

Board of Directors

Chairman

Dr. Ranchhoddas Mohota

Managing Director

Shri Vinodkumar Mohota

Directors

Shri Vinay Kumar Mohota

Shri S. B. Singhvi

Shri G. G. Singhee

Shri Pavan Poddar

Shri Suresh Rathi

Bankers

State Bank of India

Bank of India

Auditors

M/s. Batliboi & Purohit

Chartered Accountants, Mumbai

Registered Office

Block no. 15, 3rd Floor, Devkaran Mansion, Gate No. 2,
63, Princess Street, Mumbai - 400 002

Corporate Office

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

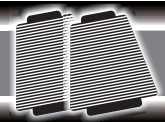
Export Office

309, ACME Plaza, Andheri Kurla Road, Andheri (E)
Mumbai - 400 059

Works

a) Ram Mandir Ward, Hinganghat

b) Village Burkoni, Tah. Hinganghat

**NOTICE OF ANNUAL GENERAL MEETING**

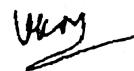
Notice is hereby given that the 67th Annual General Meeting of the Members of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. will be held on Saturday the 27th day of September, 2014 at 10.30 a.m. at the Registered Office of the Company at Block No.15, 3rd Floor, Devkaran Mansion, Gate No.2, 63, Princess Street, Mumbai - 400 002 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2014, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vinay kumar Mohota, who retires by rotation and being eligible, offers himself for re-appointment..
3. To appoint a Director in place of Shri Shantilal B. Singhvi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Pavan Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification the following resolution:

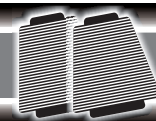
“RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Batliboi & Purohit, Chartered Accountants, Mumbai, the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration and reimbursement of the expenses for the said period.”

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



Vinod Kumar Mohota
Managing Director

HINGANGHAT
Date : 25.08.2014

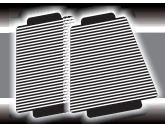

NOTES:

- i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/herself and the proxy need not be a member of the Company. The Proxies in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- ii. The Register of Members and Share Transfer Books of the Company will remain closed **from 20th September 2014 to 27th September, 2014** (both days inclusive).
- iii. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
- iv. Members are requested to bring their copy of the Annual Report to the Meeting.
- v. Members are requested to send their queries, if any, in writing at least 10 days in advance of the day of the meeting.
- vi. The information required to be provided under the listing agreements entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/reappointed is annexed hereto.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

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



FINANCIAL HIGHLIGHTS

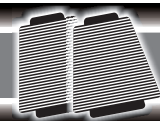
(Rs.in lacs)

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

* Gross Block increased by Rs.776.88 Lacs due to revaluation of factory building of Hinganghat Unit

** Gross Block decreased due to slump sale of Wani Unit.

The previous year figures are regrouped wherever necessary.



DIRECTORS' REPORT :

Dear Members,

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

FINANCIAL RESULTS

(Rs.in Lacs)

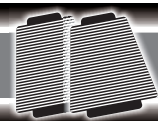
	For The Year ended 31st March 2014	For The Year ended 31st March 2013
Gross Revenue 28312.88	25218.66	
Gross Profit (before interest, depreciation & tax)	1606.15	1497.56
Less : Interest	1024.69	1017.32
Depreciation	419.75	455.49
Profit before tax & extraordinary Item	161.71	24.75
Add : Extraordinary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

DIVIDEND

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

BONUS SHARES

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



OPERATIONS

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

EXPORTS

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

CURRENT AND FUTURE OUTLOOK

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

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

OPPORTUNITIES AND CHALLENGES

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

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

MODERNISATION / EXPANSION

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

DEPOSITS

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

DIRECTORS

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

AUDITORS

Your Company's Auditor, M/s. Batliboi & Purohit, Chartered Accountants, Mumbai retire at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

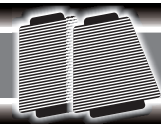
AUDITOR'S REPORT

The observations made in the Auditor's Report are dealt with separately in the Notes to the Statement of Profit and Loss and the Balance Sheet in Note No. 23 to 39 of the Accounts. These are self explanatory and do not call for any further comments.

COST AUDITORS

The Board of Directors have re-appointed M/s G. R. Paliwal & Company, Cost Accountants, Nagpur as the Cost Auditors of the Company pursuant to Section 233B of The Companies Act, 1956, for conducting the Cost Audit Records of the Company for the financial year 2013-2014, which has been approved by the Central Government.

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



SAFETY AND POLLUTION CONTROL

Your company accords priority to the health and safety of its employees and surroundings. It has been taking proper care in complying with all the statutory requirements relating to safety, environment and pollution control.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors state,

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31.03.2014 and of the profit/loss of the company for the year ended on 31.03.2014;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- d) that the directors have prepared the annual accounts on a going concern basis.

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

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

CORPORATE GOVERNANCE

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

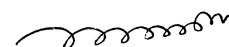
PERSONNEL

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

ACKNOWLEDGEMENTS

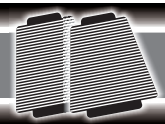
The Directors wish to place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions and Shareholders. The Directors also record their sense of appreciation for the sincere services rendered by all the Executives and Staff of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

On Behalf of the Board



Dr. Ranchhoddas Mohota
Chairman

Place : Hinganghat
Dated: 31/05/2014



ANNEXURE 'I' TO DIRECTORS' REPORT

Information as per section 217(1)(e) read with rule 2 of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2014

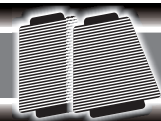
I. CONSERVATION OF ENERGY

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

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

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

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



II. TECHNOLOGY ABSORPTION

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

FORM B

I. Research and Development (R & D)

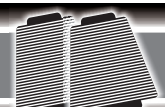
1. **Specific areas** : The R & D activities of the Company are aimed at quality control and improvement/up-gradation of the product range.
2. **Benefits derived** : Improvement in product quality, development of new value added products and cost effectiveness.
3. **Future plan of action** : Development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

II. Technology Absorption, adoption and innovation :

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

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

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

Green Initiative in Corporate Governance : Save Paper

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

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

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

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

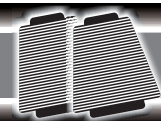
In case you desire to receive the Annual Report in electronic form, please inform us by sending us an e-mail on info@rsrmm.com / finance@rsrmm.com / info@bigshareonline.com mentioning your DP ID, Client ID. Your mail will be considered as an affirmation and accordingly the Annual Report will be sent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

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

The Annual Report will also be displayed on our Company's website : www.rsrmm.com in due course of time.

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

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



1. BOARD OF DIRECTORS ("BOARD")

The Board of directors has adequate representation of the professional, qualified, non-executive and Independent Directors. 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 Board of Company consists of Seven Directors, of whom three are executive and Four are non-executive directors. The Chairman of the Board is a non-executive director.

The non-executive directors are eminent industrialists and professionals with experience in management, finance and law, who bring in a wide range of skills and experience in the Board.

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

Composition of the Board:

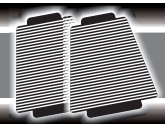
Name of the Director	Designation	Category	Directorship in other companies	No. of memberships in Board Committees as	
				Chairman	Member
Shri Ranchhoddas Mohota	Chairman	Non- Executive	----	---	---
Shri Vinod Kumar Mohota	Managing Director	Executive	----	1	1
Shri Vinay Kumar Mohota	Director	Executive	----	---	1
Shri Shantilal B. Singhvi	Director	Executive	---	---	2
Shri G.G.Singhee	Director	Independent	2	1	1
Shri Pavan Poddar	Director	Independent	10	1	9
Shri Suresh Rathi	Director	Independent	2	-	2

b) **Number of Board Meetings:**

During the year 2013 -14, The Board of Directors met 13 times on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
01	05.04.2013	8	4
02	14.05.2013	8	4
03	30.05.2013	8	7
04	05.06.2013	8	4
05	31.07.2013	8	7
06	27.09.2013	8	4
07	31.10.2013	8	6
08	18.12.2013	7	6
09	31.12.2013	7	4
10	28.01.2014	7	4
11	31.01.2014	7	5
12	08.02.2014	7	4
13	21.02.2014	7	4

Note : Shri C. J. Thakar Director of our Company has resigned from Directorship w. e. f. 01.11.2013



c) Attendance of Directors:

Attendance record of the Directors at the Board Meetings held during the financial year 2013-14 and the last Annual General Meeting held on 27th September 2013.

