Senior Management personnel and KMP;
4. To frame criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
5. To recommend to the Board, remuneration payable to the Directors, KMP and other Senior Employees;
6. To create an evaluation framework and shall carry out evaluation for Independent Directors and the Board;



## Remuneration Policy

### a) Remuneration to Non-Executive Directors

Company may pay remuneration by way of Commission and Sitting Fees to the Non-Executive Directors pursuant to the Companies Act, 2013. The Non-Executive Directors are paid sitting fees for each meeting of the Board of Directors attended by them. Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

### b) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Managing Director and Whole-time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Managing Director and Whole-time Directors comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. The Company does not have a stock options scheme for its Directors.

The Remuneration and Nomination Policy is hosted on the Company's website viz. [www.mohotaindustries.com](http://www.mohotaindustries.com).

The details of Remuneration paid to Directors during the year are as under –

Sr. No.	Name of the Directors Designation	Salary	Perquisites & Other Benefit	Total
01	Shri Vinod Kumar Mohota – Mg. Director	0	-	0
02	Shri Vinay Kumar Mohota - W.T.Director	0	-	0
03	Shri Santosh Kumar Rajpuria- Director	2,74,043	-	2,74,043

- Term of appointment - 3 Years from the date of appointment
- Notice Period - One month's Notice
- Minimum Remuneration - In the event of inadequacy of profits remuneration shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.

## Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

### d) Corporate Social Responsibility Committee

Pursuant to provisions of Section 135 of the Companies Act, 2013 the Companies (Corporate Social Responsibility Policy) Rules, 2014, Board has been constituted Corporate Social Responsibility Committee.

As per Section 135 of the Companies Act, 2013, the Company does not required to spend any amount during the Financial Year 2020-21 towards CSR activity due to Loss. The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. [www.mohotaindustries.com](http://www.mohotaindustries.com).

During the year under review One committee meeting was held on March 01, 2021. The Composition of the CSR Committee as at March 31, 2021 and the details of attendance at Meeting are as under:

Sr. No.	Name of the Audit Committee members	Position	Category	No of Meetings attended
01	Shri Vinod Kumar Mohota	Chairman	Executive Director	1 out of 1
02	Shri Vinay Kumar Mohota	Member	Executive Director	1 out of 1
03	Shri Ravindra Paliwal	Member	Independent	1 out of 1

The terms of reference of Corporate Social Responsibility committee inter-alia include the followings:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1); and
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

**e) Risk Management Committee**

Board has the “Risk Management Committee” to establish, monitor & review the Risk Management System & Process.

During the period under review One Risk Management committee meeting was held on 01st March, 2021, all committee members were present at the meeting:

Sr. No.	Name of the Audit Committee members	Position	Category
01	Shri Vinod Kumar Mohota	Chairman	Managing Director
02	Shri Vinay Kumar Mohota	Member	Whole Time Director
03	Shri Mukesh Mahajan	Member	Chief Financial officer

The terms of reference of the Risk Management Committee inter alia include the following;

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately, mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the Company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

**f) Independent Directors' Meeting**

During the year under review, the Independent Directors met on 1st March, 2021, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**3. A) GENERAL MEETINGS**

The details of the dates, timings and venue of General Meetings held during last three years are as under -

AGM/ EGM	Date	Time	Venue
73rd AGM	28.10.2020	10.30 A.M.	Devkaran Mansion, Gate No.2, 3rd Floor, 63, Princess Street, Mumbai – 400 002.
72nd AGM	26.09.2019	10.30 A.M.	
71st AGM	27.09.2018	10.30 A.M.	
EGM	24.03.2018	10.30 A.M.	

The Special Resolutions transacted and approved by the members in the previous three years' General Meetings are as follows:

**a) 72nd Annual General Meeting held on 26th Sept., 2019**

- i) Re-Appointment of Shri Vinod kumar Mohota as Chairman & Managing Director of the Company.
- ii) Re-Appointment of Shri Vinay kumar Mohota as Whole Time Director of the Company.
- iii) Re-Appointment of Shri Santosh kumar Rajpuria as Whole Time Director of the Company.
- iv) Approval Under Sec. 180(1)(A) of The Companies Act 2013.

**b) 71st Annual General Meeting held on 27th Sep., 2018 - Nil**

**c) Extra Ordinary General Meeting held on 24th March, 2018**

- i) Investment(s), Loans, Guarantee and Security in excess of limits specified under section 186 of the Companies Act, 2013, up to Rs. 500 Crores.
- ii) To issue of Equity shares on Preferential Basis.

**B) POSTAL BALLOT :**

- 1) Company passed following Special Resolution through Postal Ballot on January 20, 2018:

- i) To Increase the Authorised Share Capital from Rs. 18.00 Crores to Rs.30.00 Crores and consequent alteration of Capital Clause in the Memorandum of Association.
- ii) To issue Convertible Warrants on Preferential Basis.

Mr. Dinesh Kumar Deora, Practicing Company Secretary (Membership No. FCS-5683, CP No.4119) was acted as scrutinizer for the Postal Ballot process. The members passed the resolution with the requisite majority. Details of the voting results are given below:

#### Voting Result:

	Resolution I	Resolution II
Total No of shares held	14589445	14589445
No of shares Polled (ballot paper + E voting)	6149532 (42.15%)	6133612 (42.04%)
FOR	6149528 (99.9999%)	6133608 (99.9999%)
Against	4 (0.0001%)	4 (0.0001%)

#### 4. AFFIRMATIONS AND DISCLOSURES:

**The Company is in compliance with all mandatory requirements under the Listing Regulations.**

##### a) Related Party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. <http://www.mohotaindustries.com/pdf/Related-Party-Transaction-Policy.pdf>.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

##### b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Following penalties imposed by Stock Exchanges for Delay submission Compliance as per SOP, except this there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

Sr No	Period	Regulations/ Section	Amount
1	30 Sep 2019	33- Financial Results	5900/- (including GST)

##### c) Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.mohotaindustries.com](http://www.mohotaindustries.com)

##### d) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

- e) **Commodity price risk or foreign exchange risk and hedging activities:**  
The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/ 2018/ 0000000141 dated November 15, 2018.
- f) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**  
Not Applicable.
- g) **A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**  
Certificate from M/s. DM & Associate Company Secretaries LLP, confirming that none of the director on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ MCA or any such statutory authority is provided in Appendix-1, are form a part of this report.
- h) **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year. Not Applicable**
- i) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Amounting Rs. 3,30,000/-**
- j) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**  
The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 is given in the Directors' report.

## 5. MEANS OF COMMUNICATION

- i) The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in 'Financial Express' in English and 'Mumbai Lakshdeep' in Marathi newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- iii) The Company's financial results and official press releases are displayed on the Company's Website – [www.mohotaindustries.com](http://www.mohotaindustries.com).
- iv) Presentation made to the Institutional Investors and Analysts, if any are also posted on the Company's website.
- v) Management Discussion and Analysis form a part of the Annual Report, which is sent to the Shareholders of the Company.
- vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- vii) A separate dedicated section under "Investor Relations", on the Company's website given the information on Shareholding pattern, quarterly/ half yearly and annual compliance with the Stock Exchanges and other relevant information of interest to the investors/public.
- viii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- ix) The Company has designated the email id: [compliance@rsrmm.com](mailto:compliance@rsrmm.com) exclusively for investor relation, and the same is prominently displayed on the Company's website [www.mohotaindustries.com](http://www.mohotaindustries.com)

## 6. GENERAL SHAREHOLDERS INFORMATION

### a) Annual General Meeting

Date & Time	:	Thursday the 30th day of September, 2021 at 10.30 A.M.
Venue	:	Devkaran Mansion, Gate No.2, 3rd Floor, 63-Princess Street, Mumbai – 400002

**b) Financial Calendar 2021-2022 (Tentative)**

Financial Year	:	April to March
First Quarter Results	:	2 <sup>nd</sup> Week of August, 2021
Half-Yearly Results	:	2 <sup>nd</sup> Week of November, 2021
Third Quarter Results	:	2 <sup>nd</sup> Week of February, 2022
Audited Results for the year ending 31st March, 2022	:	4 <sup>th</sup> Week of May, 2022

**c) Dates of Book closure** : 23.09.2021 to 30.09.2021 (both days inclusive)

**d) Dividend payment date:**

Due to loss Company, do not propose any dividend for the Financial Year ended March 31, 2021.

**e) Listing of Securities** : The equity shares are listed at the following Stock Exchanges.

Name of the Stock Exchange	Stock Code
BSE Limited (BSE)	530047
The National Stock Exchange of India Ltd., Mumbai (NSE)	MOHOTAIND

The Company has not paid Annual Listing Fees for the year 2020 – 2021 & 2021-2022.

**f) ISIN No. of Securities** : INE313D01013

**g) Registrar & Share Transfer Agents:**

M/s Bigshare Services Pvt. Ltd.,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai- 400 059 [M.S.]  
Ph.No.022 - 62638200, 62638295 Fax -022 62638299  
E – Mail : info@bigshareonline.com

**h) Share Transfer System**

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

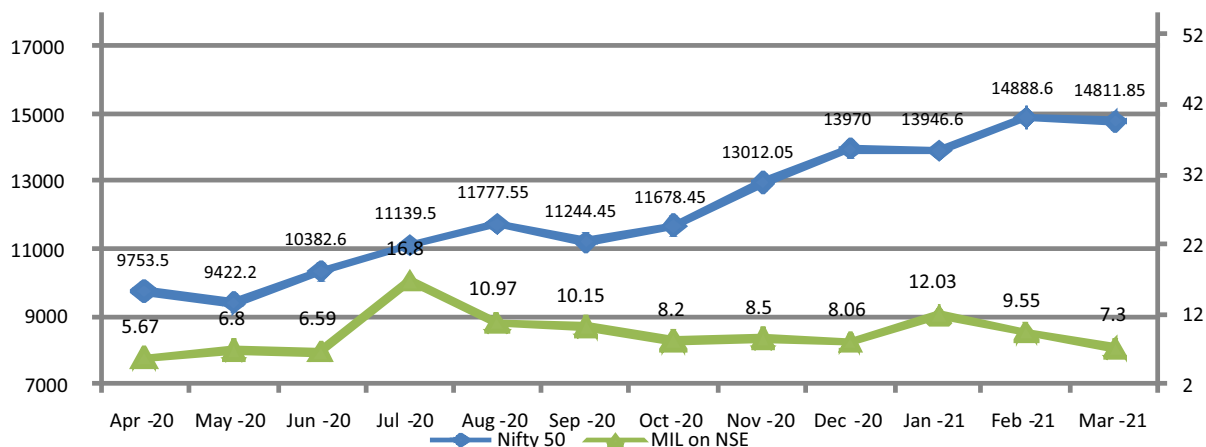
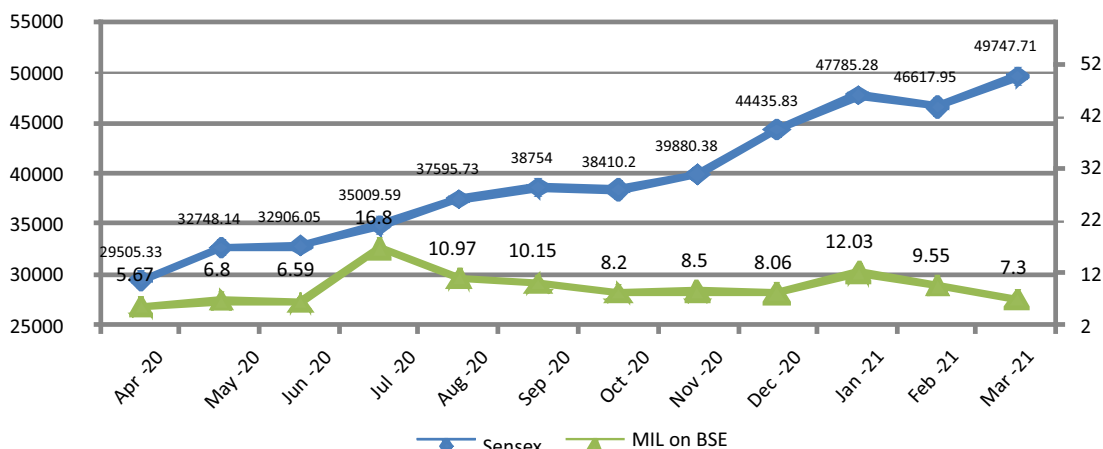
**i) Electronic Clearing Service:**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the Core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

j) **Market Price Data: High/Low prices of Equity Shares of the Company during each month in the last financial year were as under:**

