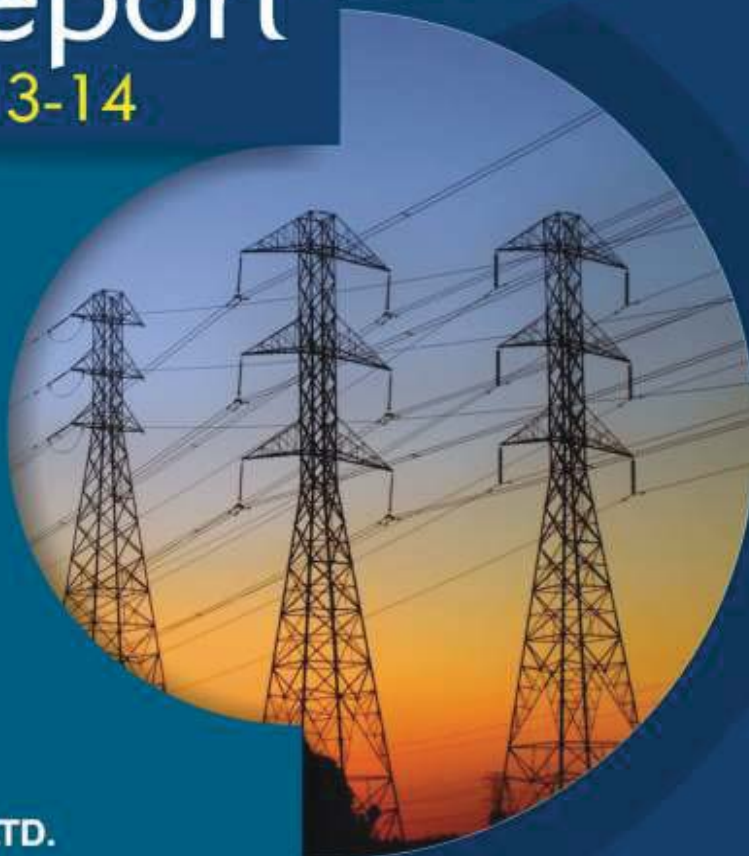


23rd



Annual Report

2013-14



R M MOHITE INDUSTRIES LTD.



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BOARD OF DIRECTORS

Mr. Shivaji R. Mohite	Chairman & MD
Mrs. Monika S. Mohite	Joint MD
Mr. Abhay S. Bhide	Executive Director & CEO
CA Neehal M.Pathan	Non-Executive Director
Mr. Sanjay D Patil	Independent Director up to 18-07-2014
Mr. Dhiraj S. Patil	Independent Director up to 07-12-2013
Mr. Ranjeet D. Patil	Independent Director
Mr. Sangramsinh S. Nimbalkar	Independent Director
CA. Vijay M. Nawandhar	Additional Director
Mr. Shankar H. Patil	Additional Director

REGISTERED OFFICE

R. S. No.347, Ambapwadi Phata
Off. NH-4, Vadgaon, Tal-Hatkanangale,
Dist-Kolhapur INDIA 416112
Phone - +91 230 2471230 to 33
Fax - +91 230 2471229
email - mohitex@bsnl.in
web - mohite.com

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HYDRO POWER PROJECTS

Radhanagari Hydro Power Project

Dam foot, Radhanagari Dam, A/p-Fejiwade,
Tal - Radhangari, Dist-Kolhapur.

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Ambai Hydro Power Project

Dudhganga Dam Foot,
A/P. - Dudhganga Nagar,
Tal-Radhangari, Dist-Kolhapur.