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting.
Shri Ranchhoddas Mohota	13	12	No
Shri Vinod Kumar Mohota	13	13	Yes
Shri Vinay Kumar Mohota	13	13	No
Shri Shantilal B. Singhvi	13	13	No
Shri C.J. Thakar	13	3 (Resigned)	No
Shri G.G. Singhee	13	6	No
Shri Pavan Poddar	13	-	No
Shri Suresh Rathi	13	3	No

d) Remuneration of Directors:

The remuneration of the Directors is decided by the Board of Directors as per the remuneration policy of the company and in accordance with the provisions of the Companies Act, 1956 and the ceilings as fixed by the shareholders. Given below are the details of remuneration paid to the Directors for the year ending March 31, 2014.

Name of the Director	Remuneration paid/payable for the year ended 31.03.2014 (in Rs.)			
	Sitting Fees	Salary & Perks	Commission	Total
Shri Vinod Kumar Mohota	Nil	11,42,400/-	Nil	11,42,400 /-
Shri Vinay Kumar Mohota	Nil	10,08,000/-	Nil	10,08,000 /-
Shri Shantilal B. Singhvi	Nil	4,47,640/-	Nil	4,47,640 /-

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

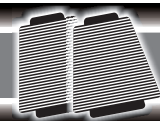
e) Re-appointment/ Appointment of Directors:

As per the Articles of Association of the Company, Shri Vinay Kumar Mohota and Shri Shantilal B. Singhvi and Shri Pavan Poddar shall retire by rotation at the 67th Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The brief resume of these Directors and other information as required in clause 49 VI A of the Listing Agreement is annexed to the notice of the Annual General Meeting.

f) Code of Conduct:

The Board has laid down a Code of Conduct for all its Board Members and Senior Management Personnel, as approved by the Board and the same is being abided by all of them. The Company has obtained the confirmation of the compliance with the Code from all its Board Members and Senior Management Personnel for the year under review.



2. BOARD COMMITTEES

The Board has constituted the Audit Committee and the Share Transfer & Shareholders'/Investors' Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees. Recommendations / decisions of the committees are submitted to the Board for its consideration. The quorum for meeting is either two members or one third of the members of the committee, whichever is higher.

a) Audit Committee

During the Financial Year 2013-2014 four Audit Committee Meetings were held. The dates on which the said meetings were held are as follows;

30th May, 2013, 31st July, 2013, 31st October, 2013 and 31st January, 2014.

Sr. No.	Name of the Audit Committee member	Designation	Category	No. of meetings attended
1	Shri G.G. Singhee	Chairman	Independent	4
2	Shri Vinod Kumar Mohota	Member	Non-Independent	1
3	Shri Shantilal B. Singhvi	Member	Non-Independent	4
4	Shri C.J. Thakar (Resigned w.e.f. 01.11.2013)	Member	Independent	3

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

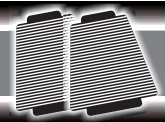
1. Overseeing Financial Reporting process.
2. Reviewing periodic financial results, financial statements and adequacy of internal control system.
3. Discussions with the Auditors about the scope of audit including their observations.
4. Approving internal Audit Plans, reviewing the functions and periodic audit reports.
5. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Share Transfer & Shareholders'/Investors' Grievance Committee up to 31.03.2014.

The Share Transfer & Shareholders'/ Investors' Grievance Committee consist of Shri Vinod Kumar Mohota (Chairman), Shri Vinay Kumar Mohota and Shri S. B. Singhvi. The Committee periodically reviews redressal of Shareholders and Investor's complaints like transfer of shares, non-receipt of annual report; non-receipt of declared dividends etc. The Committee overseas the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of Investor Services.

During the year, Two meetings were held. The number of meetings attended by each of members are as under;

Sr. No.	Name of the Committee member	No. of meetings attended
1	Shri Vinod Kumar Mohota	2
2	Shri Vinay Kumar Mohota	2
3	Shri Shantilal B. Singhvi	2



c) Remuneration Committee [Non-mandatory]

The Board has constituted remuneration committee consisting of three Directors, viz.

Shri Vinod Kumar Mohota	-	Chairman
Shri Vinay Kumar Mohota	-	Member
Shri G.G. Singhee	-	Member

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing Director/ Whole Time Directors.

The details of Remuneration paid to Directors during the year is as under -

Sr.No.	Name of the Director & Designation	Salary Rs.	Perquisites and Other Benefits	Total
1	Shri Vinod Kumar Mohota - Mg. Director	10,20,000/-	1,22,400/-	11,42,400/-
2	Shri Vinay Kumar Mohota- W. T. Director.	9,00,000/-	1,08,000/-	10,08,000/-
3	Shri Shantilal B. Singhvi - W. T. Director	3,72,000/-	75,640/-	4,47,640/-

Mr. S.K. Rajpuria, Sr. Manager (Secretarial) is the Compliance Officer.

No investor complaint has been received during the year.

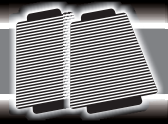
3. GENERAL BODY MEETINGS

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

AGM/ EGM	Date	Time	Venue
EGM	22.01.2014	11.45 a.m.	Block No. 15, 3rd Floor, Devkaran Mansion, Gate No.2, 63, Princess Street, Mumbai - 400 002.
AGM	27.09.2013	10.30 a.m.	
AGM	27.09.2012	10.30 a.m.	
AGM	27.09.2011	10.30 a.m.	

A) The Special Business transacted and approved by the members at the previous three Annual General Meetings are as follows;

- a) Extra Ordinary General Meeting held on 22nd Jan., 2014 -
 - i) Alteration of Memorandum of Association - Authorised Capital of the Company enhanced from Rs.10.00 Crores to Rs.18.00 Crores and
 - ii) Declaration of Bonus - Board has declared Bonus shares @ 2:1 i.e. two bonus equity shares of Rs.10/- each for every 1(one) fully paid-up shares of Rs.10/- each.
- b) Annual General Meeting held on 27th September, 2013 - Nil
- c) Annual General Meeting held on 27th September, 2012 - Nil
- d) Annual General Meeting held on 27th September, 2011 -
 - i) Approval Under Section 198,269,309,310 & 311 of the Companies Act, 1956 to the Re-appointment of Shri Vinod kumar Mohota as Managing Director of the Company for a further period of five years w.e.f.1st April, 2011.
 - ii) Approval Under Section 198,269,309,310 & 311 of the Companies Act, 1956 to the Re-appointment of Shri Vinay kumar Mohota as Whole time Director of the Company for a further period of five years w.e.f.1st April, 2011.
 - ii) Approval Under Section 198,269,309,310 & 311 of the Companies Act, 1956 to the Re-appointment of Shri Shantilal B. Singhvi as Whole time Director of the Company for a further period of five years w.e.f.1st April, 2011.



4. DISCLOSURES

- a) In the preparation of financial statements, no accounting treatment different from that prescribed in any Accounting Standard has been followed.
- b) Related party transactions during the year have been disclosed as required under Accounting Standard 18. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have a conflict with the company's interest.
- c) No strictures / penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

5. MEANS OF COMMUNICATION

- i) The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered generally in 'Business Standard' in English and 'Aapla Mahanagar' in Marathi.
- ii) The Management Discussion and Analysis Report has been included in this Annual Report and includes discussion on the specified matters of the Listing Agreement.

6. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date & Time : 27th September, 2014 at 10.30 A.M.
 Venue : Block No.15, 3rd Floor, Devkaran Mansion, Gate No.2,
 63, Princess Street, Mumbai 400 002

b) Financial Calendar 2014-2015 (Tentative)

Financial Year : **April 2014 to March 2015**
First Quarter Results : 4th Week of July, 2014
Half-Yearly Results : 4th Week of October, 2014
Third Quarter Results : 4th Week of January, 2015
Audited Results for the year ending 31st March, 2015 : 4th Week of May, 2015

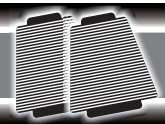
c) **Dates of Book closure** : 20.09.2014 to 27.09.2014 (both days inclusive)

d) Dividend payment date

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

e) Issue of Bonus Shares

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



f) Listing of Securities

The equity shares are listed at the following Stock Exchanges.

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd., Mumbai (BSE)	530047
The National Stock Exchange of India Ltd., Mumbai (NSE)	RAIREKMOH/EQ

The Company has already paid Annual Listing Fees for the year 2014 - 2015.

g) ISIN No. of Securities : INE313D01013

h) Registrar & Share Transfer Agents

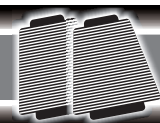
M/s Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Industrial Estate,
Saki Vihar Road "Saki Naka"
Andheri (E), Mumbai 400 072.
Ph.No.022 - 28470652, 28470653, 28573034, 28473474
E mail : info@bigshareonline.com

i) Share Transfer System

Share Transfer in physical form can be lodged at the above-mentioned address. The share Transfer & Shareholders/ Investors Grievance committee approves the transfer of shares and share certificates are despatched within a period of 30 days from the date of receipt, if the documents are complete in all respects. The time taken to process dematerialisation of shares is 15/20 days.