Month	Share Price of the Equity Scrip's of the Company		Volume of shares traded
	High	Low	
April, 2020	7.35	3.9	1,04,953
May, 2020	6.9	5.6	77,246
June, 2020	15.85	5.95	1,14,525
July, 2020	18.20	10.40	1,05,303
August, 2020	11.10	8.85	1,34,205
September, 2020	10.30	7.55	1,35,397
October, 2020	11.25	7.6	2,52,018
November, 2020	8.65	7.1	2,58,984
December, 2020	14.65	7.9	66,66,635
January, 2021	13.85	9.05	17,40,917
February, 2021	9.65	7.05	8,45,632
March, 2021	8.75	6.8	4,57,436

k) **Performance of Company shares price Vs BSE Sensex & NSE Nifty:**





**l) Distribution of Shareholding as on 31st March, 2021 :**

Range of Shares		No. of share-holders	% of Share-holders	Total holding (No. of Shares.)	% of share-holding
From	To				
1	500	3388	68.486	500743	3.4048
501	1000	587	11.8658	481890	3.2766
1001	2000	369	7.4591	571383	3.8851
2001	3000	176	3.5577	454885	3.093
3001	4000	89	1.7991	319899	2.1751
4001	5000	77	1.5565	361514	2.4581
5001	10000	137	2.7694	998810	6.7913
10001 & above		124	2.5066	11017968	74.916
	<b>TOTAL</b>	<b>4947</b>	<b>100.0000</b>	<b>14707092</b>	<b>100.0000</b>

**m) Share Holding pattern as on 31st March, 2021 :**

Type of Shareholder	No. of shares held	% of Total shares held
Promoters – Indian	62,38,791	42.42
- Foreign	Nil	Nil
Financial Institutions & Banks	Nil	Nil
FII's & OCB's	Nil	Nil
Mutual Funds & Trusts	10	0.00
Non Resident Indians	1,12,506	0.76
NBFC Registered with RBI	2,800	0.02
Bodies Corporate	10,82,437	7.36
Clearing Members	36,792	0.25
Indian Public	72,33,756	49.19
Total	1,47,07,092	100.00

**n) Dematerialisation of Shares and Liquidity :**

The Equity Shares of the Company are traded in compulsory Demat form. **It's ISIN in NSDL and CDSL is INE313D01013.** As on 31st March, 2021, over 99.06% of the total shares of the Company are in dematerialized form.

The status on the dematerialization of the equity shares of the Company is furnished below.

Total Nos. of Shareholders	:	4,947
Total Nos. of Equity Shares	:	<b>1,47,07,092</b>
Total Nos. of Equity Shares in Physical form	:	1,32,436
Total Nos. of Equity Shares in Electronic Mode with		
NSDL	:	48,63,103
CDSL	:	97,11,553

As per SEBI's directive, no investor shall be required to pay any charges for opening of a Beneficiary Owner Account (BO) except for statutory charges as may be applicable and the custody charges will be paid by the Issuers on a per folio basis (ISIN position) directly to the Depositories. The custody charges to NSDL and CDSL for FY 2021-2022 is pending. Shareholders are advised to convert their holdings from Physical mode to Demat mode and benefit from the reduction in charges considering overall merits of Depository System.

**o) PAN Requirements. :**

- SEBI vide circular dated 27th April, 2007 made PAN as the sole identification number for all participants transacting in the Securities market irrespective of the amount of such transaction.
  - SEBI by its circular dated 20th May, 2009 made it mandatory to furnish a copy of PAN card of the transferee to the Company / RTA for registration of transfer of shares of listed companies in physical form and off market / private transactions.
  - SEBI vide its circular dated 28th January, 2010 has now made it mandatory to furnish a copy of PAN for transmission and transposition of shares.
- Investors are advised to take note of the same.

- p) Nomination facility. :**  
Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the byelaws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.
- q) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.**  
The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.
- r)** The Company has made no public issue of debt securities. Details of Credit Ratings last obtained from Brickwork Ratings (BWR) for facilities availed from Bank in FY 2019-20 are given below:
- | Facility                   | Rating                                       |
|----------------------------|--|
| Long Term Bank facilities  | D (Pronounced BWR D Issuer Not co-operating) |
| Short term Bank facilities | D (Pronounced BWR D Issuer Not co-operating) |
- s) Plant Locations**  
1. Ram Mandir Ward, Hinganghat – 442 301, Dist. Wardha (Maharashtra)  
2. Burkoni Village, Tah.: Hinganghat – 442 301, Dist. Wardha (Maharashtra)
- t) Registered Office & Address for Correspondence**  
Mohota Industries Limited.,  
409, 4th Floor,  
174, Gold Mohur CHS Ltd.  
Shamaldas Gandhi Marg, Kalbadevi;  
Mumbai – 400 002  
Phone : 022 – 22081556 Fax : 022 – 22081556  
E.mail ID : info@rsrmm.com / finance@rsrmm.com / compliance@rsrmm.com

## COMPLIANCE CERTIFICATE OF SECRETARIAL AUDITORS

The Secretarial Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and the same is annexed to this Report.

### DECLARATION

[Pursuant to Para D of Schedule V of the  
SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

All the Board Members and Senior Management Personnel have affirmed their compliance of the "Code of Conduct for the Members of the Board and Senior Management" for the Financial Year ended 31st March, 2021 in terms of Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For and on behalf of the Board**

**Sd/-**

**Vinod Kumar Mohota  
Chairman & Managing Director**

**Place : Hinganghat  
Dated: 14/08/2021**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
Mohota Industries Limited  
Flat No. 409, 4th Floor,  
174 Gold Mohur CHS Limited,  
Shamaldas Gandhi Marg, Kalbadevi,  
Mumbai-400002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mohota Industries Limited having CIN: L99999MH1946PLC005261 and having its Registered Office at Flat No. 409, 4th Floor, 174 Gold Mohur CHS Limited, Shamaldas Gandhi Marg, Kalbadevi, Mumbai-400002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No	Name of Director	DIN	Date of Appointment
1	Vinaykumar Ranchhoddas Mohota	00247340	01/04/2006
2	Vinodkumar Ranchhoddas Mohota	00247348	16/08/1994
3	Pradip Wasudeorao Harne	09084304	01/03/2021
4	Vijaya Sanjay Mohota	08563104	16/09/2019
5	Likhit Masram	07979917	14/02/2019
6	Ravindra Raghunandan Paliwal	02336166	30/03/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Signature :**

**Name, : Dinesh Kumar Deora- Partner**

**Firm Name : DM & Associates Company Secretaries LLP**

**Firm Registration Number: L2017MH003500**

**Membership No.: FCS 5683**

**CP No.: 4119**

**Place: Mumbai**  
**Dated: 22-04-2021**

## CEO/CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Mohota Industries Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For Mohota Industries Limited.

Place : Hinganghat  
Dated: 14/08/2021

Sd/-  
Vinod Kumar Mohota  
Chairman & Managing Director

Sd/-  
Mukesh B. Mahajan  
Chief Financial Officer

## SECRETARIAL AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of  
**Mohota Industries Limited**  
**Mumbai**

We have examined the compliance of conditions of corporate governance by **Mohota Industries Limited** ("the Company"), for the financial year ended March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the Company's Management. Our examination was limited to the 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.

We have examined the relevant records of the Company as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

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 Regulations.

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, DM & Associate Company Secretaries LLP  
Company Secretaries

Place: Mumbai  
Dated: 14/08/2021

Dinesh Kumar Deora  
Partner  
FCS. 5683 COP No. 4119

## INDEPENDENT AUDITOR'S REPORT

To the Members of Mohota Industries Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone Financial Statements of Mohota Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in the conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2021, its Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- a) The Company has invested Rs.15.52 crores in a partnership firm. The financial statements of the said partnership firm for the year ended March 31, 2021 were not available; hence the impact on the profit/(loss) and corresponding impact on the carrying amount of investment is not ascertainable.
- b) The Company has not performed impairment testing with respect to the investment in a partnership firm as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets', hence the impact on the carrying amount of investment is not ascertainable.
- c) Balances of trade receivables, trade payables, loans and advances given/ taken are subject to confirmations, reconciliations and consequent adjustments.
- d) Deposits with Government Revenue Authorities are subject to confirmations and full recoverability is not ascertainable.
- e) Grant receivable from Government under PSI 2007 Mega Project Incentive Scheme is subject to confirmations to eligibility of the Auditee and full recoverability of said grant is not ascertainable owing to defunct operations.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA), as specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion on the standalone financial statements.

#### Material Uncertainty related to Going Concern

We draw attention to Note No. 8 in the standalone financial results that the Company has incurred net loss during the year and the current liabilities have exceeded the current assets. Further, the Company has defaulted in repayment of principle dues and interest payable to banks. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Emphasis of Matter

We draw attention to Note No. 9 in the standalone financial results that the Company has defaulted in repayment of principle dues and interest payable to banks. The Company has provided interest liability based on last available sanction letter on the principle outstanding upto 31st March, 2021. The bank has rejected the debt restructuring proposal and has moved to National Company law Tribunal for resolution. Pending resolution, no further adjustment has been made in the standalone financial results in respect of the principle amount of loan and interest provided thereon.