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BANKERS

Bank of Baroda, Shahupuri, Kolhapur
IDBI Bank Ltd, Nariman Point, Mumbai
State Bank of India, Udyamnagar, Kolhapur

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STATUTORY AUDITORS

Moreswar G. Deshpande

Chartered Accountants
F-2, Mayureswar Appt.,
City High School Road, Sangli 416 416

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INTERNAL AUDITORS

Kunte & Chaugule

Chartered Accountants
Ayodhya Towers, 2nd Floor,
Station Road, Kolhapur 416 001

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COMPANY SECRETARY

Mr. Sachin G. Bidkar

Company Secretary & Compliance Officer



DIRECTORS' REPORT

Dear Shareholders,

Your Director's have pleasure in presenting the 23rd Annual Report of the Company along with the Audited Financial Statements and Auditor's report for the year ended 31st March, 2014.

1. Financial Results :

The salient features of the performance of the year are as follows: -

(` in Lacs)

For the year ended	For the year ended on 31 st March 14	For the year ended on 31 st March 13
Gross Turnover	20426.11	13923.96
Profit Before Taxation	700.14	429.54
Provision for Taxation	30.85	30.34
Net Profit After Taxation	669.29	399.20
Balance of Profit Brought Forward	4625.14	4225.94
Profit available for appropriations	5294.43	4625.14
Appropriations :		
Dividend (Inclusive of Dividend Tax)	-	-
Transfer to Capital Redemption Reserve	-	-
Profit Carried to Balance Sheet	5294.43	4625.14

The performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report.

2. Dividend

With a view to plough back the Profits, Board of Directors do not recommend the payment of dividend for the financial year 2013-14.

3. Report on Corporate Governance and Management Discussion & Analysis

The Company has complied with clause 49 of the Listing Agreement pursuant to SEBI guidelines, accordingly, report on Corporate Governance and Management Discussion & Analysis are enclosed and form part of this Report.

5. Insurance

Adequate insurance cover has been taken for the properties of the Company including building, plant & machineries and stock.

6. Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Neehal M. Pathan, Non-Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.





In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of five consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Shankar H. Patil, Mr. Ranjit D. Patil, Mr. Sangramsinh S. Nimbalkar & Mr. Vijay M. Nawandhar as Independent Directors of the Company for a period up to 31st March, 2016, who shall not be liable to retire by rotation. Your Board recommends their appointment.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchange.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement with BSE Limited are given in the Notice convening 23rd Annual General Meeting.

During the period Mr. Dhiraj S. Patil & Mr. Sanjay D. Patil are resigned from their post of Director and Mr. Vijay M. Nawandhar & Mr. Shankar H. Patil were appointed as Independent Directors of the Company.

7. Directors Responsibility Statement:

On the basis of compliance certificate received from the concerned officials of the Company and subject to disclosure in the Annual Audited Accounts & on the basis of the discussion with the Statutory Auditors of the Company from time to time, we state:

- i) that in the preparation of the annual audited accounts, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same.
- ii) that the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2014 and of the profit of the Company for the year ended on that date.
- iii) that the Directors have taken proper and sufficient care to ensure 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
- iv) that the Directors have prepared the annual accounts on a going concern basis.

8. Auditors

Moreshwar G. Deshpande, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting of the company and being eligible, offer themselves for re-appointment. The Auditors have confirmed that, they satisfy the criteria provided under Section 141 of the Companies act, 2013 ('the Act') and their re-appointment, if made, would be in compliance with the conditions prescribed under the Act.

9. Cost Auditors

As per the Section 233B of the Companies Act, 1956 an impending directions being issued by the Central Government under section 148(1) of the Companies Act 2013, subject to the approval of the Central Government, the Audit Committee has recommended and your directors have appointed Shri. S. V. Vhatte, Cost Accountant, Solapur being eligible and having sought re-appointment, as Cost Auditor of the Company, to conduct cost audit of the products manufactured by the Company.

**10. Conservation of Energy, Technology Absorption, Foreign Earnings and Outgo**

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed and marked Annexure 'A' and forms part of this Report.

11. Cash Flow Analysis

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31st March, 2014 is annexed hereto.