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, 2013	75.55	69.50	100
May, 2013	69.50	69.00	125
June, 2013	69.00	68.00	160
July, 2013	68.00	67.00	140
August, 2013	67.00	66.05	110
September, 2013	80.00	67.00	225
October, 2013	98.00	84.00	102
November, 2013	124.90	101.00	430
December, 2013	149.50	122.60	81,641
January, 2014	159.00	96.00	2,72,935
February, 2014	103.05	29.45	1,40,606
March, 2014	35.70	29.50	3,39,754


k) Distribution of Shareholding as on 31st March, 2014

Range of Shares		No. of share-holders	% of Share-holders	Total holding (No. of Shares.)	% of share-holding
From	To				
1	500	412	55.98	79,178	0.63
501	1000	146	19.84	95,407	0.76
1001	2000	57	7.74	77,422	0.62
2001	3000	30	4.07	73,605	0.59
3001	4000	10	1.36	35,418	0.29
4001	5000	10	1.36	46,259	0.37
5001	10000	12	1.63	84,130	0.67
10001 & above		59	8.02	1,20,13,871	96.07
Total		736	100.00	1,25,05,290	100.00

l) Share Holding pattern as on 31st March, 2014

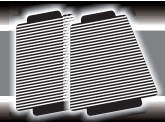
Type of Shareholder	No. of shares held	% of Total
Promoters - Indian	87,68,163	70.12
- Foreign	Nil	Nil
Financial Institutions & Banks	Nil	Nil
FII's & OCB's	Nil	Nil
Mutual Funds	Nil	Nil
Non Resident Indians	Nil	Nil
Bodies Corporate	21,75,515	17.40
Indian Public	15,61,612	12.48
Total	1,25,05,290	100.00

m) 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, 2014 over 98.70% of the total shares of the Company are already dematerialized.

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

Total Nos. of Shareholders	:	736
Total Nos. of Equity Shares	:	1,25,05,290
Total Nos. of Equity Shares in Physical form	:	1,62,930
Total Nos. of Equity Shares in Electronic Mode with		
	NSDL	32,31,044
	CDSL	91,11,316



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 at the end of each financial year. The Company has paid custody charges to NSDL and CDSL for 2014-2015. 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.

n) PAN Requirements. :

1. SEBI vide circular dated 27th April, 07 made PAN as the sole identification number for all participants transacting in the Securities market irrespective of the amount of such transaction.
2. SEBI by its circular dated 20th May, 09 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.
3. SEBI vide its circular dated 28th January, 10 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.

o) Nomination facility. :

Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 109A of the Companies Act, 1956 are requested to submit to the Registrar and Transfer Agent their request in the prescribed Form 2B, which can be had on request from the Company.

p) 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.

q) Plant Locations

1. Ram Mandir Ward, Hinganghat 442 301, Dist. Wardha (Maharashtra)
2. Burkoni Village, Tah. Hinganghat 442 301, Dist.: Wardha (Maharashtra)

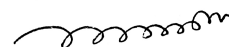
r) Registered office & Address for Correspondence

The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.,
Block No. 15, 3rd Floor, Devkaran Mansion, Gate No. 2,
63, Princess Street, Mumbai 400 002
Phone : 022 32577214 Fax : 022 22081556
E.mail ID : info@rsrmm.com

DECLARATION

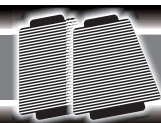
All the Board Members and Senior Management Personnel have affirmed their compliance of the "Code of Conduct for the Members of the Board and Senior Management" for the Financial Year ended 31st March, 2014 in terms of Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchanges.

For and on behalf of the Board



**Ranchhoddas Mohota
Chairman**

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



The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY.

We, Vinod Kumar Mohota, Managing Director and Mukesh Mahajan, General Manager (Finance) of The Rai Saheb Rekchand Mohota Spg. & Wvg. Mills Ltd., to the best of our knowledge and belief, certify that -

1. We have reviewed the Balance Sheet and Statement of Profit and Loss of the Company for the year ended 31st March, 2014 and all its Schedules and Notes on accounts, as well as the Cash Flow Statement.
2. Based on our knowledge and information, these Statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. To the best of our knowledge and information :
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading.
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
5. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent or illegal.
6. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures and confirm them to be adequate.
7. The Company's other certifying officers and we have disclosed, based on our most recent evaluation of internal controls and systems and have to state
 - a. That there were no deficiencies in the design or operation of internal controls, which we are aware;
 - b. That there have been adequate internal controls in the Company.
 - c. That there was no fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control system.

That there were no changes in accounting policies during the year.

For and on behalf of the Board

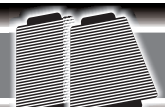


Vinod Kumar Mohota
Managing Director



Mukesh Mahajan
General Manager Finance

Place : Hinganghat
Dated: 31/05/2014



ANNEXURE 'III' TO THE DIRECTOR'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENT & OUTLOOK

According to Annual Report F.Y. 2013, Ministry of Textiles, the sector contributed around 14% to the manufacturing output, 4% to the GDP, and 11% to the country's export earnings. The Indian textile industry is fragmented, with only a few large players and numerous small and medium-size companies. The textiles industry comprises of hand-spun and hand-woven sector and the capital intensive, organized mill sector, which consists of spinning and composite mills. The decentralized power loom/hosiery and the knitting sector form the largest section of the textiles sector.

The major sub-sectors within the textiles sector include the organized cotton/man-made fibre textiles mill industry, man-made fibre/filament yarn industry, wool and woolen textiles industry, sericulture and silk textiles industry, handlooms, handicrafts, jute and jute textiles industry, and textiles exports. Availability of raw materials such as cotton, wool, silk and jute in huge quantity and skilled workforce has made India an important player in the textile industry.

Textile exports likely to grow by 15% during F.Y. 2015

The Indian textiles and clothing industry is one of the largest contributors to the country's exports. Exports of textiles have increased steadily over the last few years, particularly after 2004, when textiles export quota stood discontinued. India has the potential to increase its textile and apparel share in world trade. The Indian textiles industry produces a wide variety of fibres, from cotton to man-made, wool, silk, jute, and multiple blends catering to different demands and needs of companies. India has become a popular destination for many big global retailers due to its strength of vertical and horizontal integration. The quality of the country's products is seen in the repeat orders from these global companies and the significant growth in their outsourcing from India. During F.Y. 2014, exports are estimated to increase by 12.27%. Further, in F.Y. 2015, the exports are expected to grow by 15.75%.

STRENGTHS OF THE TEXTILE INDUSTRY :

The following are 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 operation;
- ♦ Availability of low cost and skilled manpower provides competitive advantage to 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 the 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 Efficiency such as, Transaction Time at Ports and transportation Time.
- ♦ Unfavorable labor Laws.
- ♦ Lack of Trade Membership, which restrict to tap other potential market.

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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

This has been dealt with in the Directors Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

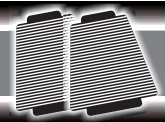
Employees in your company's most valuable resource. Your company continues to create a favorable environment at work place. The company also recognizes the importance of training and continuously deutes its work force in various courses/seminars relating to important management tools like 'Total Quality Management' (TQM). The management is specifically calling professionals from renowned textile research institutes like BITRA/SITRA to train its work force. The management has also been sponsoring programmes of the “Art of Living” at regular intervals for the benefit of the employees and the members of their families to ease out strain and focus not only on work but also on other social responsibilities. Management also organizes sports meet on annual basis for all the employees and the members of their families. This develops a long drawn spirit of sportsmanship and teamwork among the total work force.

In addition to this for social cause company has started various innovative programs like Scrap Book, Mind game, Self study teaching program for student and teachers in Hinganghat & Nagpur schools and colleges.

Industrial relations are cordial and satisfactory.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's projections and expectations 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.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To
The Members,
The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.

We have examined the compliance of conditions of Corporate Governance by The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Limited, for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

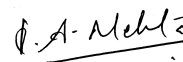
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on 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 clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor to the efficiency or effectiveness with which the Management has conducted the affairs of the company.