We also draw attention to Note No. 8 in the standalone financial results that the management is closely monitoring the COVID-19 situation and its impact on the operations and future performances of the company. Our opinion is not qualified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Description of Key Audit Matter:

1. At March 31, 2021, the Company held provisions in respect of Maharashtra Municipal Tax and has disclosed total contingent liabilities of Rs.182.34lakhs (previous year Rs. 273.82 lakhs). These provisions are based on judgements and accounting estimates made by management in determining the likelihood and magnitude of claims. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported loss and balance sheet position. Refer Note 34 of standalone financial statements and accounting policies for contingent liabilities, provisions, and related disclosures.
2. The Company has received an amount of Rs. 2.15 crores from the R.S.R. MOHOTA SPG. & WVG. MILLS LTD. E.P.F. TRUST. The balance outstanding is shown under the head "Trade Payables" in Note-19 in the standalone financial statements instead of "Borrowings" under "Non-Current Liabilities" in Note-15. Further, the amount paid by the Trust to the Company is in contravention to the object of the Trust. Refer Note 19 of standalone financial statements and accounting policies for Trade Payable

#### Our response:

- We evaluated the design and tested the operating effectiveness of controls in respect of the determination of the provisions. We determined that the operation of the controls provided us with evidence over the completeness, accuracy and valuation of the provisions.
- We read the summary of litigation matters provided by management and held discussions with the management and their legal counsels. We requested legal letters from some of the Company's external legal advisors with respect to the matters included in the aforesaid disclosures. Where appropriate, we examined correspondence connected with the cases.
- For litigation provisions, we tested the calculation of the provisions, assessed the assumptions against third party data, where available and assessed the estimates against historical trends.
- We considered management's judgements on the level of provisioning and disclosures in respect of the aforesaid matters, which we considered to be appropriate.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that Other Information is materially misstated; we are required to report that fact. Our report in this regard is restricted as other information is not made available to us as on the date of this report.

#### Responsibility of Management and Those charged with the Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect of the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and the cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and



maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that our audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless flaw or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016("the order") issued by the Central Government of India in terms of sub-section(11)of section 143 of the Companies Act, 2013 we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the order.
2. As required by section 143(3) of the Act based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to be the best of our knowledge and belief were necessary for our audit.
  - (b) In our opinion, proper books of accounts as required by the law have been kept by the Company so far as it appears from our examination of books;
  - (c) The Balance Sheet, the statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014, as amended;
  - (e) On the basis of the written representation received from the director as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (refer Note No. 34);
    - (ii) The company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

**CA ABHIJIT SAGDEO**

Partner

Membership No. 103700

**UDIN:21103700AAAABL7579**

For & on behalf of

**B P S D & ASSOCIATES**

Chartered Accountants

FRN: 118251W

Nagpur, dated the 28th June, 2021

## Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

The annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditor's Report of even date to the members of the Company on the Financial Statements for the year ended 31st March 2021, we report that:

- i. In respect of Fixed Assets:
  - a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
  - b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were observed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In respect of inventories:

The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable. However, on account of COVID-19 restrictions on movement imposed by Local Government Authorities, the verification of inventory could not be carried out.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, where applicable. Therefore, the said clause is not applicable to the Company.
- vi. According to the information and explanations given to us, we have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, related to the manufacture of yam & fabrics, and are of the opinion that prima-facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same. Also, the Cost Audit as required under the provisions of the Act is not completed till the date of this report.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, employees' state insurance, duty of excise sales tax, value added tax, duty of customs service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable except the following liabilities pending for payment for more than six months.

Nature of dues	Period to which it relates	Amount (₹ in lakhs)
EPF	Jan 20 to Mar 21	101.48
ESIC	Feb 20, Mar 20, Dec 20 to Mar 21	9.94
Profession Tax	Apr 20 to Mar 21	13.75
TDS	Apr 20 to Mar 21	2.53

- b) According to the information and explanations given to us outstanding dues of octroi and property tax that have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of dues	Period to which it relates	Amount (₹ in lakhs)	Forum where the Dispute is pending
Maharashtra Municipalities Act 1965	Octroi on Grey Fabrics	01/07/1994 to 15/05/1995	2.38	Honourable High Court, Nagpur Bench.
Maharashtra Municipalities Act 1965	Octroi on Grey Fabrics	16/05/1995 to 31/03/1996	27.87	Honourable High Court, Nagpur Bench.
Maharashtra Municipalities Act 1965	Octroi on Grey Fabrics	01/04/1996 to 31/03/1997	24.24	Honourable High Court, Nagpur Bench.
Maharashtra Municipalities Act 1965	Octroi on Grey Fabrics	01/04/1997 to 11/11/1997	12.66	Honourable High Court, Nagpur Bench.
Maharashtra Municipalities Act 1965	Octroi on Grey Fabrics	12/11/1997 to 30/04/1999	20.58	Honourable High Court, Nagpur Bench.
Maharashtra Municipalities Act 1965	Property Tax	2012-13 to 2014-15	61.42	Supreme Court, Delhi

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of loans to Banks. There are also outstanding loans or borrowings from any financial institutions but there are no outstanding loans and borrowings from Government and debenture holders. The details of default are given below:

(Amount in Lakhs)

Name of lenders	Nature of Loan	Particulars	Amount of default as at 31.03.2021 (Rs. in Lakhs)	Period of default
State Bank of India	Cash Credit	Principle	3,488.32	November 2019
State Bank of India	Term Loan	Principle	279.96	November 2019
Bank of India	Cash Credit	Principle	2,069.57	November 2019
Bank of India	C/C Pledge	Principle	171.34	November 2019
IndusInd Bank Ltd	Credit Card	Principle	18.71	November 2019
ICICI Bank	Credit Card	Principle	292.17	November 2019
Jain Sons Fin Lease Ltd	Business Loan	Principle	183.86	November 2019
Shriram City Union Finance	Business Loan	Principle	33.22	November 2019

- ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, in our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**CA ABHIJIT SAGDEO**

Partner

Membership No. 103700

**UDIN:21103700AAAABL7579**

For & on behalf of

**B P S D & ASSOCIATES**

Chartered Accountants

FRN: 118251W

Nagpur, dated the 28th June, 2021

## **Annexure - B to the Auditors' Report**

(Referred to in paragraph 2(g) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Mohota Industries Limited (formerly known as The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Limited) ("the Company") as of 31 March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013..

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

1. According to information and explanations given to us and based on our audit, and as per the Note No. 4 of the standalone financial statements, since the company is unable to determine fair value of its investment in the M/s. K. C. Mohunta & Brother (a partnership firm) and the company has not carried out impairment testing on the value of investment in the firm as required by Ind-AS, a material weakness has been identified relating to inadequate internal financial controls over financial reporting in respect of the assessment of appropriateness of carrying amount of investment.
2. According to information and explanations given to us and based on our audit and as per the Note No. 4 of the standalone financial statements, the company has made investment in the M/s. K. C. Mohunta & Brother (a partnership firm) out of its internal accruals. The said investment in M/s. K. C. Mohunta & Brother (a partnership firm) is in nature of Long Term but has been made from the Company's internal accruals as explained to the consortium banker which were not meant to be used for long term purpose. This indicates material weakness of internal financial control over utilization of Company's finances.
3. The balances of trade receivables, trade payables, loans and advances given/ taken, deposits and grants receivable from revenue authorities are subject to confirmations from respective Parties. This indicates a weak internal control over balances of trade receivables, trade payables, loans and advances given/ taken, deposits and grants receivable from revenue authorities. This could potentially result in changes in the Company's trade payables, trade receivables, loans, advances, deposits and grants receivables as at year ended 31st March 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects of the material weakness described above on the achievement of the objective of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Explanatory Paragraph

We have also audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the Ind AS standalone financial statements of the Company, which comprise the Balance Sheet as at March, 31, 2021 and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weaknesses reported in Para 1, 2 and 3 of the 'Qualified Opinion' section of this report were considered in determining the nature, timing and extent of audit tests applied in our audit of the Ind AS standalone financial statements of the Company as at March 31, 2021. These material weaknesses reported in our report on internal financial controls affect our independent auditor's report dated June 25, 2021 which expresses a qualified opinion on said Ind AS standalone financial statements.

### CA ABHIJIT SAGDEO

Partner

Membership No. 103700

UDIN:21103700AAAABL7579

For & on behalf of

### B P S D & ASSOCIATES

Chartered Accountants

FRN: 118251W

Nagpur, dated the 28th June, 2021



**Balance sheet as at 31<sup>st</sup> March 2021**

(Amount in ₹)

Assets	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	3	1,78,59,22,022.25	1,81,80,72,756.29
(b) Capital work-in-progress	3a	-	-
(c) Right of Assets	3b	2,20,646.24	2,35,761.83
(d) Financial Assets			
(i) Investments	4	15,54,32,333.48	15,54,32,333.48
(ii) Others	5	4,60,18,708.00	4,44,91,773.00
(e) Current Tax Assets (Net)	5a	5,86,25,626.13	5,74,28,765.13
(f) Other non-current assets	6	90,28,572.69	78,22,314.09
<b>Total non-current assets</b>		<b>2,05,52,47,908.79</b>	<b>2,08,34,83,703.82</b>
<b>Current Assets</b>			
(a) Inventories	7	1,78,56,222.94	3,56,59,775.20
(b) Financial Assets			
(i) Trade Receivables	8	58,23,98,657.54	59,03,60,532.54
(ii) Cash & cash equivalents	9	32,96,639.22	30,778.33
(iii) Bank balance other than (ii) above	9a	12,58,443.00	20,11,741.88
(iv) Loans	10	16,189.00	(1,81,948.00)
(v) Others	11	-	-
(c) Current Tax Assets (Net)			
(d) Other current assets	12	25,90,80,375.64	28,17,77,869.44
<b>Total current assets</b>		<b>86,39,06,527.34</b>	<b>90,96,58,749.39</b>
<b>Total Assets</b>		<b>2,91,91,54,436.13</b>	<b>2,99,31,42,453.21</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	13	14,70,70,920.00	14,70,70,920.00
(b) Other Equity	14	1,44,57,06,197.54	1,62,11,20,013.89
<b>Total Equity</b>		<b>1,59,27,77,117.54</b>	<b>1,76,81,90,933.89</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	13,35,29,363.65	12,64,22,008.65
(ii) Lease Liabilities	15a	2,31,938.37	2,38,524.98
(iii) Other financial liabilities	16	2,42,80,722.00	2,84,14,156.00
(b) Provisions	17	3,73,87,921.00	3,25,91,457.00
(c) Deferred tax liabilities (Net)	29	-	-
<b>Total non-current liabilities</b>		<b>19,54,29,945.02</b>	<b>18,76,66,146.63</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	69,21,32,981.57	62,08,81,336.27
(ii) Lease Liabilities	18a	6,586.61	6,586.61
(iii) Trade Table			
(a) Total outstanding dues of micro and small enterprises	19a	1,22,15,437.00	1,29,74,410.00
(b) Total outstanding dues other than (iii) (a) above	19	29,01,75,121.77	30,32,27,082.21
(iv) Other financial liabilities	20	4,05,74,281.49	2,78,07,641.08
(b) Other current liabilities	21	4,40,07,109.13	2,27,83,464.52
(c) Provisions	17a	90,39,966.00	68,08,962.00
(d) Current Tax Liabilities (Net)	17b	4,27,95,890.00	4,27,95,890.00
<b>Total current liabilities</b>		<b>1,13,09,47,373.57</b>	<b>1,03,72,85,372.69</b>
<b>Total Liabilities</b>		<b>1,32,63,77,318.59</b>	<b>1,22,49,51,519.32</b>
<b>Total equity and liabilities</b>		<b>2,91,91,54,436.13</b>	<b>2,99,31,42,453.22</b>
Summary of significant accounting policies.			
The accompanying notes are an integral part of the financial statements			