12. Listing of Equity Shares

The Equity Shares of your Company are presently listed on Bombay Stock Exchange Limited, (BSE). The Company has duly paid the listing fees to Bombay Stock Exchange Limited for the financial year 2014-2015.

13. Depository System

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialization of the Company shares on either of the Depositories as aforesaid.

14. Particulars of Employees:

The statement of particulars of employees required under Section 217(2A) of the Companies Act, 1956 reads with the Companies (Particulars of Employees) Rules 1975. As no any employee is receiving salary more than limits prescribed under this section, separate statement is not attached.

15. Appreciation

Your directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry despite increased competition from several existing and new players.

16. Acknowledgments

The Board desires to place on record its appreciation for the support and co-operation that the Company received from all the customers, investors, marketing agents, clearing and forwarding agents, financial institutions, banker's, insurance companies, consultants, advisors and shareholders for their continued support. The company has always looked upon them as partners in its progress and has happily shared with them rewards of growth.

Your Directors are grateful to Government of India, Ministry of Commerce, Ministry of Textiles, Port Authorities and various authorities of Central and State Government for their co-operation and support. Your Directors look forward for their continued support.

For and on behalf of Board of Directors,

Vadgaon : 416 112

Date : 14th August, 2014

SHIVAJI MOHITE

CHAIRMAN & MANAGING DIRECTOR
DIN : 00425441



ANNEXURE 'A' TO THE DIRECTORS REPORT

Information under Section 217 (1)(e) of the Companies act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the financial year ended on 31st March 2014.

A. Conservation Of Energy

(a) Energy Conservation Measures Taken:

The Company has been taking continuous steps to conserve the energy and minimize energy cost at all levels.

(b) Total energy consumption and energy consumption per unit of production in the prescribed Form 'A' Attached.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

PARTICULARS		2013-14	2012-13
A	Power & Fuel Consumption Electricity :		
	Total Consumption during the year : (Kwh)	2,40,76,680	2,54,76,600
	Total Amount (₹)	16,90,26,688	19,05,30,755
	Own Generation through :		
	Hydro Power Project (Kwh)	2,25,35,477	1,72,00,919
	Purchased Units (Kwh)	15,41,203	82,75,681
B	Consumption per unit of Production of :		
	Cotton Yarn Electricity	2.75	3.57

B. TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption as per Form 'B' given below :

FORM B

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D has been carried out by the Company:

R & D activities are carried out continuously to produce good quality of Yarn for exports.

2. Benefits derived as a result of the above R & D :

With the result of the R & D activities carried out, the Company has been able to produce quality Yarn.

3. Future Plan of Action:

The Company continues its efforts to maximize its productivity and at the same time enhance quality of its products.

4. Expenditure on R & D

Expenditure on R & D has been shown under respective heads of expenditure in the profit and loss account as no separate account is maintained.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

The Company is constantly making efforts to adopt latest technology wherever possible to improve quality of product, productivity and efficiency of the machineries. The company is also at a continuous endeavor to improve the efficiency of process by way of deep study of new technologies and exchange of information with other mills and machinery manufacturers.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) The Company has achieved export sales of ₹ 9066.35 Lacs. Out of which export through merchant exporters is worth ₹ 5645.26 Lacs and ₹ 3421.08 Lacs through direct export. The Company has earned Net Foreign Exchange to the tune of \$ 55,06,118.06 through direct export.

- (b) Total Foreign Exchange used and earned.

The information on foreign exchange earnings and outgo is contained in note no. 24B(iv) of Notes to financial statements.

on behalf of Board

Vadgaon : 416 112

Date : 14th August, 2014

SHIVAJI MOHITE

CHAIRMAN & MANAGING DIRECTOR
DIN : 00425441



CORPORATE GOVERNANCE REPORT

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance refers to the systems and policies that influence a company's administration. It involve regulatory and market mechanism, and the roles and relationships between a company's management, board, shareholders and other stakeholders.