FOR BATLIBOI & PUROHIT

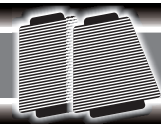
Chartered Accountants
Firm Registration Number 101048W



K. A. Mehta
Partner

Membership No. 111749

Place : Hinganghat
Dated: 31/05/2014



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. ("the Company"), which comprise the Balance Sheet as at 31 March 2014, and the 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

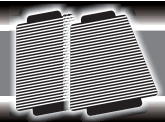
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

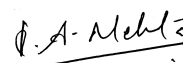
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

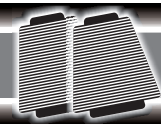
- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W



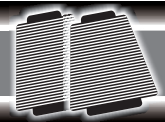
K. A. Mehta
Partner
Membership No. 111749

Place : Hinganghat
Date : 31/05/2014



Referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date.

- i)
 - a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The management has confirmed that wherever practicable, physical verification of all the major fixed assets has been carried out. No serious discrepancies have been noticed by the management on such verification.
 - c. No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern status of the company.
- ii)
 - a. The inventory has been physically verified by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- iii)
 - a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the companies Act, 1956. Accordingly, clause 4(iii)(b) to (d) of the order are not applicable.
 - b. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the companies Act, 1956. Accordingly, clause 4(iii)(f) to (g) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) In our opinion and according to the information and explanations given to us there are no contracts and arrangements referred to in Section 301 of the Companies Act 1956, particulars of which need to be entered into a register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(v)(b) of the order is not applicable.
- vi) The Directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder have been complied with in respect of deposits accepted from the public. We have been informed that, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or Tribunal in this regard.
- vii) The Company has an Internal Audit System, which in our opinion is commensurate with the size and nature of the business.
- viii) We are of the opinion that prima facie, the Company has made and maintained proper cost records as prescribed by Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company, but no detailed examination of such records has been carried out by us.
- ix)
 - a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other statutory dues with the appropriate authorities and there are no undisputed amounts payable in respect of above statutory dues outstanding as at 31.03.2014 for a period exceeding six months from the date they became payable.



- b. According to the information and explanations given to us, the dues of Sales Tax, Income Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute and forum where the dispute is pending are as under;

Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Forum where dispute is pending
Maharashtra Municipalities Act 1965	Octroi on Grey fabrics for the period May'95 to Nov'97	151.61	Honorable High Court, Nagpur Bench.
- do -	For the period Nov'97 to April-99	20.58	- do -
- do -	For the period Dec' 94 to May' 95	14.12	- do -
- do -	Property Tax for the Assessment period 2012-13 to 2015-16	20.48	Civil Court, Hinganghat Dist - Wardha
Service Tax Act 1964	Service tax on outword freight paid thru Cenvat Account Feb 2005 to Feb 2008	3.74	CESTATE, Mumbai

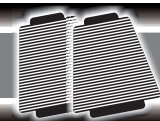
- x) The Company does not have any accumulated losses and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to Financial Institutions or Banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures and other Securities.
- xiii) The Company is not a chit fund or Nidhi/mutual benefit fund/society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii) On the basis of examination of the Cash Flow Statement, the funds raised on short term basis have not been used for long term investment.
- xviii) During the year under Audit, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The company has neither issued any debentures during the year nor there are any outstanding debentures as on 31.03.2014 and hence provisions of clause 4(xix) of the order are not applicable to the company.
- xx) The Company has not raised any money by way of the Public Issue during the year.
- xxi) Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud, on or by the company has been noticed or reported during the year.

FOR BATLIBOI & PUROHIT
Chartered Accountants
Firm Registration Number 101048W

K. A. Mehta

K. A. Mehta
Partner
Membership No. 111749

Place : Hinganghat
Dated: 31/05/2014


Balance Sheet as at 31st March 2014

(Rs.in lacs)

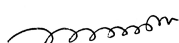
		As at 31st March 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1.	1,548.56		714.87	
Reserves and Surplus	2.	<u>2,091.04</u>	3,639.60	<u>2,349.61</u>	3,064.48
Non-Current Liabilities					
Long-term Borrowings	3.	2,852.50		3,669.49	
Deferred tax liabilities (net)	4.	<u>403.71</u>	3,256.21	<u>418.33</u>	4,087.82
Current Liabilities					
Short-term Borrowings	5.	4,549.19		4,280.30	
Trade Payables	6.	1,947.84		2,055.25	
Other current liabilities	7.	1,501.41		1,493.34	
Short-term Provisions	8.	<u>231.92</u>	8,230.36	<u>149.18</u>	7,978.06
Total :			<u><u>15,126.17</u></u>		<u><u>15,130.37</u></u>
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9.	4,753.29		5,120.41	
Intangible Assets	9.a	22.68		22.67	
Capital work-in-progress	9.b	<u>11.79</u>		<u>82.49</u>	
		4,787.76		5,225.57	
Non-Current Investments	10.	45.12		83.11	
Long-term loans and advances	11.	<u>182.79</u>	5,015.67	<u>547.87</u>	5,856.55
Current Assets					
Inventories	12.	4,992.15		3,627.03	
Trade receivables	13.	3,506.42		4,271.27	
Cash and Bank Balance	14.	141.53		188.25	
Short-term loans and advances	15.	<u>1,470.40</u>	10,110.50	<u>1,187.27</u>	9,273.82
Total :			<u><u>15,126.17</u></u>		<u><u>15,130.37</u></u>
Significant Accounting Policies					
Notes on financial Statement		23 to 39			

As per our Report of even date

For Batliboi & Purohit

Chartered Accountants

Firm Registration Number 101048W


(K. A. Mehta)
Partner
Membership No.111749

Dr.Ranchhoddas Mohota
Chairman

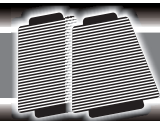
Vinod Kumar Mohota
Managing Director

Vinay Kumar Mohota
Director

Shantilal B.Singhvi
Director

Place : Hinganghat

Date : 31/05/2014




Statement of Profit and Loss for the Year Ended 31st March 2014

(Rs.in lacs)

	Note No.	For the year ended 31st March 2014	For the year ended 31st March, 2013
INCOME			
Revenue from operations	16.	28,274.13	25,162.00
Other income	17.	38.73	56.67
Total :		28,312.86	25,218.67
EXPENSES			
Cost of materials consumed	18.	14,411.08	12,099.27
Purchases of stock-in-trade	18.a	7,854.04	6,246.67
Changes in inventories of Finished goods & WIP	18.b	(384.74)	690.92
Employee benefits expenses	19.	2,000.10	1,882.21
Finance costs	20.	1,024.69	1,017.32
Depreciation and amortisation expense	21.	419.75	455.49
Other expenses	22.	2,826.23	2,802.03
Total :		28,151.15	25,193.91
Profit before tax		161.71	24.76
Tax expenses:			
MAT Current tax		(32.35)	(4.10)
Deferred tax		14.62	(8.03)
		(17.73)	(12.13)
Profit for the year		143.98	12.62
Earnings per share of Rs.10/- each			
Basic and Diluted (in Rs.)	Note No. 28	0.92	0.10
Significant Accounting Policies			
Notes on Financial Statement	23 to 39		

As per our Report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Registration Number 101048W

For and on behalf of the Board of Directors


(K. A. Mehta)

Partner
Membership No.111749

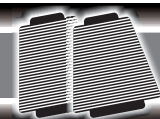
Place : Hinganghat
Date : 31/05/2014


Dr.Ranchhoddas Mohota
Chairman


Vinod Kumar Mohota
Managing Director


Vinay Kumar Mohota
Director


Shantilal B.Singhvi
Director



(Rs.in lacs)

Cash Flow Statement for the year ended 31st March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31st March 2014	For the year ended 31st March, 2013
Profit before tax	161.71	24.76
Adjustments for :		
Depreciation	419.75	455.49
VRS Expenses	0.00	21.44
Interest Expenses	915.07	1,001.24
Interest Income	(53.77)	(57.50)
Loss on Sale of Investment	20.16	3.44
Dividend income	(2.37)	(3.46)
	<u>1,298.84</u>	<u>1,420.65</u>
Operating profit before working capital changes	1,460.55	1,445.41
Changes in working capital:		
Adjustments for :		
Decrease/(Increase) in Trade and other receivables	764.85	(909.06)
Decrease/(Increase) in Inventories	(1,365.12)	1,468.74
Decrease/(Increase) in Trade & Other Payable	(107.41)	(923.91)
Decrease/(Increase) in Other Current Assets	275.03	(422.36)
Decrease/(Increase) in Other Current Liabilities	17.91	115.94
	<u>(414.74)</u>	<u>(670.65)</u>
Direct Taxes Refund/(Paid)	(30.55)	25.78
Net cash flow from / (used in) operating activities	(A) <u>1,015.26</u>	<u>800.54</u>

