

25th

ANNUAL REPORT
2015-16



MOHITE INDUSTRIES LTD.

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BOARD OF DIRECTORS

| | |
|-------------------------------------|---|
| Mr. Shivaji R. Mohite | <i>Chairman & MD</i> |
| Mrs. Monika S. Mohite | <i>Joint MD</i> |
| Mr. Abhay S. Bhide | <i>Wholetime/Executive Director & CEO</i> |
| Mr. Neehal M. Pathan | <i>Non-executive Director</i> |
| Mr. Vijay M. Nawandhar | <i>Independent Director</i> |
| Mr. Ranjeet D. Patil | <i>Independent Director</i> |
| Mr. Sangramsinh S. Nimbalkar | <i>Independent Director</i> |
| Mr. Shankar H. Patil | <i>Independent Director</i> |

SPINNING UNIT & REGISTERED OFFICE

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

HYDRO-ELECTRIC POWER PROJECT

Radhanagari Hydro
Power Project
Dam foot Radhanagari Dam,
A/p-Fejiwade,
Tal- Radhanagari
Dist - Kolhapur.

HYDRO ELECTRIC POWER PROJECT

Ambai Hydro Power Project
Ambai Exit, A/p- Ambai,
Tal-Radhanagari,
Dist - Kolhapur.

BANKERS

Bank of Baroda,
Shahupuri, Kolhapur

IDBI Bank Ltd,
Nariman Point, Mumbai

State Bank of India,
Udyamnagar, Kolhapur

AUDITOR

Moreshwar G. Deshpande
Chartered Accountants,
Sangli

INTERNAL AUDITORS

R T Chaugule & Co.
Chartered Accountants,
Kolhapur

COST AUDITOR

Mr. Sudhakar V. Vhatte
Cost & Management
Accountant, Solapur

SECRETARIAL AUDITOR

Mr. Dilip D. Pange
Company Secretary
in Practice, Kolhapur

CHIEF FINANCE OFFICER

CA Shreyas Sanjay Alatkhar

COMPANY SECRETARY

CS Ashvini Prataprao Kalekar

DIRECTOR'S REPORT

Dear Shareholders,

Your Director's have pleasure in presenting the 25th Annual Report of the Company along with the Audited Financial Statements and Auditor's report for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

(Amount In Lacs)

| For the year ended | For the year ended on 31 st March 16 | For the year ended on 31 st March 15 |
|--|--|--|
| For the year ended Net Sales /Income from | | |
| Business Operations | 12838.00 | 20593.44 |
| Other Income | 307.35 | 23.58 |
| Total Income | 13145.35 | 20617.02 |
| Profit Before Interest and Depreciation | 2165.54 | 2131.48 |
| Less Interest | 844.07 | 727.70 |
| Profit before Depreciation | 1321.47 | 1403.78 |
| Less Depreciation | 793.94 | 683.65 |
| Profit after depreciation and Interest | 527.53 | 720.13 |
| Less Current Income Tax | 107.56 | 85.00 |
| Less Previous year adjustment of Income Tax | - | - |
| Less Deferred Tax | (98.83) | (38.62) |
| Net Profit after Tax | 518.80 | 673.75 |
| Dividend (including Interim if any and final) | - | - |
| Net Profit after dividend and Tax | 518.80 | 673.75 |
| Amount Transferred to General Reserve | - | - |
| Balance of Profit Brought Forward | 6588.22 | 5294.43 |
| Balance carried to Balance Sheet | 6840.46 | 6588.22 |
| Earning per share (Basic) | 2.58 | 3.35 |
| Earning per Share(Diluted) | 2.58 | 3.35 |

PERFORMANCE REVIEW

During the Financial year under review the Company has achieved Revenue of ₹13145.35 Lakhs and that for previous year was ₹ 20617.00 Lakhs. While Company earns Net profit after tax of ₹ 518.80 Lakhs and that for previous year was 673.74 Lakhs.

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 2015-16.

3. TRANSFER TO RESERVES

There is no any amount transferred to any reserve during the year under consideration.