Corporate Governance at the R. M. Mohite Industries Ltd. is a continuing process. The group is committed to the adoption of best governance practices and there adherence in true spirit at all times. Your Company continuously strives to achieve excellence in Corporate Governance through its values-Integrity, Commitment, Passion, Seamlessness and Speed.

A. BOARD OF DIRECTORS

(i) Composition :

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that 50% of the Board should comprise of Non-Executive Directors. Further, if the Chairman is Executive Director, 50% of the Board should be independent.

The Board of Directors comprises Chairman & Managing Director, Joint Managing Director, Executive Director & CEO and Five Non-Executive Directors, of which four are Independent Directors.

NAME OF THE DIRECTOR	POSITION
Executive	
Mr. Shivaji R. Mohite	Chairman & Managing Director
Mrs. Monika S. Mohite	Joint Managing Director
Mr. Abhay S. Bhide	Executive Director & CEO
Non Executive	
CA Neehal M. Pathan	Director
Independent	
Mr. Sanjay D. Patil (up to 18-07-2014)	Director
CA Vijay M. Nawandhar	Director
Mr. Ranjit D. Patil	Director
Mr. Sangramsinh S. Nimbalkar	Director
Mr. Shankar H. Patil	Director

(ii) Meetings of the Board of Directors

The meetings of the Board of Directors are held at the Registered Office of the Company at 'Ambapwadi Phata, R.S. No. 347, Off. NH-4, Vadgaon – 416 112. During the year under review, 06 Board meetings were held on 30-06-2013, 14-08-2013, 14-11-2013, 07-12-2013, 24-01-2014 & 14-02-2014. The Agenda and the Explanatory Notes are prepared in consultation with Chairman and Managing Director, for each meeting, and are circulated the same in advance to the Directors. Every Director is free to suggest the inclusion of the items on the Agenda.



The attendance of the Board of Directors at the Meetings held during the year, number of other Directorships & Memberships of Committees as on March 31st 2014 are as follows:

Name of Director & Category of Directorship	No. of Board meetings attended	Attendance at last AGM	No. of other Directorships	No. of outside Committee position(s) held	
				Member	Chairman
Mr. Shivaji R. Mohite.	06	Yes	21	-	-
Mrs. Monika S .Mohite	06	Yes	17	-	-
Mr. Sanjay D. Patil (up to 18-07-2014)	06	Yes	02	-	-
Mr. Dhiraj S. Patil (up to 07/12/2013)	03	Yes	-	-	-
CA. Neehal M. Pathan	06	Yes	01	-	-
Mr. Ranjeet D. Patil	06	Yes	-	-	-
Mr. Abhay S. Bhide	06	Yes	-	-	-
Mr. Sangramsinh S. Nimbalkar	06	Yes	-	-	-
Mr. Vijay M. Nawandhar (w.e.f. 07/12/2013)	02	Yes*	03	-	-
Mr. Shankar H. Patil (w.e.f. 14/08/2014)	0	NA	02	-	-

*attendance in the capacity of Shareholder.

(iii) Information to the Board of Directors :

The Board of Directors has complete access to the information within the Company, which includes :

- Annual operating plan and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results and result of operations.
- Financing plans of the Company
- Minutes of Meetings of Audit and Nomination & Compensation Committees
- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment of goods sold,
- Any issue, which involves possible public or product liability claims of substantial nature.
- Developments in respect of Human Resources
- Compliance or Non-compliance of any Regulatory, Statutory or Listing requirements and investor service.

B. BOARD COMMITTEES

The Board currently has three committees: the Audit Committee, the Nomination & Compensation Committee and the Shareholders'/Investors' Grievance Committee. The Board is responsible for constituting, assigning and co-opting the Members of the Committee.

(i) Audit committee

(a) The Audit Committee is responsible for:

- Overseeing the Company's financial reporting process and disclosure of its financial information.
- Recommending the appointment of the Statutory Auditor & Internal Auditor and fixation of their remuneration.