As per our Report of even date  
**For B P S D AND ASSOCIAES**  
 Chartered Accountants  
 Firm Registration No. 118251W

**For and on behalf of the Board of Directors**

**Rohit Aherrao**  
 Partner  
 Membership No. 131647  
 Place : Hinganghat  
 Date : 28 June 2021

**Sd/-**  
**Vinod Kumar Mohota**  
 Chairman & Managing Director

**Sd/-**  
**Vinay Kumar Mohota**  
 Director

**Sd/-**  
**Mukesh Mahajan**  
 C. F. O.

**Pradip Harne**  
 Director

**Sd/-**  
**Sachin Kanojiya**  
 C. S.

**Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March 2021**

(Amount in ₹)

	Note No.	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>INCOME</b>			
Revenue from operations	22	7,87,16,907.14	1,13,38,86,382.50
Other income	23	68,30,926.19	90,58,389.11
<b>Total Income</b>		<b>8,55,47,833.33</b>	<b>1,14,29,44,771.61</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	(59,043.00)	65,65,27,676.80
Purchases of stock-in-trade	24.a	-	-
Changes in inventories of Finished goods & Work-in-Progress	24.b	1,34,93,611.00	44,10,92,491.00
Employee benefits expense	25	9,20,74,404.28	15,18,21,785.00
Finance costs	26	8,53,19,863.73	9,98,76,447.36
Depreciation and amortisation expense	27	3,02,85,571.43	3,07,16,821.69
Other expenses	28	3,98,47,242.24	10,29,29,936.30
<b>Total Expenses</b>		<b>26,09,61,649.68</b>	<b>1,48,29,65,158.15</b>
<b>Profit before exceptional &amp; extraordinary item &amp; tax</b>		(17,54,13,816.35)	(34,00,20,386.54)
Add/ (Less) : Exceptional items		-	-
<b>Profit before tax</b>		<b>(17,54,13,816.35)</b>	<b>(34,00,20,386.54)</b>
<b>Tax expenses:</b>			
(1) Deferred tax	29	-	3,20,80,260.87
<b>Total Tax Expenses</b>		<b>-</b>	<b>3,20,80,260.87</b>
<b>Profit after tax</b>		<b>(17,54,13,816.35)</b>	<b>(30,79,40,125.67)</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit & loss account			
(a) Remeasurements of the defined benefit plans		-	2,58,910.00
(b) Income tax relating to items that will not be reclassified to statement of profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>2,58,910.00</b>
<b>Total comprehensive income for the period</b>		<b>(17,54,13,816.35)</b>	<b>(30,81,99,035.67)</b>
<b>Earnings per share of ₹ 10/- each</b>			
Basic & Diluted (in ₹)		<b>(11.93)</b>	<b>(20.94)</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date  
**For B P S D AND ASSOCIAES**  
 Chartered Accountants  
 Firm Registration No. 118251W

**Rohit Aherrao**  
 Partner  
 Membership No. 131647

Place : Hinganghat  
 Date : 28 June 2021

**For and on behalf of the Board of Directors**

**Vinod Kumar Mohota**  
 Chairman &  
 Managing Director

**Vinay Kumar Mohota**  
 Director

**Mukesh Mahajan**  
 C. F. O.

**Pradip Harne**  
 Director

**Sachin Kanojiya**  
 C. S.

**Cash Flow Statement for the Year ended 31st March 2021**

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before extraordinary items and tax	(17,54,13,816.35)	(34,00,20,386.54)
Adjustments for :		
Depreciation	3,02,85,571.43	3,07,16,821.69
Interest Expenses	7,96,42,383.37	9,53,27,858.11
Interest Income	(21,63,345.00)	(27,32,937.66)
Dividend income	-	-
	10,77,64,609.80	12,33,11,742.14
<b>Operating profit before working capital changes</b>	<b>(6,76,49,206.55)</b>	<b>(21,67,08,644.40)</b>
<b>Changes in working capital:</b>		
Adjustments for :		
Decrease/(Increase) in Trade and other receivables	79,61,875.00	(20,48,03,845.27)
Decrease/(Increase) in Inventories	1,78,03,552.26	50,04,34,569.07
Decrease/(Increase) in Trade & Other Payable	(1,38,10,933.44)	4,53,67,576.39
Decrease/(Increase) in Other Current Assets	13,74,163.20	(9,91,36,449.37)
Decrease/(Increase) in Other Current Liabilities	3,68,77,732.41	1,44,83,807.72
	5,02,06,389.43	25,63,45,658.54
Direct Taxes Refund/(Paid)	(11,96,861.00)	(40,04,815.00)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(1,86,39,678.12)</b>	<b>3,56,32,199.14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.01	(4,02,053.83)
Sale of Fixed Assets (Net)	18,80,278.20	62,72,138.93
Sale of Investments	-	(4,53,72,792.82)
Interest Received	21,63,345.00	27,32,937.66
Proceed From PSI 2007 Mega Project	1,83,92,000.00	2,84,21,565.00
<b>Net cash (used in) investing activities (B)</b>	<b>2,24,35,623.21</b>	<b>(83,48,205.06)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Share Capital / Reserve & Surplus	(0.00)	3,18,21,351.88
Increase/(Decrease) in Deferred Tax Laibilities	-	(3,20,80,260.87)
Proceeds from Long-Term/(Short Term) borrowings	7,83,59,000.30	5,99,88,598.51
Interest Paid on Term Loan	(33,73,498.00)	(48,63,926.00)
Interest on Working Capital	(7,62,68,885.37)	(9,04,63,932.11)
Interim Dividend paid	-	-
<b>Net from / (used in) financing activities (C)</b>	<b>(12,83,383.07)</b>	<b>(3,55,98,168.60)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>25,12,562.02</b>	<b>(83,14,174.53)</b>
<b>Opening Balance of Cash and cash equivalents</b>	<b>20,42,520.21</b>	<b>1,03,56,694.73</b>
<b>Closing Balance of Cash and cash equivalents</b>	<b>45,55,082.22</b>	<b>20,42,520.21</b>
	0.00	0.00

As per our Report of even date  
**For B P S D AND ASSOCIAES**  
Chartered Accountants  
Firm Registration No. 118251W

**For and on behalf of the Board of Directors**

**Rohit Aherrao**  
Partner  
Membership No. 131647

**Vinod Kumar Mohota**  
Chairman &  
Managing Director

**Vinay Kumar Mohota**  
Director

**Mukesh Mahajan**  
C. F. O.

Place : Hinganghat  
Date : 28 June 2021

**Pradip Harne**  
Director

**Sachin Kanojiya**  
C. S.

Notes to financial statements for the year ended March 31, 2021  
3. 'Property, Plant and Equipment

(Amount in ₹)

Assets	GROSS BLOCK (AT COST)						DEPRECIATION				NET DEPRECIATED BLOCK	
	As on 01.04.2020	Additions	Sub Total	Deduction on Account of sale/ Discarded	Gross Block as on 31.03.2021	As on 01.04.2020	FOR THE PERIOD	DEDUCTION ON A/C OF SALE/ DISCARDED	Up to 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020	
1.	2.	3.	4.	5.	6.	7.	8	9	10	11	12	
TANGIBLE ASSETS												
LAND	1,57,92,51,481.25	-	1,57,92,51,481.25	-	1,57,92,51,481.25	-	-	-	-	1,57,92,51,481.25	1,57,92,51,481.25	
FACTORY BUILDING	17,91,71,881.94	-	17,91,71,881.94	-	17,91,71,881.94	9,16,42,014.46	31,61,924.66	-	9,48,03,939.12	8,43,67,942.82	8,75,29,867.48	
NON-FACTORY BUILDING	2,19,59,609.78	-	2,19,59,609.78	-	2,19,59,609.78	60,73,259.03	3,45,107.57	-	64,18,366.60	1,55,41,243.18	1,58,86,350.75	
PLANT & MACHINERY	91,06,77,260.67	-	91,06,77,260.67	2,27,79,866.30	88,78,97,394.37	78,11,39,608.28	2,53,78,531.32	2,16,24,808.38	78,48,93,331.22	10,30,04,063.15	12,95,37,652.39	
FURNITURE & FIXTURE	16,92,081.00	-	16,92,081.00	-	16,92,081.00	13,72,710.62	1,29,648.95	-	15,02,359.57	1,89,721.43	3,19,370.38	
OFFICE EQUIPMENTS	3,23,652.00	-	3,23,652.00	-	3,23,652.00	2,76,832.66	13,305.89	-	2,90,138.55	33,513.45	46,819.34	
VEHICLES	99,29,470.00	-	99,29,470.00	20,05,232.00	79,24,238.00	49,83,568.66	11,66,982.76	12,80,011.72	48,70,539.70	30,53,698.30	49,45,901.34	
COMPUTERS	14,55,056.86	-	14,55,056.86	-	14,55,056.86	13,42,801.59	23,893.15	-	13,66,694.74	88,362.12	1,12,255.27	
ELECTRICAL INSTALLATION	64,47,343.13	-	64,47,343.13	-	64,47,343.13	60,04,285.04	51,061.54	-	60,55,346.58	3,91,996.55	4,43,058.09	
Fixed Assets    Total : (3)	2,71,09,07,836.63	-	2,71,09,07,836.63	2,47,85,098.30	2,68,61,22,738.33	89,28,35,080.34	3,02,70,455.84	2,29,04,820.10	90,02,00,716.08	1,78,59,22,022.25	1,81,80,72,756.29	
RIGHT OF USE Total : (3b)	2,35,761.83	-	2,35,761.83		2,35,761.83	-	15,115.59	-	15,115.59	2,20,646.24	2,35,761.83	
# CAPITAL WORK IN PROGRES	Total : (3a)									-	-	
GRAND TOTAL        : (3+3a)	2,71,11,43,598.46	-	2,71,11,43,598.46	2,47,85,098.30	2,68,63,58,500.16	89,28,35,080.34	3,02,85,571.43	2,29,04,820.10	90,02,15,831.67	1,78,61,42,668.49	1,81,83,08,518.12	
PREVIOUS YEAR	279,91,95,581.22	17,49,502.17	280,09,45,083.39	68,46,433.78	2,79,40,98,649.61	91,46,94,171.49	3,13,63,255.00	68,39,044.78	93,92,18,381.71	1,85,48,80,267.90	1,85,48,80,267.90	