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(25.28)	(1.89)
Sale of Fixed Assets (Net)	0.93	0.00
Sale of Investments	17.83	9.14
Interest Received	53.77	57.50
Dividend received	2.37	3.46
Proceed From PSI 2007 Mega Project	355.74	395.27
	<u>405.36</u>	<u>463.48</u>
Net cash (used in) investing activities	(B)	

C. CASH FLOW FROM FINANCING ACTIVITIES

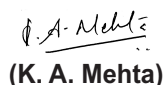
Proceeds from Long-Term/(Short Term) borrowings	(548.10)	(520.30)
Interest Paid on Term Loan	(285.80)	(359.33)
Interest on Working Capital	(629.27)	(641.91)
Interim Dividend paid	(4.17)	0.00
Net from / (used in) financing activities	(C) <u>(1,467.34)</u>	<u>(1,521.54)</u>
Net increase / (decrease) in Cash and cash equivalents	(A+B+C) (46.72)	(257.52)
Opening Balance of Cash and cash equivalents	188.25	445.77
Closing Balance of Cash and cash equivalents	<u>141.53</u>	<u>188.25</u>

As per our Report of even date

For Batliboi & Purohit

Chartered Accountants

Firm Registration Number 101048W

For and on behalf of the Board of Directors

(K. A. Mehta)
Partner
Membership No.111749

Dr. Ranchhoddas Mohota
Chairman

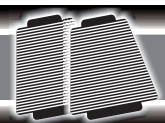
Vinod Kumar Mohota
Managing Director

Vinay Kumar Mohota
Director

Shantilal B. Singhvi
Director

Place : Hinganghat

Date : 31/05/2014



Notes forming part of the financial statements

(Rs.in lacs)

1. SHARE CAPITAL

Authorised Share Capital

1,50,00,000	Equity shares of Rs.10/- each
(70,00,000)	
3,00,000	Non Cumulative Redeemable preference shares of Rs.100/- each

Total

As At
31st March 2014

As At
31st March, 2013

1,500.00

700.00

300.00

300.00

1,800.00

1,000.00

Issued and Subscribed

1,25,05,290	Equity shares of Rs.10/- each
(42,04,430)	
2,36,000	10% Non-Cumulative Redeemable preference shares of Rs.100/- each fully paid-up
60,000	8% Non-Cumulative Redeemable preference shares of Rs.100/- each fully paid-up

Total

1,250.53

420.44

236.00

236.00

60.00

60.00

1,546.53

716.44

Subscribed and fully paid up

1,25,05,290	Equity shares of Rs.10/- each
(41,68,430)	
2,36,000	10% Non-Cumulative Redeemable preference shares of Rs.100/- each
60,000	8% Non-Cumulative Redeemable preference shares of Rs.100/- each

Total

1,250.53

416.84

236.00

236.00

60.00

60.00

1,548.56

714.87

Subscribed but not fully paid up

3,700	Equity shares of Rs. 10 each with voting rights (Call in arrears)
36,000	Equity shares of Rs. 10 each with voting rights (Forfeited shares)

(0.19)

(0.19)

2.22

2.22

Notes :-

- The Board of Directors has declared issue of Bonus shares from its permitted reserves/surplus @ 2:1 in its meeting held on 18/12/2013 and same has been approved by members in EGM dated 22/01/2014 and listed on BSE & NSE dated 17/02/2014.
- Out of the issued, subscribed and paid-up share capital of Rs.4,20,44,300/- consisting of 42,04,430 Equity shares of Rs.10/- each, 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 Rs. 4,20,44,300/- consisting of 42,04,430 Equity Shares of Rs.10/- each - 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 Rs. 7,500/- & First Call Money arrears Rs.11,100/- Total Rs. 18,600/-.

iv Reconciliation of shares Outstanding Fully Paid up equity shares of Rs.10/- each fully paid up

Balance at the beginning of the year
Add : Issued during the year (Bonus share @ 2 : 1)
Less : Bought back during the year

As at
31st March 2014

No. of Shares

41,68,430

83,36,860

-

1,25,05,290

As at
31st March, 2013

No. of Shares

41,68,430

-

-

41,68,430

Balance at the end of the year

- 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.

vi List of share holders holding more than 5% of equity shares

Name of Share holders	As at 31st March 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Priya Viniyog Pvt. Ltd.	37,53,650	30.02	12,51,550	30.02
Exim Scrips Consultants Pvt. Ltd.	16,90,487	13.53	5,63,829	13.53
Shri Ranchhoddas Mohota	15,36,600	12.29	5,12,200	12.29

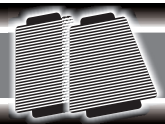

Notes forming part of the financial statements

(Rs.in lacs)

	As At 31st March 2014	As At 31st March, 2013
2. RESERVES AND SURPLUS		
Capital Reserve - Modvat		
As per last Balance Sheet	202.75	202.75
Securities premium account		
As per last Balance Sheet	1,107.61	1,107.61
Less : Utilised during the year for: Bonus share @ 2:1	833.69	-
Closing balance	273.92	1,107.61
Revaluation reserve		
As per last Balance Sheet	196.89	244.87
Less : Utilised for set off against depreciation	42.41	47.98
Closing balance	154.48	196.89
General reserve		
As per last Balance Sheet	820.89	820.89
Capital Reserve - PSI 2007 MEGA PROJECT		
As per last Balance Sheet	395.27	-
Add : During the year (PSI 2007 MEGA PROJECT)	518.27	395.27
Closing balance	913.54	395.27
Surplus / (Deficit) in Statement of Profit and Loss		
As per last Balance Sheet	(373.80)	(386.42)
Add : Profit transfer from Profit & Loss Accounts	143.98	12.62
Less : Interim Dividend (Equity)	4.17	-
Proposed Final Dividend (Equity)	6.25	-
Dividend on Preference shares	28.40	-
Dividend distribution Tax	5.89	-
Closing balance	(274.53)	(373.80)
Total	2,091.04	2,349.61
3. LONG-TERM BORROWINGS		
Term loans		
Secured Loan *		
Rupee Loan	1,416.54	2,274.61
Foreign Currency Loans - Buyers Credit	61.74	61.74
Total - Secured Loan	1,478.28	2,336.35
Unsecured Loan		
Short Term Loan from Others	800.00	704.60
Sales tax deferral loan from SICOM	458.54	515.18
LIC against Key Man Insurance Policy	65.19	65.19
Deposits		
Agent's Deposit & Security Deposit	50.49	48.17
Total-Unsecured Loan	1,374.22	1,333.14
Total	2,852.50	3,669.49

Notes : - Secured Term Loans from Banks includes Term Loans from State Bank of India & Bank of India is secured by 1st pari passu charge over the company's all immovable properties including all fixed assets & movable machineries at Hinganghat & Burkoni. The said loan is further collaterally secured by 2nd charge on the entire stock of inventory, book debts etc. on pari passu basis. It is further secured by personal guarantee of three directors of the company.

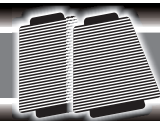
* Excludes Term Loan repayment of Rs.1048 lacs shown under the current liabilities under head long term debts due within one year.