4. DIRECTORS & KMP

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 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 for his re-appointment.

Mr. Shankar Patil, Mr. Ranjeet Patil, Mr. Sangramsinh Nimbalkar & Mr. Vijay Nawandhar were reappointed as Independent Directors of a Company in last Annual General Meeting held on 28th September 2015 for a period of Five years.

Mr. Abhay Bhide was reappointed as Whole-time Director w.e.f. 1st October 2015 for three years. CS Ashvini Prataprao Kalekar was appointed as Whole-time Company Secretary w.e.f. 10th April 2015. CA Shreyas Sanjay Alatkhar, was appointed as Chief Finance Officer of the Company w.e.f. 14th August 2015.

Term of Mr. Shivaji Mohite, Chairman and Managing Director of the Company is going to be completed in forthcoming Annual General Meeting and also term of Mrs. Monika Mohite, Jt. Managing Director of the Company is going to be completed in January 2017 hence it is proposed to reappoint Mr. Shivaji Mohite as Chairman and Managing Director and Mrs. Monika Mohite, as Joint Managing Director in forthcoming Annual General Meeting.

5. PUBLIC DEPOSIT

During the year under review the Company has not accepted any deposit within the meaning of Section 73 and Section 76 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rule 2014.

6. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT 9 is attached to this Report as Annexure I

7. 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 2016-17.

8. MEETINGS OF THE BOARD

The Board met Six times during the year, the details of which are given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and other applicable rules and regulations.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors of the Company. The agenda of the Board / Committee meetings is circulated 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

9. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) & (5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 2015-16 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel (KMP), Senior Management and their remuneration.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in the Report on Corporate Governance attached to this report.

11. RISKS AND AREAS OF CONCERN

The Company has Risk Management Policy and mechanism which take care as to identification of events which if occurs will adversely affect either / or value to shareholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates as "Risks" and assessment & mitigation thereof. A Risk Management Committee has been constituted to oversee the risk management process in the Company.

There are no risks which in opinion of the Board threaten the existence of the company.

12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility (CSR) Committee. The Committee is in process of framing Policy on Corporate Social Responsibility as per Schedule VII of the Companies Act, 2013.

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as Annexure II.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 under Companies (Accounts) Rules, 2014 are appended as Annexure III.

14. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

15. MATERIAL CHANGES AND COMMITMENT OCCURRED DURING THE YEAR UNDER REVIEW AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Owing to unfavorable environment in the textile industry, the company is not able to utilise the land admeasuring 1,20,475 Sq. Metre. situated at T-6, Kagal Hatnangle 5 Star MIDC, Kagal, Kolhapur allotted to it by MIDC. In an effort to reduce the debt of the company and for its expansion plans, the Directors decided to monetise its non-income generating assets. Accordingly, the Directors have transferred to Kasturi Foundry Pvt. Ltd rights on the above mentioned land by passing Board Resolution dt.30.05.2015

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not made any investments or given guarantee's or provided security falling under the provisions of Section 186 of the Companies Act, 2013.

17. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by of the Auditors of the company or by Practicing Company Secretary in their respective reports.

18. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

19. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013 unclaimed or unpaid Dividend of ₹94,143/- (₹Ninety

Four Thousand One Hundred Forty Three Only) relating to the financial year 2010-11 is due for remittance on 14/11/2017 to the Investor Education and Protection Fund established by the Central Government.

20. ANNUAL PERFORMANCE EVALUATION BY THE BOARD

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and provisions of Corporate Governance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and other Committees of the Company. The Board has devised questionnaire to evaluate the performances of each Director. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of Contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness and functioning of committee etc.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The manner in which the evaluation has been carried out has been explained in the Report on Corporate Governance.

21. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There was no order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

22. AUDIT COMMITTEE AND ITS COMPOSITION

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

As on 31st March, 2016, the Audit Committee comprised of Mr. Vijay M. Nawandhar, Mr. Sangramsinh S. Nimbalkar, Mr. Ranjeet D. Patil, Independent Directors and Mr. Neehal M. Pathan Director, of the Company.