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>4. NON-CURRENT INVESTMENTS</b>		
M/s.K.C.Mohunta & Brother - Nagpur	15,51,54,333.48	15,51,54,333.48
Bank of India Soviniour Gold Bond - Nagpur	2,78,000.00	2,78,000.00
<b>Total</b>	<b>15,54,32,333.48</b>	<b>15,54,32,333.48</b>
<b>5. Financial Assets - others (non current)</b>		
Deposits	1,35,62,449.00	1,19,50,514.00
Other loans & advances	3,01,88,696.00	3,02,73,696.00
Key Man policy receivable	22,67,563.00	22,67,563.00
<b>Total</b>	<b>4,60,18,708.00</b>	<b>4,44,91,773.00</b>
<b>5a. Current Tax Assets (Net)</b>		
Advance Income Tax (Net)	5,86,25,626.13	5,74,28,765.13
<b>Total</b>	<b>5,86,25,626.13</b>	<b>5,74,28,765.13</b>
<b>6. OTHER NON-CURRENT ASSETS</b>		
SGST Receivable	5,68,542.07	10,957.12
CGST Receivable	21,01,617.50	15,44,032.55
IGST Receivable	1,11,892.22	9,721.52
Electronic Cash Ledger (GST)	6,11,445.90	6,11,445.90
Tax Laibility Ledger (GST)	5,23,485.00	5,34,567.00
GST-input Tax Refund Receivalbe	25,99,332.00	25,99,332.00
Advance Sales Tax	13,38,000.00	13,38,000.00
Capital Advances	11,74,258.00	11,74,258.00
<b>Total</b>	<b>90,28,572.69</b>	<b>78,22,314.09</b>
<b>7. INVENTORIES</b>		
Raw Materials	-	-
Stock in process	-	9,28,337.00
Finished goods	8,00,000.00	2,24,16,274.00
Stores, Cotton Seed and Coal/Rice Husk	1,70,56,222.94	1,23,15,164.20
<b>Total</b>	<b>1,78,56,222.94</b>	<b>3,56,59,775.20</b>
<b>8. TRADE RECEIVABLES</b>		
(Unsecured and Considered Goods)		
Over Six Months	-	1,84,52,495.00
Consider Doubtul	-	-
	-	1,84,52,495.00
Less : Provision for Dobtful Debts	-	-
	-	1,84,52,495.00
Other Trade receivables	58,23,98,657.54	57,19,08,037.54
<b>Total</b>	<b>58,23,98,657.54</b>	<b>59,03,60,532.54</b>
<b>9. Cash &amp; cash equivalent</b>		
	10,231.00	285.11
Cash on hand	32,86,408.22	30,493.22
Current accounts	<b>32,96,639.22</b>	<b>30,778.33</b>
<b>9a. Bank Balances other than above</b>		
* In Fixed deposit with Banks	12,58,443.00	20,11,741.88
(Maturity within 12 months)		
<b>Total</b>	<b>12,58,443.00</b>	<b>20,11,741.88</b>
* Balance is TDR against BG/LC		
<b>10. Financial Assets - Loan</b>		
Loan to employee	16,189.00	(1,81,948.00)
<b>Total</b>	<b>16,189.00</b>	<b>(1,81,948.00)</b>
<b>11. Financial Assets - others (current)</b>		
(Unsecured and Considered Goods)		
Interest receivable	-	-
LIC Group Gratuity Scheme	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>12. OTHER CURRENT ASSETS</b>		
VAT credit receivable	65,89,110.41	65,89,110.41
Prepaid expenses	-	2,31,108.40
Other receivable	-	-
Advance to Suppliers	12,69,33,265.23	13,10,07,650.63
Grant Receivable From Government	12,55,58,000.00	14,39,50,000.00
PSI 2007 Mega Project Incentive Receivable		
<b>Total</b>	<b>25,90,80,375.64</b>	<b>28,17,77,869.44</b>

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>13. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
27000000 Equity shares of Rs. 10/- each (31st March 2020 - 27000000)	27,00,00,000.00	27,00,00,000.00
300000 Non Cumulative Redeemable preference shares of Rs. 100/- each (31st March 2020 - 3,00,000)	3,00,00,000.00	3,00,00,000.00
<b>Total</b>	<b>30,00,00,000.00</b>	<b>30,00,00,000.00</b>
<b>Issued and Subscribed</b>		
14707092 Equity shares of Rs. 10/- each (31st March 2020 - 14707092)	14,70,70,920.00	14,70,70,920.00
<b>Total</b>	<b>14,70,70,920.00</b>	<b>14,70,70,920.00</b>
<b>Subscribed and fully paid up</b>		
14707092 Equity shares of Rs. 10/- each (31st March 2020 - 14707092)	14,70,70,920.00	14,70,70,920.00
<b>Total</b>	<b>14,70,70,920.00</b>	<b>14,70,70,920.00</b>

**Notes :-**

- Out of the issued, subscribed and paid-up share capital of 36,000 Equity shares have been forfeited, vide Resolution passed at the meeting of the Board of Directors held on 11th Sept. 1999.
- Out of the issued subscribed and paid-up share Capital of 3700 shares pertaining to Mr. Rami Reddy K. of Guntur having Folio No.450, who has made the payment of Application money by Stock Invest, which could not be encashed and court case is pending Allotment Money Arrears ₹ 7,500/- & First Call Money arrears ₹ 11,100/- Total ₹ 18,600/-.
- Reconciliation of shares Outstanding  
Fully Paid up equity shares of ₹ 10/- each fully paid up

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	<b>No. of Shares</b>	<b>No. of Shares</b>
<b>Balance at the beginning of the year</b>	1,47,07,092.00	1,47,07,092.00
Add : Issued during the year as bonus shares		
Less : Bought back during the year		
<b>Balance at the end of the year</b>	<b>1,47,07,092.00</b>	<b>1,47,07,092.00</b>

**iv Rights, Preference and Restriction attached to shares**

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

**v List of share holders holding more than 5% of equity shares**

	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
<b>Name of Share holders</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
Priya Viniyog Pvt. Ltd.	3646588	24.79	3646588	24.79
Ranchhoddas Mathuradas Mohota (HUF)	1415400	9.62	1415400	9.62

	As At 31 <sup>st</sup> March, 2021		As At 31 <sup>st</sup> March, 2020	
<b>14. RESERVES AND SURPLUS</b>				
<b>Capital Reserve - Modvat</b>				
As per last Balance Sheet	2,02,75,373.00		2,02,75,373.00	
<b>Closing balance</b>		<b>2,02,75,373.00</b>		<b>2,02,75,373.00</b>
<b>Revaluation Reserve</b>		<b>1,57,79,28,791.00</b>		<b>1,57,79,28,791.00</b>
<b>Securities Premium Account</b>				
As per last Balance Sheet	5,53,74,373.00		5,53,74,373.00	
Add : Premium on shares issued during the year			-	-
<b>Closing balance</b>		<b>5,53,74,373.00</b>		<b>5,53,74,373.00</b>
<b>General reserve</b>				
As per last Balance Sheet	6,96,41,099.15		6,96,41,099.15	
<b>Closing balance</b>		<b>6,96,41,099.15</b>		<b>6,96,41,099.15</b>
<b>Equity Component of Preference Share a/c</b>		<b>2,45,71,515.00</b>		<b>2,45,71,515.00</b>
<b>Capital Reserve</b>				
As per last Balance Sheet	11,84,11,800.00		11,84,11,800.00	
Add : During the year	-		-	
<b>Closing balance</b>		<b>11,84,11,800.00</b>		<b>11,84,11,800.00</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>				
As per last Balance Sheet	(24,50,82,937.26)		6,31,16,098.41	
Add: Profit for the year	(17,54,13,816.35)		(30,81,99,035.67)	
Less : Proposed Final Dividend (Equity)	-		-	
Dividend on Preference shares	-		-	
Dividend distribution Tax	-		-	
<b>Closing balance</b>		<b>(42,04,96,753.61)</b>		<b>(24,50,82,937.26)</b>
<b>Total</b>		<b>1,44,57,06,197.54</b>		<b>1,62,11,20,013.89</b>
<b>15. Long-Term Borrowing</b>				
<b>Term loans</b>				
<b>Secured Loan *</b>				
State Bank of India, Corporate Loan		-		-
<b>Total - Secured Loan</b>		<b>-</b>		<b>-</b>
<b>Unsecured Loan</b>				
Loan from Others - ICD		5,86,22,964.65		5,80,13,311.65
Liability component of Preference Share		4,23,64,267.00		3,76,40,108.00
Sales tax loan from SICOM		2,05,53,066.00		1,87,79,523.00
Loan against Key Man Insurance Policy		1,19,89,066.00		1,19,89,066.00
<b>Total-Unsecured Loan</b>		<b>13,35,29,363.65</b>		<b>12,64,22,008.65</b>
<b>Total</b>		<b>13,35,29,363.65</b>		<b>12,64,22,008.65</b>
<b>Details of long-term borrowings guaranteed by some of the directors or others:</b>				
Corporate Loans from SBI,Mumbai (for VRS)	0.00		0.00	-
Less: Due within 1 year	0.00	-	0.00	-
Term Loans from Bank of India	0.00		0.00	-
Less: Due within 1 year	0.00	-	0.00	-
		<b>-</b>		<b>-</b>
<b>15a. LEASE LIABILITIES</b>		<b>231938.98</b>		<b>238524.98</b>
		<b>231938.98</b>		<b>238524.98</b>



	As At 31 <sup>st</sup> March, 2021	As At 31 <sup>st</sup> March, 2020
<b>16. , FINANCIAL LIABILITIES - Other (Non current)</b>		
<b>Deposits</b>		
Agent's Deposit & Security Deposit	36,82,509.00	60,42,400.00
Deferred Govt Grant of Sicom Loan	2,05,98,213.00	2,23,71,756.00
<b>Total</b>	<b>2,42,80,722.00</b>	<b>2,84,14,156.00</b>
<b>17. Non Current PROVISIONS</b>		
Leave Encashment	19,85,975.00	38,98,473.00
Gratuity	3,54,01,946.00	2,86,92,984.00
<b>Total</b>	<b>3,73,87,921.00</b>	<b>3,25,91,457.00</b>
<b>29. DEFERRED TAX LIABILITY / (ASSETS)</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	-	4,67,56,283.57
Expenses disallowed Under Section 43 B	-	(1,32,82,446.68)
On account of VRS us 35DDA	-	(13,93,576.02)
<b>Net deferred tax LIABILITY / (ASSETS)</b>	<b>-</b>	<b>3,20,80,260.87</b>
<b>18. SHORT-TERM BORROWINGS</b>		
<b>Secured Loan</b>		
<b>Working Capital Loan from Banks</b>		
PCFC in Foreign Currency Loans		-
Rupee Loans	69,21,32,981.57	62,08,81,336.27
<b>Total</b>	<b>69,21,32,981.57</b>	<b>62,08,81,336.27</b>
<b>From Banks:</b>		
State Bank of India	37,28,03,561.43	37,03,56,270.43
Bank of India	22,40,91,238.91	22,41,07,084.20
Interest accrued but not due	9,52,38,181.23	2,64,17,981.64
<b>Total</b>	<b>69,21,32,981.57</b>	<b>62,08,81,336.27</b>
Notes :- Working capital loans includes working capital loans and Secured Loans from State Bank of India & Bank of India is secured by hypothecation of stocks of raw materials, finished goods, stock-in-process, spare parts and book debts and is collaterally secured by way of First & second charge on the entire Fixed Assets of the company, both present and future at Hinganghat & Burkoni. Working Capital Limit from SBI carries Interest @ 12.05% p.a & BOI carries Interest @ 12.05% p.a. The said loan was NPA from Nov"2019 and they charge penal interest and other charges over and above interest rate charge by them.		
<b>TRADE PAYABLES</b>		
<b>19 Trade Payables (including acceptances)</b>	29,01,75,121.77	30,32,27,082.21
<b>19a Trade Payables - MSME</b>	1,22,15,437.00	1,29,74,410.00
<b>Total</b>	<b>30,23,90,558.77</b>	<b>31,62,01,492.21</b>
Notes :- Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and/or interest and accordingly no additional disclosures are required.		
<b>20. FINANCIAL LIABILITIES - Other (CURRENT)</b>		
Current maturities of long-term debt @	-	-
LIC Premium Staff deduction	19,521.00	10,422.00
Wages & Salaries Payable	1,29,81,215.00	1,07,02,550.00
Commission & Brokerage Payable	37,33,225.00	37,33,225.00
Provision for expenses	1,18,27,633.00	40,11,109.00
Employee related payable including Bonus	54,51,147.00	60,78,849.00
Others Payable	(3,81,323.51)	8,20,755.08
MSE Interest Payable @12%	69,42,864.00	24,50,731.00
<b>Total</b>	<b>4,05,74,281.49</b>	<b>2,78,07,641.08</b>
@ Includes Term loan repayment due within one year.		
<b>21. OTHER CURRENT LIABILITIES</b>		
Statutory Liabilities	3,43,03,601.76	1,54,38,307.15
Advances from Customers	97,03,507.37	73,33,981.37
Tax Payable against RCM		11,176.00
<b>Total</b>	<b>4,40,07,109.13</b>	<b>2,27,83,464.52</b>
<b>17a.SHORT-TERM PROVISIONS</b>		
Gratuity	87,89,933.00	67,08,962.00
Leave Encashment	2,50,033.00	1,00,000.00
<b>Total</b>	<b>90,39,966.00</b>	<b>68,08,962.00</b>
<b>17b.Current Tax Liabilities (Net)</b>		
Tax Provision	4,27,95,890.00	4,27,95,890.00
<b>Total</b>	<b>4,27,95,890.00</b>	<b>4,27,95,890.00</b>

	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>22. Revenue From Operations</b>		
Sale of products	97,126.14	1,04,49,96,103.06
Sale of services (Job Charges)	7,82,47,888.00	6,55,47,748.00
Other operating revenues	3,71,893.00	2,33,42,531.44
<b>Total</b>	<b>7,87,16,907.14</b>	<b>1,13,38,86,382.50</b>
<b>Sale of Products Comprises</b>		
<b>Manufactured goods</b>		
Cloth Sales	31,908.64	68,01,02,935.36
Synthetic Cloth (RMG)	-	9,89,84,508.30
Cotton Yarn	17,887.50	3,51,92,222.40
P. V. Yarn	(24,34,097.00)	22,64,49,895.00
Hard Waste	5,12,993.00	11,50,155.00
Soft Waste	19,68,434.00	40,70,049.00
Dhoti Sales	-	-
Less : Mvat Paid	-	(9,53,662.00)
<b>Total - Sale of manufactured goods</b>	<b>97,126.14</b>	<b>1,04,49,96,103.06</b>
<b>Traded goods</b>		
Cotton Yarn	-	-
<b>Total - Sale of traded goods</b>		
	-	-
<b>Total - Sale of products</b>	<b>97,126.14</b>	<b>1,04,49,96,103.06</b>
<b>Sale of services comprises</b>		
Job Charges	7,82,45,088.00	6,55,46,948.00
Testing Charges	2,800.00	800.00
<b>Total - Sale of services</b>	<b>7,82,47,888.00</b>	<b>6,55,47,748.00</b>
Duty drawback and other export incentives	-	4,96,581.00
Interest received on Trade Receivable	3,71,893.00	3,45,950.44
PSI 2007 Mega Incentive Receipt #	-	2,25,00,000.00
<b>Total - Other operating revenues</b>	<b>3,71,893.00</b>	<b>2,33,42,531.44</b>
<b>23. Other Income</b>		
Scrap Sale	5,00,000.00	10,00,005.00
Interest Received on Deposits / TDR	17,909.00	5,84,784.22
Sundry Receipts	20,54,822.39	-
Agriculture Income / (Loss)	-	-
Profit / (Loss) on Sale of Fixed Assets (Net)	24,84,651.80	41,23,380.07
Foreign Exchange Gain / (Loss)	-	16,75,224.00
Deferred Income on Sicom Loan	17,73,543.00	18,02,203.00
Loss in share of partnership firm - KC Mohunta & Brother	-	(1,27,207.18)
<b>Total - Other Income</b>	<b>68,30,926.19</b>	<b>90,58,389.11</b>

# PSI 2007 Mega incentive receipt is taken as a operating revenue due to amendment in section 2C (24) clause (XV III) for AY 2020 - 21

	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>24. Cost Of Materials Consumed</b>		
Raw Materials Consumed	(59,043.00)	62,91,36,231.47
Store & Spares Parts Consumed	-	2,73,91,445.33
<b>Total</b>	<b>(59,043.00)</b>	<b>65,65,27,676.80</b>
<b>24.a Purchase Of Traded Goods</b>		
Yarn Export Trading Purchases	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>24.b Changes In Inventories Of Finished Goods &amp; Stock In Process</b>		
<b>Closing Stock</b>		
Finished goods	8,00,000.00	2,24,16,274.00
Stock in Process	-	9,28,337.00
	<b>8,00,000.00</b>	<b>2,33,44,611.00</b>
<b>Opening Stock</b>		
Finished goods	2,24,16,274.00	32,78,64,457.00
Stock in Process	9,28,337.00	13,65,72,645.00
	<b>2,33,44,611.00</b>	<b>46,44,37,102.00</b>
<b>PLEDGE GOODS DIRECTLY SOLD BY BOI</b>	<b>90,51,000.00</b>	<b>-</b>
<b>Net (Increase) / Decrease</b>	<b>1,34,93,611.00</b>	<b>44,10,92,491.00</b>
<b>25. Employee Benefits Expenses</b>		
Salaries and wages	8,13,40,777.28	12,70,18,013.00
Contributions to Provident fund and other funds	73,66,851.00	1,31,56,305.00
Staff Welfare Expenses	33,66,776.00	1,19,06,377.00
Less : Remeasurements of the defined benefit plans	-	2,58,910.00
<b>Total</b>	<b>9,20,74,404.28</b>	<b>15,18,21,785.00</b>
<b>26. Finance Costs</b>		
Interest on Term Loan	33,73,498.00	48,63,926.00
Interest on Working Capital	6,90,42,870.76	7,27,57,698.28
Interest on Others	7,28,312.61	1,16,95,999.83
Interest on Preference Shares	47,24,159.00	42,08,031.00
Interest on Sicom Loan	17,73,543.00	18,02,203.00
Unwinding of Lease Liabilities	-	30,192.75
Interest on MSME @12%	44,92,133.00	24,50,731.00
Bank charges	11,85,347.36	20,67,665.50
<b>Total</b>	<b>8,53,19,863.73</b>	<b>9,98,76,447.36</b>

	For the year ended 31 <sup>st</sup> March, 2021		For the year ended 31 <sup>st</sup> March, 2020
<b>27. DEPRECIATION AND AMORTISATION EXPENSES</b>			
Depreciation		3,02,70,455.84	3,07,01,664.68
Amortization		15,115.59	15,157.01
<b>Total</b>		<b>3,02,85,571.43</b>	<b>3,07,16,821.69</b>
<b>28. OTHER EXPENSES</b>			
<b>Manufacturing Expenses</b>			
Job Charges	49,497.00		7,61,821.00
Power and fuel	3,28,71,963.0		7,58,50,079.14
Rent including lease rentals	4,69,000.00		3,99,030.00
Repairs and maintenance - Buildings	48,500.00		14,82,416.00
- Machinery	2,50,720.00		21,54,440.84
- Others	17,025.00		6,37,716.00
		<b>3,37,06,705.00</b>	<b>8,12,85,502.98</b>
<b>Selling and Distribution Expenses</b>			
Freight and forwarding	1,75,998.09		24,27,875.13
Shipping & Sampling Expenses	0.00		2,500.00
Sales commission	0.00		53,15,513.78
		<b>1,75,998.09</b>	<b>77,45,888.91</b>
<b>Establishment Expenses</b>			
Insurance	43,824.00		14,85,166.00
Rates and taxes excluding taxes on income	4,00,453.78		12,98,176.50
Communication cost exp.	48,484.40		2,65,900.98
Managerial Remuneration	0.00		7,23,000.00
Director Seating Fees	16,000.00		20,000.00
Travelling and conveyance	1,35,161.00		12,47,376.34
Printing and stationery	47,423.13		92,145.50
Motor Vehicle Expenses	6,47,772.00		20,25,606.74
Business promotion	57,503.36		37,738.28
Donations and contributions	0.00		-
Legal and professional	39,23,823.00		54,01,578.60
Payments to Auditors	3,30,000.00		5,37,672.00
Testing & Certification fees	0.00		7,975.00
Membership & Subscription	0.00		29,758.00
Central Sales Tax Paid	0.00		-
DOUBT	46,408.88		1,27,831.22
Books & Periodicals	0.00		4,020.00
Inspection Charges	0.00		0.00
Electricity Charges	77,524.00		2,08,783.00
Boiler Inspection fees	4,029.60		0.00
Bad Debts	0.00		0.00
New Project Expenses	0.00		0.00
Provision for Doubtful debts	0.00		0.00
Miscellaneous expenses	1,86,132.00	59,64,539.15	3,85,816.25
<b>Total</b>		<b>3,98,47,242.24</b>	<b>10,29,29,936.30</b>
<b>28a Payments to Auditors</b>			
For Statutory Audit	3,00,000.00		3,00,000.00
For Taxation matters	30,000.00		30,000.00
For Other Services	0.00		1,27,100.00
Reimbursement of expenses	0.00		80,572.00
<b>Total</b>		<b>3,30,000.00</b>	<b>5,37,672.00</b>

As per our Report of even date  
**For B P S D AND ASSOCIAES**  
Chartered Accountants  
Firm Registration No. 118251W  
**Rohit Aherrao**  
Partner  
Membership No. 131647

Place : Hinganghat  
Date : 28 June 2021

**For and on behalf of the Board of Directors**

<b>Vinod Kumar Mohota</b> Chairman & Managing Director	<b>Vinay Kumar Mohota</b> Director	<b>Mukesh Mahajan</b> C. F. O.
<b>Pradip Harne</b> Director	<b>Sachin Kanojiya</b> C. S.	

**30. Employee benefit obligation**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Non-current	Current	Non-current	Current
Compensated absences	18.74	18.74	16.24	1.96
Gratuity	353.44	353.44	265.54	88.48
<b>Total</b>	<b>372.18</b>	<b>372.18</b>	<b>281.78</b>	<b>90.44</b>

**(i) Defined benefit plan - Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Present value of obligation as at the beginning of the year</b>	<b>597.91</b>	<b>607.18</b>
Current service cost	-	41.09
Interest expense	-	<b>45.36</b>
Past Service Cost/ Interest Income	<b>15.82</b>	-
<b>Total amount recognized in profit or loss</b>	<b>(15.82)</b>	<b>86.45</b>
<b>Remeasurements</b>		
(Gain)/loss from change in financial assumptions	119.53	<b>27.63</b>
Experience (gains)/losses	-	(37.13)
Return of plan Assets (excluding interest income)	-	<b>7.62</b>
<b>Total amount recognised in other comprehensive income</b>	<b>-</b>	<b>(1.88)</b>
<b>Benefit payments</b>	<b>(66.17)</b>	<b>(93.84)</b>
<b>Present value of obligation as at the end of the year</b>	<b>635.45</b>	<b>597.91</b>

**Note:** Due to lack of working capital and covid-19 pandemic company has not done actuarial valuation. The present value of obligation at the end of the year has been calculated on the basis of IN House gratuity valuation basis. After taking into consideration LIC group gratuity balance as on March 31, 2021.

**Significant estimates: actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Expected return on Plan Assets	N.A.	7.47%
Rate of Discounting	N.A.	7.47%
Rate of Salary Increase	N.A.	4.50%
Rate of Employee Turnover	N.A.	2.50%
Mortality Rate During Employment	N.A.	Indian Assured Lives
	N.A.	Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

Assumptions regarding future mortality rates are based on Indian Assured Lives Mortality (2006-08) Ultimate as published by Insurance Regulatory and Development Authority (IRDA).

**The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:**

	Year ended 31 <sup>st</sup> March 2021
Discount rate (1% increase)	NA
Discount rate (1% decrease)	NA
Future salary growth (1% increase)	NA
Future salary growth (1% decrease)	NA

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(ii) Defined contribution plan**

The Company also has certain defined contribution plan. Contributions are made to provident fund and Employee State Insurance Scheme for employees at the specified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is Rs.4,41,91,879/- (31 March 2020: Rs. 3,54,01,946/-).

**31. Related party transaction**

**DISCLOSURE UNDER INDIAN ACCOUNTING STANDARD 24 - RELATED PARTY DISCLOSURES**

**( I ) Name of related Party and nature of relationship where control exists are as under :**

**a. Other Related Parties**

M/s. Crome Textiles Pvt. Ltd.

M/s. Navrang Enterprises

**b. Key Management Personnel**

Vinod Kumar Mohota	-	Chairman and Managing Director
Vinay Kumar Mohota	-	Director
Santosh Kumar Rajpuria	-	Director
Pradip Harne	-	Director
Mukesh B. Mahajan	-	CFO
Sachin N. Kanojiya	-	Company Secretary

**c. Relatives of Key Management Personnel**

Kirandevi Bhagat

Vibha Agarwal

Vaibhav Kumar Mohota

**( II ) Transactions with Related Parties for the year ended 31<sup>st</sup> March 2021****a. Other related party****b. Key Management Personnel**

( ₹ in Lakhs)

Particulars	Vinod Kumar Mohota		Vinay Kumar Mohota		Santosh Kumar Rajpuria	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Remuneration	-	3.78	-	3.45	2.74	3.24
Expenses	-	-	-	-	-	-
Rent and other services	0.90	-	2.19	-	-	-
Salary	-	-	-	-	-	0

( ₹ in Lakhs)

Particulars	Pradip Harne		Mukesh B. Mahajan		Sachin N. Kanojiya	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Remuneration	0.30	-	-	-	-	-
Expenses	-	-	-	-	-	-
Rent & Other Services	-	-	-	-	-	-
Salary	0	-	7.13	9.57	3.51	4.71

**c. Relatives of Key Management Personnel**

Particulars	Kirandevi Bhagat		Vibha Agrawal		Vaibhav Kumar Mohota	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Expenses	-	-	-	-	-	-
Rent and other services	-	-	0.36	0.36	-	-
Salary	-	-	-	-	-	3.95



### 32. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

#### i. Profit attributable to Equity holders

(₹ in Lakhs)

	March 31, 2021	March 31, 2020
Profit attributable to equity holders of the parent:		
Continuing operations	(1754.13)	(3079.40)
<b>Profit attributable to equity holders for basic earnings</b>	<b>(1754.13)</b>	<b>(3079.40)</b>

#### ii. Weighted average number of ordinary shares

	March 31, 2021 Nos.	March 31, 2020 Nos.
Issued ordinary shares	1,47,07,092	1,47,07,092
Effect of shares issued during the year	-	-
<b>Weighted average number of shares at March 31 for basic EPS</b>	<b>1,47,07,092</b>	<b>1,47,07,092</b>

#### iii. Basic and Diluted earnings per share

	March 31, 2021 (₹)	March 31, 2020 (₹)
Basic earnings per share	(11.93)	(20.94)
Diluted earnings per share	(11.93)	(20.94)

### 33. Lease Classification

In accordance with Accounting Standard on Leases (INDAS-17) disclosures in respect of Leases are made below :

The Company has taken certain office/factory premises on operating lease basis (cancellable leases). Such leases are generally with the option of renewal against increases rent and premature termination of agreement. So the disclosure requirement of Ind AS 17 showing minimum lease payment for less than 1 year between more than 1 year and less than 5 year, and more than 5 years is not applicable. Lease payments in respect of such leases recognized in statement of Profit & Loss ₹ 3,99,030/- (previous year ₹ 22,45,830/-).

### 34. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Maharashtra Municipal Tax	180.91	180.91
2 Bank Guarantees	1.43	92.91

### Notes

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

### 35. Segment reporting

The Company operates in one business segment namely "Textiles". The Company's secondary segments are the geographical distribution of activities. Revenue and receivables are specified by location of customers. The following table presents revenue, expenditure and certain information regarding Company's geographical segments:

(₹ in Lakhs)

Particulars	Figures for the Year Ended	
	31-Mar-21	31-Mar-20
<b>Segment Revenue</b>		
(a) India	787.17	11,338.86
(b) Rest of the World	-	-
<b>Net Sales / Income from Operation</b>	<b>787.17</b>	<b>11,338.86</b>
<b>Segment Profit Before Interest &amp; Taxes</b>		
(a) India	(900.94)	(2401.44)
(b) Rest of the World	-	-
<b>Segment Total</b>	<b>(900.94)</b>	<b>(2401.44)</b>
Less : Finance Cost	853.20	998.76
Less : Taxes	-	(320.80)
<b>Total Profit After Tax</b>	<b>(1754.14)</b>	<b>(3079.40)</b>

### 36. Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes maturities of finance lease obligations.

The Company monitors capital on the basis of the following gearing ratio:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	8257	7473
Cash and bank balances	46	20
Net debt (I)	8211	7453
Equity (ii)	15928	17682
<b>Debt to Equity Ratio (i / ii)</b>	<b>0.51</b>	<b>0.42</b>

### 37. Financial Instrument - Accounting classifications and fair values measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowance are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy :

As at 31 March 2021

(₹ in Lakhs)

Particulars	Carrying Amount			Total carrying amount	Fair value		
	FVOCI - equity instruments	Financial assets amortised cost	Financial liabilities amortised cost		Level 1	Level 2	Level 3
<b>Financial Assets</b>							
Cash and cash equivalents	-	45.55	-	45.55	-	-	-
Short-term loans and advances	-	0.16	-	0.16	-	-	-
Trade and other receivables	-	5832.99	-	5832.99	-	-	-
Non Current Investments	-	1,554.32	-	1,554.32	-	-	-
Other Current financial Assets	-	-	-	-	-	-	-
Other Non Current financial Assets	-	460.19	-	460.19	-	-	-
<b>Total Financial Assets</b>	-	<b>7,893.21</b>	-	<b>7,893.21</b>	-	-	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	3,023.90	3,023.90	-	-	-
Other Current financial liabilities	-	-	405.74	405.74	-	-	-
Other Non Current financial liabilities	-	-	242.81	242.81	-	-	-
Current Borrowings	-	-	6921.33	6921.33	-	-	-
Non Current Borrowings	-	-	1335.29	1335.29	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>11,929.07</b>	<b>11,929.07</b>	-	-	-

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

As at 31 March 2020

(₹ in Lakhs)

Particulars	Carrying Amount			Total carrying amount	Fair value		
	FVOCI - equity instruments	Financial assets amortised cost	Financial liabilities amortised cost		Level 1	Level 2	Level 3
<b>Financial Assets</b>							
Cash and cash equivalents	-	20.12	-	20.12	-	-	-
Short-term loans and advances	-	(1.82)	-	(1.82)	-	-	-
Trade and other receivables	-	5,903.61	-	5,903.61	-	-	-
Non Current Investments	-	1,554.32	-	1,554.32	-	-	-
Other Current financial Assets	-	-	-	-	-	-	-
Other Non Current financial Assets	-	444.92	-	444.92	-	-	-
<b>Total Financial Assets</b>	-	<b>7,921.15</b>	-	<b>7,921.15</b>	-	-	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	3,162.01	3,162.01	-	-	-
Other Current financial liabilities	-	-	278.08	278.08	-	-	-
Other Non Current financial liabilities	-	-	284.14	284.14	-	-	-
Current Borrowings	-	-	6,208.81	6,208.81	-	-	-
Non Current Borrowings	-	-	1,264.22	1,264.22	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>11,197.26</b>	<b>11,197.26</b>	-	-	-

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

## Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

## Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company conduct yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

### i. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amount of following financial assets represents the maximum credit exposure:

( ₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	5,823.99	5,903.61
Cash and cash equivalents	45.55	20.12
Loans	0.16	(1.82)
Other financial assets	51.41	39.99

### Trade and other receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 8. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

### Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. Counter party credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and un-discounted, and include estimated interest payments and exclude the impact of netting agreements.

**Contractual Cash Flows**

(₹ in Lakhs)

As at 31 March 2021	Carrying amount	Total	Upto 1 year	1-3 years	3-5years	More than 5 years
Borrowings	6,921.33	6,921.33	-	6,921.33	-	-
Trade and other payables	3,023.90	3,023.90	-	3,023.90	-	-
Other financial liabilities	405.74	405.74	-	405.74	-	-

**Contractual Cash Flows**

March 31, 2020	Carrying amount	Total	Upto 1 year	1-3 years	3-5years	More than 5 years
Borrowings	6,208.81	6,208.81	6,208.81	-	-	-
Trade and other payables	3,162.01	3,162.01	3,162.01	-	-	-
Other financial liabilities	278.08	278.08	278.08	-	-	-

**iii. Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing/mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

**Currency risk**

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

"The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows:"

(in Lakhs)

Particulars	March 31, 2021 USD	March 31, 2020 USD
Export receivables	0.00	0.00
Packing Credit Loan	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

The Company has used forward exchange contracts to hedge the currency exposure and therefore, not exposed to significant currency risk at the respective reporting dates.

**Sensitivity analysis**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax

Particulars	2020-21		2019-20	
	1% increase	1% decrease	1% increase	1% decrease
USD	0.00	(0.00)	0.00	(0.00)
<b>Increase/(decrease) in Profit or Loss</b>	<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>	<b>(0.00)</b>

**iv. Interest risk**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Deposit with banks	12.58	211.17
	<b>12.58</b>	<b>211.17</b>
<b>Variable-rate instruments</b>		
<b>Financial liabilities</b>		
Overdraft against fixed deposit	8,256.62	7,473.03
	<b>8,256.62</b>	<b>7,473.03</b>

**Cash flow sensitivity analysis for variable-rate instruments**

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

( ₹ in Lakhs)

Particulars	Profit or loss
<b>31 March 2021</b>	
Variable-rate instruments	82.56
<b>Cash flow sensitivity</b>	<b>82.56</b>
<b>31 March 2020</b>	
Variable-rate instruments	74.73
<b>Cash flow sensitivity</b>	<b>74.73</b>

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

**38. Previous year figures have been regrouped or arranged wherever necessary.**

As per our Report of even date  
**For B P S D AND ASSOCIAES**

Chartered Accountants  
Firm Registration No. 118251W

**Rohit Aherrao**  
Partner  
Membership No. 131647

Place : Hinganghat  
Date : 28 June 2021

**Sd/-**  
**Vinod Kumar Mohota**  
Chairman & Managing Director

**Sd/-**  
**Mukesh Mahajan**  
C. F. O.

**For and on behalf of the Board of Directors**

**Sd/-**  
**Vinay Kumar Mohota**  
Director

**Sd/-**  
**Sachin Kanojiya**  
C. S.

## Notes to the financial statements for the year ended 31 March 2021

### 1. Reporting entity

Mohota Industries Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 409, 4th Floor, 174-Gold Mohur CHS Ltd., Shamaldas Gandhi Marg, Kalbadevi, Mumbai - 400 002. The equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) in India. The Company is primarily involved in Textile manufacturing. The manufacturing facilities of the Company is located at Hinganghat and Burkoni. Now the Company is running with Job Work only at its Hinganghat.

### 1 Basis of preparation

#### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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.

The financial statements were authorised for issue by the Company's Board of Directors on 28th June, 2021. Details of the Company's accounting policies are included in Note 2.

#### b. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

#### c. Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets/liabilities measured at fair value.

#### d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

#### Note 34 – lease; whether an arrangement contains a lease and;

#### Note 34 – lease classification

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2021 is included in the following notes:

- Note 3 – useful life of Property, plant and equipment
- Note 31 – employee benefit plans
- Note 29 – Income taxes
- Note 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

#### e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.



- Level1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level2: inputs other than quoted prices included in Level1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall in to different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 2. Significant accounting policies

### a. Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipments recognized in profit or loss.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognized in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate useful life	Useful life as per Schedule II of the Companies Act, 2013
Building	30 Years	30 Years
Plant and machinery (including moulds)	15 years	15 years
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Computer server	3 years	6 years
Vehicles- Motor car	8 years	8 years
Electric fittings	10 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

**b. Intangible assets**

**i. Acquired intangible**

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

**iii. Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**c. Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase price, duties, transport & handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost remains as follows:

- a) Raw material, packing material: Moving weighted average cost.
- b) Stores & Spares: Moving weighted average cost.
- c) Work-in-progress: Cost of input plus overhead up to the stage of completion.
- d) Finished Goods: Cost of input plus appropriate overhead.

**d. Impairment**

Impairment of non-financial assets

- a) An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.
- b) Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal.
- c) Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context.
- d) Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para 12 of Ind AS-36.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**e. Employee benefits**

**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an un-discounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

**iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of

contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iv. Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognized in profit or loss in the period in which they arise.

**f. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

**g. Leases**

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

**h. Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

**i. Revenue**

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2018. Revenue from the

sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

Revenue from services is recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

Dividend income is recognised when the right to receive payment is established and known.

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2020 to 2021.

**j. Foreign currency transactions**

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**k. Recognition of interest income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**l. Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

**m. Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it

has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis

**n. Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

**o. Cash flow statement**

Cash Flows are reported using indirect method, where by profit /loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

**p. Financial instruments**

**i. Recognition and initial measurement**

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii. Classification and subsequent measurement**

**Financial assets**

**Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii. Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Impairment of financial assets**

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

#### iv. Off setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

#### q. Recent accounting pronouncements

- Ind AS 116 Leases: Ministry of Corporate Affairs has notified Ind AS 116, Leases on March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

- Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.
- Amendment to Ind AS 19 – plan amendment, curtailment or settlement: The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:
  - a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
  - b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

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**Form No. MGT-12  
Polling Paper**

Sr. No. \_\_\_\_\_

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	<b>MOHOTA INDUSTRIES LIMITED</b> (Formerly - The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. ) CIN : L99999MH1946 PLC005261
Registered office	409, 4th Floor; 174-Gold Mohur CHS Ltd., Shamaldas Gandhi Marg, Kalbadevi, Mumbai – 400 002.

**BALLOT PAPER**

Sr. No.	Particulars	Details
1.	Name of the First named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No./ * Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	<b>Equity</b>

I/We hereby exercise my/our vote in respect of Resolutions set out in the Notice of the Annual General Meeting (AGM) of the Company to be held on Thursday the 30th day of September, 2021 by sending my/our assent or dissent of the said Resolutions by placing the tick (✓) in the appropriate boxes given below -:

No.	Item No.	No. of Shares held by me	I Assent to the Resolution (✓)	I Dissent from the Resolution (✓)
1.	Adoption of Financial Statements for the Financial Year ended 31st March, 2021, reports of Board and auditor thereon.			
2.	To appoint a director in place of Shri Vinod Kumar Mohota, who retires by rotation and being eligible offers himself for re-appointment			
3.	To ratify the Appointment of M/s. BPSD & Associates, Chartered Accountants, (ICAI Registration no. 118251W), Nagpur as the statutory Auditor.			
4.	Appointment of Shri Pradip Wasudeorao Harne (DIN: 09084304), as Whole Time Director of the Company			

Place:

Date:

**Signature of the shareholder(s) /  
Proxy Holder**

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Folio No. :

Dear Shareholder,

**Unit : Mohota Industries Limited (INE313D01013)**  
**Sub.: Mandatory update of PAN and Bank details**

Pursuant to SEBI circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Share Transfer Agent (RTA) for registration under their folio.

As per the records of the Company / RTA, your folio needs to be updated with the PAN and complete bank account details.

Hence you are requested to submit the following documents within 21 days of receipt of this communication:

- Enclosed form duly filled in and signed by the shareholder (including joint holders)
- Self-attested copy of PAN card of the shareholder (including joint holders)
- Cancelled cheque leaf should bear the name of account holder (In absence of personalised cheque, self-attested copy of first page of pass book)
- Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

In case if you have any queries or need any assistance in this regard, please contact us at the following address :

**Bigshare Services Pvt. Ltd**  
**1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol**  
**Andheri East, Mumbai – 400 059**  
**Tel. No. 91 22 62638200 / Email : investor@bigshareonline.com**

**Important information: In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares converted into demat form at the earliest.**

Thanking you,

Yours faithfully,

**For Bigshare Services Pvt Ltd.**

Sd/-

Authorised Signatory

Encl : as above

## FORM FOR FURNISHING PAN AND BANK DETAILS

### Bigshare Services Pvt. Ltd

1st Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road, Marol  
Andheri East, Mumbai – 400 059

Dear Sir/Madam,

**Unit: Mohota Industries Limited (INE313D01013)**

I/we hereby furnish our PAN and bank mandate details for updating in your records. I/we am/are enclosing herewith:

- 1) Self-attested copy of PAN card of the shareholder (including joint holders)
- 2) Original personalized cancelled cheque leaf / First page of bank pass book
- 3) Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

Folio No.	
Mobile No.	
E-Mail id	

Bank Account Details : (for electronic credit of dividends)									
Name of the Bank									
Name of the Branch									
Account Number (as appearing in cheque book)									
Account Type (Please tick as applicable)	Saving	Current	Cash Credit						
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification									
11 Digit IFSC Code									

	Name	PAN	Signature (as per specimen registered with the Company / RTA)
First Holder :			
Joint Holder 1 :			
Joint Holder 2 :			

**Form No. MGT-11****Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : L99999MH1946 PLC005261  
Name of the Company : Mohota Industries Limited  
Registered office : 409, 4th Floor, 174-Gold Mohur CHS Ltd., Shamaldas Gandhi Marg, Kalbadevi, Mumbai – 400 002.

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/ We being the member(s) of .....shares, of the above named Company hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing  
him
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing  
him
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 74th Annual General Meeting of members of the Company, to be held at Block No.15, 3rd Floor, Devkaran Mansion, Gate No.2, 63 Princess Street, Mumbai – 400002 on Thursday, the 30th September, 2021 at 10.30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions
1	Adoption of Financial Statements for the Financial Year ended 31st March, 2021, reports of Board and auditor thereon.
2	To appoint a director in place of Shri Vinod Kumar Mohota, who retires by rotation and being eligible offers himself for re-appointment
3	To ratify the Appointment of M/s. BPSD & Associates, Chartered Accountants, (ICAI Registration no. 118251W), Nagpur as the statutory Auditor.
4	Appointment of Shri Pradip Wasudeorao Harne (DIN: 09084304), as Whole Time Director of the Company

Signature of Shareholder \_\_\_\_\_ Signed this ..... day of ..... 2021

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

### Route Map: AGM Venue of Mohota Industries Limited.



## MOHOTA INDUSTRIES LIMITED.

Regd. Office : 409, 4th Floor, 174-Gold Mohur CHS Ltd., Shamaldas Gandhi Marg, Kalbadevi, Mumbai – 400 002.

D.P. ID.*	
Client ID.*	

L.F. No.	
No of Shares	

### ATTENDANCE SLIP

I/ We hereby record My/our presence at the 74th ANNUAL GENERAL MEETING of the Company held at Block No. 15, 3rd Floor, Devkaran Mansion Gate, No. 2, 63, Princess Street, Mumbai – 400 002 on Thursday, the 30th September, 2021 at 10.30 A.M.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

\*Applicable for investors holding shares in Electronic Form.

#### Note:

- 1) You are requested to sign and hand over this slip at the Meeting Venue.
- 2) If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

## Notes

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