Notes forming part of the financial statements

(Rs.in lacs)

	As at 31st March 2014	As at 31st March, 2013
4. DEFERRED TAX (LIABILITY) / ASSETS		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	598.39	603.57
Brought forward business losses	(185.24)	(185.24)
Expenses disallowed Under Section 43 B (Leave with pay)	(9.44)	-
Net deferred tax Asset	403.71	418.33
5. SHORT-TERM BORROWINGS		
Secured Loan		
Working Capital Loan from Banks		
PCFC in Foreign Currency Loans	107.60	758.06
Rupee Loans	4,441.59	3,522.24
Total	4,549.19	4,280.30
From Banks:		
State Bank of India	2,503.20	2,436.50
Bank of India	2,045.99	1,843.80
Total	4,549.19	4,280.30
Notes : - Working capital loans includes working capital 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 second charge on the entire Fixed Assets of the company, both present and future at Hinganghat & Burkoni.		
6. TRADE PAYABLES		
Raw Material & Other Purchase	1,845.34	1,938.46
Store Purchase	102.50	116.79
Total	1,947.84	2,055.25
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		
7. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt @	1,048.00	1,048.00
Interest accrued but not due on borrowings	22.36	-
Statutory remittances	213.01	148.46
Advances from Customers	95.90	175.74
LIC Premium Staff deduction	0.13	0.09
Unpaid Wages & Salaries	84.29	82.93
Commission & Brokerage Payable	37.69	37.72
Other Payable	0.03	0.41
Total	1,501.41	1,493.34
@ Includes Term loan repayment due within one year		
8. SHORT-TERM PROVISIONS		
for Bonus	56.29	57.56
for Other & employee benefits	46.49	35.37
for Tax	88.60	56.25
for Dividend (Equity)	6.25	-
for Dividend (Preference)	28.40	-
for Dividend Distribution Tax payable	5.89	-
Total	231.92	149.18


Notes forming part of the financial statements

(Rs. in Lacs)

9. FIXED ASSETS

	GROSS BLOCK (AT COST)					DEPRECIATION				NET DEPRECIATED BLOCK	
	As on 01.04.2013	Additions	Sub Total	Deduction on Account of sale/ Discarded	Gross Block as on 31.03.2014	Up to 31.03.2013	FOR THE YEAR	DEDUCTION ON A/C OF SALE/ DISCARDED	Up to 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
Assets	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
TANGIBLE ASSETS											
LAND	50.47	-	50.47	-	50.47	-	-	-	-	50.47	50.47
FACTORY BUILDING	1,725.48	66.24	1,791.72	-	1,791.72	764.88	66.06	-	830.94	960.78	960.60
NONFACTORY BUILDING	219.59	-	219.59	-	219.59	75.35	5.88	-	81.23	138.36	144.24
PLANT & MACHINERY	10,176.32	19.48	10,195.80	0.95	10,194.85	6,251.36	379.55	0.94	6,629.97	3,564.88	3,924.96
FURNITURE & FIXTURE	69.45	0.35	69.80	-	69.80	51.47	3.02	-	54.49	15.31	17.98
VEHICLES	72.55	9.91	82.46	12.96	69.50	50.39	7.65	12.03	46.01	23.49	22.16
Total : (9)	12,313.86	95.98	12,409.84	13.91	12,395.93	7,193.45	462.16	12.97	7,642.64	4,753.29	5,120.41
INTANGIBLE ASSETS* Total : (9-a)	34.68	-	34.68	-	34.68	12.00	-	-	12.00	22.68	22.67
CAPITAL WORK IN PROGRESS# Total : (9-b)	-	-	-	-	-	-	-	-	-	11.79	82.49
GRAND TOTAL : (9+a+9-b)	12,348.54	95.98	12,444.52	13.91	12,430.61	7,205.45	462.16	12.97	7,654.64	4,787.76	5,225.57
PREVIOUS YEAR	12,324.95	23.60	12,348.54	0.00	12,348.54	6,701.98	503.47	0.00	7,205.45	5,225.57	5,727.14

Notes :- * Intangible Assets includes premium on Key man insurance policy transfer from M/s. Vibha Synthetics Pvt.Ltd. and SICOM Sales Tax Defferal Loan Transfer from The Rai Saheb Rekhchand Mohota Spg.& Wvg. Mills Ltd. Wani Unit

Capital work in progress includes new TFO building construction at Burkoni Unit.

(Rs.in lacs)

10. NON-CURRENT INVESTMENTS

- HEG Ltd. of Rs.10/- each

(11708)

57464 Maharaja Shree Umaid Mills Ltd. of Rs.10/- each

(57464)

57464 Kiran Vyapar Limited *

(-)

Total

As at 31st March 2014
-
45.12
-
45.12
82.62

As at
31st March 2013

37.99

45.12

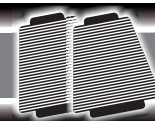
-
| 83.11 |
| 83.11 |
| 85.70 |

* On dated 07.02.2014 Maharaja Shree Umaid Mills Ltd. issued Bonus Shares of Kiran Vyapar Ltd. at the ratio 1 : 1



(Rs.in lacs)

	As At 31st March, 2014	As At 31st March, 2013
11. LONG-TERM LOANS AND ADVANCES		
Deposits	12.33	12.33
Advance tax	163.43	132.88
Other loans & advances	7.03	402.66
Total	182.79	547.87
12. OTHER NON-CURRENT ASSETS		
INVENTORIES		
Raw Materials	1,302.02	441.05
Stock in process	1,904.54	1,310.92
Finished goods	1,506.23	1,715.11
Stores, Cotton Seed and Coal/Rice Husk	279.36	159.95
Total	4,992.15	3,627.03
13. TRADE RECEIVABLES		
(Unsecured and Considered Goods)		
Over Six Months	285.36	299.78
Other Trade receivables	3,221.06	3,971.49
Total	3,506.42	4,271.27
14. CASH AND BANK BALANCE		
Cash & Cash Equivalents		
Cash on hand	2.80	1.19
Current accounts	7.60	109.08
Other Bank Balances		
* In Fixed deposit with Banks (Maturity within 12 months)	131.13	77.98
Total	141.53	188.25
* Balance is TDR against BG/LC		
15. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and Considered Goods)		
Staff & Workers	0.92	2.24
Prepaid expenses	9.36	2.89
Advance to Suppliers	204.20	275.97
Grant Receivable From Government		
PSI 2007 Mega Project Subsidy Receivable	557.80	395.27
<u>Balance with Government Authorities</u>		
CENVAT credit receivable	45.66	48.10
VAT credit receivable	85.14	52.06
Duty Draw Back Receivable	308.95	94.14
Export Incentive receivable	64.51	64.51
Interest receivable	74.43	132.66
Carbon Credit Receivable	119.43	119.43
Total	1,470.40	1,187.27


Notes forming part of the financial statements

(Rs.in lacs)

16. REVENUE FROM OPERATIONS

	For the year ended 31st March 2014	For the year ended 31st March, 2013
Sale of products	27,761.59	24,729.01
Sale of services (Job Charges)	24.79	2.07
Other operating revenues	487.75	430.92
Total	28,274.13	25,162.00

SALE OF PRODUCTS COMPRISES
Manufactured goods

Cloth Sales	6,328.47	8,125.56
Synthetic Cloth (RMG)	5,411.75	4,573.72
Cotton Yarn	12.19	26.12
P. V. Yarn	7,113.72	6,772.66
Hard Waste	36.02	19.45
Soft Waste	75.60	68.61
Dhoti Sales	60.98	49.54
Less : Mvat Paid	(0.18)	(0.06)

Total - Sale of manufactured goods

19,038.55 19,635.60

Traded goods

Cotton Yarn	7,949.04	4,019.10
P. V. Yarn	203.54	836.89
Cotton Sales	570.46	237.42

Total - Sale of traded goods

8,723.04 5,093.41

Total - Sale of products

27,761.59 24,729.01

Sale of services comprises

Job Charges	24.79	2.07
-------------	-------	------

Total - Sale of services

24.79 2.07

Other operating revenues

Duty drawback and other export incentives	434.00	373.41
Interest received on Trade Receivable & Bank FDR *	53.76	57.51
Loss on Sale of Fixed Assets (Net)	(0.01)	-

Total - Other operating revenues

487.75 430.92

17. OTHER INCOME

Interest received from others	63.55	60.20
Dividend on non-current investment	2.37	3.46
Loss on sale of non-current investment	(20.16)	(3.44)
Agriculture Loss	(9.57)	(3.55)
Excess Provision written back	2.54	-

Total - Other Income

38.73 56.67

* Interest Received from Merchant

42.14 52.68

* Interest Received from Others

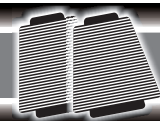
11.62 4.83

Total - Interest on Trade receivable & FDR

53.76 57.51

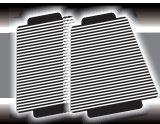

Notes forming part of the financial statements

		(Rs.in lacs)	
		For the year ended 31st March 2014	For the year ended 31st March, 2013
18. COST OF MATERIALS CONSUMED			
Raw Materials (Refer Note No. 35)		12,932.58	10,696.53
Store & Spares Parts Consumed		1,478.50	1,402.74
Total		14,411.08	12,099.27
18.a PURCHASE OF TRADED GOODS			
Yarn Export Trading Purchases		7,854.04	6,246.67
Total		7,854.04	6,246.67
18.b CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS			
<u>Closing Stock</u>			
Finished goods		1,506.23	1,715.11
Stock in Process		1,904.54	1,310.92
		3,410.77	3,026.03
<u>Opening Stock</u>			
Finished goods		1,715.11	1,944.53
Stock in Process		1,310.92	1,772.42
		3,026.03	3,716.95
Net (Increase) / Decrease		(384.74)	690.92
19. EMPLOYEE BENEFITS EXPENSES			
Salaries and wages		1,701.11	1,615.11
Contributions to Provident fund and other funds		225.75	218.50
Staff Welfare Expenses		73.24	48.60
Total		2,000.10	1,882.21
20 FINANCE COSTS			
Interest on Term Loan		285.80	359.33
Interest on Working Capital		595.76	528.21
Interest on Others		33.51	25.87
Bank charges		109.62	103.91
Total		1,024.69	1,017.32


Notes forming part of the financial statements

(Rs.in lacs)

	For the year ended 31st March 2014	For the year ended 31st March, 2013
21. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and amortisation on Tangible assets	462.16	503.47
Less: Utilised from revaluation reserve	42.41	47.98
Total	419.75	455.49
22. OTHER EXPENSES		
Manufacturing Expenses		
Job Charges	66.69	69.27
Power and fuel	1,974.66	1,985.75
Rent including lease rentals	26.65	22.00
Repairs and maintenance - Buildings	7.03	14.41
- Machinery	34.29	33.30
- Others	8.11	1.38
	2,117.43	2,126.11
Selling and Distribution Expenses		
Freight and forwarding	22.80	10.77
Shipping & Sampling Expenses	157.14	172.82
Sales commission	324.00	300.16
	503.94	483.75
Establishment Expenses		
Insurance	11.96	9.51
Rates and taxes	18.39	9.15
Postage, Telegram & Telephone Expenses	12.23	10.83
Managerial Remuneration	22.92	21.48
Travelling and conveyance	27.16	22.13
Printing and stationery	1.19	1.93
Motor Vehicle Expenses	42.31	35.38
Business promotion	1.38	1.66
VRS Expenses Written off	-	21.44
Donations and contributions	0.26	0.41
Legal and professional	32.90	25.77
Payments to Auditors	1.56	1.62
Testing & Certification fees	1.94	1.43
Membership & Subscription	3.02	2.56
Computer Expenses	1.24	1.51
Books & Periodical	0.01	0.05
Inspection Charges	5.67	3.75
Electricity Charges	5.49	6.31
Boiler Inspection fees	0.08	0.03
Miscellaneous expenses	15.15	15.22
	204.86	192.17
Total	2,826.23	2,802.03
22.a Payments to Auditors		
For Statutory Audit	0.96	0.96
For Taxation matters	0.22	0.22
For Other Services	0.22	0.22
Reimbursement of expenses	0.16	0.22
Total	1.56	1.62



NOTES ON FINANCIAL STATEMENT

23. SIGNIFICANT ACCOUNTING POLICIES :

a) SYSTEM OF ACCOUNTING

Financial Statements are based on historical cost. The company generally follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis amount and non-inclusion of provided excise duty on finished goods lying in bonded warehouse.

b) FIXED ASSETS

- i) Fixed assets are stated at cost, unless stated otherwise. Cost comprises the purchase price and other attributable expenses.
- ii) Revaluation: The net increase in the value of the assets is credited to the revaluation reserve.

c) DEPRECIATION

Depreciation is charged in the account on the following basis:

- i) In Hinganghat Unit Depreciation is provided on all fixed assets under the written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956. Depreciation on addition to fixed assets during the year is charged on pro-rata basis with reference to the date of addition.
- ii) In Burkoni Unit depreciation is provided on all assets under SLM method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 for single shift working.
- iii) Intangible assets are amortized over a period of 10 years.

d) INVENTORIES

Inventories are valued at cost on weighted average basis.

e) INVESTMENTS

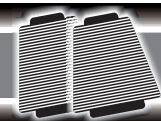
Investments are stated at cost diminution in the value of which is permanent in nature has been provided.

f) BORROWING COST

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the assets up to the date the assets is put to use. Other borrowing cost are charged to the Statement of Profit and Loss in the year in which they are incurred.

g) SALES

Sales are inclusive of sales tax and processing charges and are net of discount. Consignment sales are accounted for on the receipt of statement of sales from the consignee, till such time it is considered as stock in hand.



h) RETIREMENT BENEFIT

The Company has various schemes of Retirement benefits such as Provident Fund, Gratuity Fund etc. duly recognized by Income tax authorities and the company's contributions are charged against revenue every year.

i) EXCISE DUTY

The company accounts for excise duty on manufactured goods at the time of their clearance from the bonded premises.

j) FOREIGN CURRENCY TRANSACTIONS

All foreign currency transactions have been accounted at the rate prevailing on the date of transaction. Receivables in foreign currency realized till date have been taken at the rates actually realized. The loss or gain due to fluctuations of exchange rates is charged to the Statement of Profit and Loss.

k) TAXES ON INCOME

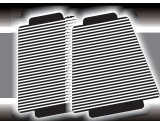
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

l) POLICY FOR GOVERNMENT GRANTS

The company is entitled to various incentive from Government of Maharashtra under PSI 2007 for Mega Projects for its Burkoni Unit. The company accounts for its entitlement as capital receipt on accrual basis.

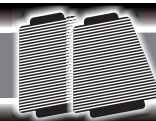
(Rs. in lacs)

	<u>2013-2014</u>	<u>2012-2013</u>
24. Contingent liability not provided		
for Bank Guarantee issued	Rs. 139.05	Rs. 138.55
25.		
A sum of Rs. 42,40,876/- is transferred from Revaluation Reserve to credit of Statement of Profit and Loss, which is equivalent to the amount of depreciation on the sum by which the value of Plant & Machinery & Building was increased respectively as a result of revaluation.		
26. (a)		
In accordance with the transitional provisions of Accounting Standard 15 Gratuity liability as on 31.03.2014 is Rs. 541.05 lacs as per actuarial valuation and present value of plan assets at the end of period is Rs. 596.95. Hence no Gratuity provision has been made during the financial year.		



(b) Disclosure for defined benefit plans based on actuarial valuation in respect of gratuity as on 31.03.2014 is as under -

	Rs. in lacs
Change in define benefit obligation	
Present value of defined benefit obligation as on 01.04.2013	507.51
Interest Cost	40.60
Current service cost	43.15
Past Service Cost (Non Vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Liability Transfer in	-
Liability Transfer out	-
Benefit Paid	(76.53)
Actuarial (gain)/loss on obligations	26.81
Present value of defined benefit obligation as on 31.03.14	541.54
Change in Fair value of Plan Assets:	
Opening Balance	622.68
Expected Return	54.17
Contributions	-
Benefit Paid	(76.53)
Actuarial gain/(loss)	(3.37)
Closing balance	596.95
Actuarial Return	-
Amount Recognized in the Balance Sheet :	
Liability at the end of the year	596.95
Fair Value of Plan Assets	(541.54)
Net Assets/(Liability) recognized	55.41
Expenses Recognized in the Statement of Profit and Loss	
Current service cost	43.15
Interest on obligation	40.60
Expected return on plan assets	(54.17)
Acturial gain/(Losses)	30.18
Net Actuarial gain / (loss))	59.76
Past Service Cost (Vested Benefit)	-
Expenses recognized in P & L	59.76
Principal actuarial assumptions	
Discount rate	8.00%
Expected rate of return on assets	8.70%
Future Salary increase	4.00%


27. RELATED PARTY DISCLOSURE

a)		Name of the Related Party	Relationship		
	i)	M/s. Veenadevi & Swatidevi Mohota			
	ii)	Key Management Personnel Shri Dr.Ranchhoddas Mohota Shri Vinod Kumar Mohota Shri Vinay Kumar Mohota Shri Shantilal B. Singhvi			
	iii)	Relatives of Key Management Personnel Smt. Suryakantadevi Mohota Smt. Kirandevi Bhagat Mr. Vaibhav Kumar Mohota Smt. Vibha Mohota Agarwal			
	Transactions during the period with Key Management Personnel/relatives of Key Management Personnel are as under :-				
	S.N.	Name of the Related Party	Description of Transaction	Amount 2013-2014	Amount 2012-2013
	1.	M/s. Veenadevi & Swatidevi Mohota	Rent	3,48,000	1,08,000
	2.	Key Management Personnel	Remuneration Rent	25,98,040 7,74,000	24,34,760 7,95,000
	3.	Relatives of Key Management Personnel	Rent Salary	1,71,000 3,17,817	1,71,000 3,17,817

28. Earning per share

Face value per share

Rs. 10

Rs. 10

Profit after tax

Rs. 1,43,98,272

Rs. 12,62,420

Less : Preference dividend

Rs. 28,40,000

Rs. -

1,15,58,272

12,62,420

No. of Shares used in computing EPS -

Number of Shares

1,25,05,290

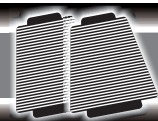
1,25,05,290

Earning per Share - basic and diluted

Rs. 0.92

Rs. 0.10

* 8336840 Bonus shares issued during the year.



29. In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India, Company has recognized Deferred Tax Assets of Rs.14,62,253/- in the Statement of Profit and Loss. The Break-up of deferred tax balances are as under :-

	31.03.2014	31.03.2013
Deferred tax Assets		
Income tax accumulated loss	5,98,39,452	6,03,57,450
Less : Deferred tax Liability		
Depreciation	1,85,24,419	1,85,24,419
Expenses disallowed u/s 43 B (Leave with pay)	9,44,255	-
Net Deferred tax Asset	<u>4,03,70,778</u>	<u>4,18,33,031</u>

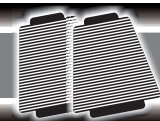
30. In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. Accordingly, there is no impairment of the assets during the current year.

31. During the year 1995-96 the company had made Public Issue of Equity Shares. In respect of some investor(s) who had applied for Equity Shares through Stock Invest(s) were returned unpaid by the Bank. As such, in the following cases though the shares have been allotted the application money has not been received.

No of shares	Capital (Rs.)	Premium (Rs.)
3700	14,800/-	96,200/-

Further with regard to Public Issue allotment money and First & Final Call Money from those investors whose stock investments were returned unpaid by the Bank is still to be received. The said non-receipt of allotment money is shown as call in arrears.

32. Inter Corporate advance amounting to Rs. 2.92 lacs have become long overdue. Legal proceedings have been initiated for recovery of the same.
33. The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.
34. Income Tax Assessment of the company has been completed up to A. Y. 2012-2013.


35. Raw Material Consumed

	2013-2014				2012-2013			
	Quantity		Value		Quantity		Value	
Cotton	Kgs	14,30,828	Rs.	16,31,68,360	Kgs.	13,46,117	Rs.	15,32,30,769
Man-made Fibre	Kgs.	40,82,581	Rs.	46,57,09,695	Kgs.	38,70,470	Rs.	42,58,63,049
Grey Cloth	Mtrs.	83,64,219	Rs.	45,11,02,245	Mtrs.	64,21,007	Rs.	25,45,19,492
Yarn	Kgs.	10,85,392	Rs.	21,32,77,962	Kgs.	12,96,440	Rs.	23,60,40,262
			Rs.	<u>1,29,32,58,262</u>			Rs.	<u>1,06,96,53,572</u>
(a) C.I.F. Value of Imports :	2013-2014				2012-2013			
i) Raw Material			Rs.	-			Rs.	-
ii) Stores, Spares, Dyes & Chemicals			Rs.	28,06,252			Rs.	33,07,371
iii) Capital Goods			Rs.	11,19,765			Rs.	9,89,850
(b) i) Value of Imported raw materials consumed.			Rs.	-			Rs.	-
Percentage of total raw material consumed.				-				-
ii) Value of indigenous raw materials consumed.			Rs.	1,29,32,58,262			Rs.	1,06,96,53,572
Percentage of total raw material consumed.				100%				100%
iii) Value of imported stores and spare parts & dyes and chemicals consumed.			Rs.	28,06,252			Rs.	33,07,371
Percentage of total stores, spares parts and dyes & chemicals consumed.				1.89%				2.36%
iv) Value of indigenous stores and spare parts & dyes & chemicals consumed.			Rs.	14,50,44,066			Rs.	13,69,66,275
Percentage of total stores spares parts and dyes & chemicals consumed.				98.11%				97.64%
36. Earning in Foreign Exchange Export at FOB value.			Rs.	82,17,12,113 *			Rs.	49,61,94,524
* Manufacturing Export	-	Rs.	93,87,956					
Trading Export	-	Rs.	81,23,24,157					
37. Expenditure in Foreign Currency			Rs.	1,49,90,114 *			Rs.	90,90,915
* Overseas Commission	-	Rs.	87,09,292					
Purchase of Spares, Stores & Capital Goods		Rs.	39,26,017					
Foreign Traveling Expenses		Rs.	1,84,205					
Foreign Bank Charges		Rs.	21,70,600					
38. The Company operates in one business segment namely "Textiles"								
39. The previous year figures are regrouped wherever necessary.								

For and on behalf of the Board

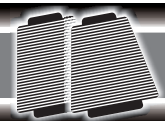
Place : Hinganghat
Date : 31/05/2014


Dr. Ranchhoddas Mohota
Chairman


Vinod Kumar Mohota
Managing Director


Vinay Kumar Mohota
Director


Shantilal B. Singhvi
Director



Date : 25th August, 2014

Dear Shareholders,

Sub.: Green Initiative in Corporate Governance Electronic Mode of Service of Documents.

The Ministry of Corporate Affairs, Government of India, has by Circular Nos.: 17/2011, dated 21st April, 2011 and 18/2011, dated 29th April, 2011 respectively, clarified that a Company will have complied with the provisions of the Companies Act, 1956, if service of Notice(s) / Document(s) on its Shareholders has been made through Electronic Mode. This initiative by the Government is indeed commendable and your Company supports the same. We are sure, that as a responsible Shareholder, you too will support this initiative, by registering yourself with the Company for e-communication, You will be able to receive such Notice(s) / Document(s) etc. promptly and without loss in postal transit.

It is proposed that, henceforth documents like Notices of Meetings, Annual Reports, Director's Report, Auditor's Report and other Shareholders' communications will be sent electronically to the e.mail address provided by you and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your e.mail address, you are requested to keep your Depository Participant (DP) informed the same.

For shares held in Physical form, Shareholders can either register their e.mail address with the Company / RTA at info@rsrmm.com / finance@rsrmm.com / info@bigshareonline.com mentioning their name(s) and folio no. or return this letter duly filled-in to the Company / RTA.

As most of the Shareholders are holding their shares in Dematerialised form, Board of Directors has decided to circulate hard copy of the Annual Report to all the Shareholders and hence forth the same will be communicated through Electronic Mode. Those who are still holding shares in Physical form, are requested to please get it converted in Electronic form with their Depository Participant at the earliest.

Kindly note that hence forth, if you still wish to get a hard copy of the above documents, the Company will send, free of cost, upon receipt of a request from you.

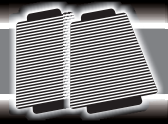
Thanking you,

Yours faithfully,



S.K.Rajpuria

Compliance Officer.



Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

e.mail Address (to be registered) :

Mobile No.:

Bank Details :

Bank's Name & Address:

Branch's Name:

Account No. :

IFSC / RTGS Code No. :

MICR Code No. :

Date:

Signature

Notes for Shareholder(s) :

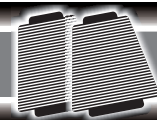
* This form is also available on the website of the Company, www.rsrm.com in "Financials" Section with caption "Green Initiative".

* Shareholders are requested to keep the Company informed of any change in their e.mail address. Shareholders holding the shares in Demat form are requested to also keep their Depository Participant informed of any change in their e.mail address.





THE RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS LTD.



Registered Office : Block No. 15, 3rd Floor, Devkaran Mansion Gate, No. 2, 63, Princess Street, 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 67th ANNUAL GENERAL MEETING of the company held at the Registered Office of the Company at Block No. 15, 3 rd Floor, Devkaran Mansion, Gate No. 2, 63, Princess Street, Mumbai - 400 002 on Saturday, the 27th September, 2014 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	

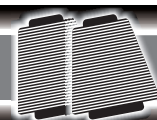
*Applicable for investors holding shares in Electronic form.

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 must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



THE RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS LTD.



Registered Office : Block No. 15, 3rd Floor, Devkaran Mansion Gate, No. 2, 63, Princess Street, Mumbai - 400 002.

D.P. ID.*	
Client ID.*	

L. F. No.	
No. of Shares	

FORM OF PROXY

I/We of
in the district of being a Member / Members of **The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.**
hereby appoint of
in the district of or failing him
of in the district of
as my/our proxy to attend and vote for me/us and on my/our behalf at the 67th ANNUAL GENERAL MEETING of the company to be held at the Registered Office of the Company at Block No. 15, 3rd Floor, Devkaran Mansion, Gate No. 2, 63, Princess Street, Mumbai - 400 002 on Saturday, the 27th September 2014 at 10.30 a.m. and at any adjournment thereof.

Signed this day of 2014.

Affix
Rs. 1.00
Revenue
Stamp

* Applicable for investors holding shares in Electronic form.

Signature