Mr. Vijay M. Nawandhar is the Chairman of Audit Committee of the Company. Ms. Ashvini Kalekar, Company Secretary and Compliance Officer of the Company, acts as the Secretary of the Audit Committee.

23. WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism Policy /Whistle blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism. The details of the Vigil Mechanism Policy//Whistle blower Policy is explained in the Report on Corporate Governance and also posted on the website of the Company. We affirm that during the financial year 2015-16, no employee or director was denied access to the Audit Committee.

24. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from Shri. Dilip Pange, Practicing Company Secretary, Kolhapur is appended as Annexure IV and forms part of this report.

25. INTERNAL AUDIT

The Company appointed M/s. Kunte & Chougale, Chartered Accountant, Kolhapur as its Internal Auditor for FY.2015-16. The Internal Auditors had given their reports on quarterly basis to the Audit Committee.

Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

For year 2016-17 M/s R.T. Chaugule & Co, Chartered Accountant, Kolhapur has been appointed as internal auditor.

26. INTERNAL FINANCIAL CONTROL

The Company has adequate internal control system and procedures commensurate with size and nature of operations. The Audit Committee evaluates the efficacy and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Control. The Internal Audit Report are periodically reviewed by the management & Audit Committee and necessary improvements are undertaken.

27. CORPORATE GOVERNANCE

Pursuant to Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the following have been made a part of the Annual Report and are attached to this report:

- Related Party Disclosure
- Management Discussion and Analysis Report
- Report on Corporate Governance
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

28. COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee. There are currently five Committees of the Board, as follows:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, a part of this Annual Report.

29. PARTICULARS OF EMPLOYEES REMUNERATION

There is no employee in the company which comes under provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details of remuneration paid to all the directors / employees and details of the ratio of remuneration of each Director to the median employee's remuneration is provided in Corporate Governance Report and Annexure-V to this Report.

30. AUDITORS

Moreshwar G. Deshpande, Chartered Accountant, Sangli, the Statutory Auditor of your Company hold office as such up to the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from him to the effect that he is willing to continue as Statutory Auditor and if re-appointed, his re-appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013 and he is not disqualified from being appointed as Auditor.

Your Directors recommend the re-appointment of Moreshwar G. Deshpande, Chartered Accountant, Sangli, as Statutory Auditor of the Company to hold office from the conclusion of the ensuing Annual General Meeting up to the conclusion of next Annual General Meeting of the Company and to audit financial statements for the financial year 2016-17.

31. COST AUDITORS

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed Shri. S. V. Vhatte, Cost & Management

Accountant, Solapur as Cost Auditors of the Company to conduct audit of cost records maintained by the Company.

32. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has system to comply with provisions under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed.

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo for the year under review is given as "Annexure VI".

34. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to bankers, customers, suppliers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

On behalf of the Board
MOHITE INDUSTRIES LIMITED

Date : 13th August, 2016

Place : Vadgaon

SHIVAJI MOHITE
Chairman & Managing Director
DIN 00425441

ANNEXURE - I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended on 31ST MARCH 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|--|
| 1 | CIN | L40108MH1990PLC058774 |
| 2 | Registration Date | 31 ST October 1990 |
| 3 | Name of the Company | MOHITE INDUSTRIES LIMITED |
| 4 | Category / Sub-Category of the Company | Public Company Limited By Shares Indian Non-Government Company |
| 5 | Address of the Registered office and contact details | R.S.No.347,Ambapwadi Phata,NH-4,Vadgaon, Tal-Hatkanangale,Dist- Kolhapur - 416112 Phone - +91 230 2471230 to 33 Fax - +91 230 2471229 email - mohitex@bsnl.in web - www.mohite.com |
| 6 | Whether listed company | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400078 Telephone - 02225963838 Fax Number - 022 25946969 Email - inform@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ Service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | 100% Cotton Yarn | 2351 | 90.06% |
| 2 | Generation of Hydro Electric Power | 40101 | 9.94% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Not Applicable

IV. SHARE HOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding