

26<sup>th</sup>  
annual  
report  
2016-17



SHIVAJI MOHITE  
GROUP

MOHITE INDUSTRIES LIMITED



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## BOARD OF DIRECTORS

**Mr. Shivaji R. Mohite**

Chairman & MD

**Mrs. Monika S. Mohite**

Joint MD

**Mr. Abhay S. Bhide**

Wholetime/Executive Director & CEO

**Mr. Vijay M. Nawandhar**

Independent Director

**Mr. Ranjeet D. Patil**

Independent Director

**Mr. Sangramsinh S. Nimbalkar**

Independent Director

**Mr. Shankar H. Patil**

Independent Director

### **SPINNING UNIT & REGISTERED OFFICE**

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

### **HYDRO-ELECTRIC POWER PROJECT**

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

### **BANKERS**

**Bank of Baroda,**  
Shahupuri, Kolhapur

**IDBI Bank Ltd,**  
BKC Branch, Mumbai

**State Bank of India,**  
Udyamnagar, Kolhapur

### **AUDITOR**

**Moreswar G. Deshpande**  
Chartered Accountants,  
Sangli

### **INTERNAL AUDITORS**

**N. M. Pathan & 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 Alatkar

### **COMPANY SECRETARY**

CS Ashvini Prataprao Kalekar

# DIRECTOR'S REPORT

Dear Shareholders,

Your Director's have pleasure in presenting the 26<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements and Auditor's report for the year ended 31<sup>st</sup> March, 2017.

## 1. FINANCIAL RESULTS

( Amount In Lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March 17	For the year ended on 31 <sup>st</sup> March 16
<b>Net Sales /Income from</b>		
Business Operations	9578.98	12838.00
Other Income	29.19	307.35
<b>Total Income</b>	<b>9608.17</b>	<b>13145.35</b>
<b>Profit Before Interest, Depreciation, Tax and Extraordinary/Exceptional Items</b>	<b>2044.36</b>	<b>2165.54</b>
Less Interest	1045.37	844.07
<b>Profit before Depreciation, Tax and Extraordinary/Exceptional Items</b>	<b>998.99</b>	<b>1321.47</b>
Less Depreciation	717.72	793.94
<b>Profit after depreciation and Interest but before Tax, Extraordinary/Exceptional Items</b>	<b>281.27</b>	<b>527.53</b>
Less -Extraordinary/Exceptional Items	688.17	-
<b>Profit /(Loss) after depreciation and Interest Extraordinary /Exceptional Items but before Tax</b>	<b>(406.90)</b>	<b>527.53</b>
Less - Current Income Tax	-	107.56
Less - Previous year adjustment of Income Tax	-	-
Less -Deferred Tax	(58.93)	(98.83)
<b>Net Profit /(Loss) after Tax</b>	<b>(347.97)</b>	<b>518.80</b>
Dividend (including Interim if any and final )	-	-
<b>Net Profit /(Loss) after dividend and Tax</b>	<b>(347.97)</b>	<b>518.80</b>
Amount Transferred to General Reserve	6840.46	6588.22
Balance of Profit Brought Forward	-	(266.55)
Short Provision of Income Tax	<b>6492.49</b>	<b>6840.46</b>
<b>Balance carried to Balance Sheet</b>		
Earning per share Before Extraordinary Items (Basic)/ (Diluted)	1.69	2.58
Earning per Share After Extraordinary Items (Basic)/ (Diluted)	(1.73)	2.58

## PERFORMANCE REVIEW-

During the Financial year under review the Company has achieved Revenue of ₹ 9608.17 Lakhs and that for previous year was ₹ 13145.35. The Company incurred net loss (after tax) of ₹ 347.97 Lakhs during the year and that for previous year there was net profit of ₹ 518.80 Lakhs. During the period the Company has incurred extraordinary losses due to withdrawal of permission of Hydro Project at Ambai, A/p Kalamawadi, Tal. Radhanagari, Dist. Kolhapur as the Company failed to complete it within prescribed timespan.

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

## 2. DIVIDEND

Board of Directors do not recommend the payment of dividend for the financial year 2016-17.

### **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. Abhay Bhide, 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.

Reappointment of Mr. Shivaji Mohite as Chairman and Managing Director and Mrs. Monika Mohite as Joint Managing Director of the Company was made in last Annual General Meeting.

Mr. Neehal Pathan has resigned as director of the Company with effect from 07th February 2017.

Besides above there are no any other changes in composition of the Board.

### **5. COMMITTEES OF THE BOARD**

There are five Committees of the Board. Some committees were reconstituted during the year because of resignation by one of the director. Name of Committees are as below

- 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.

### **6. AUDIT COMMITTEE**

The Company has duly constituted Audit Committee. The details as to composition and functioning of the committee is provided in the Report on Corporate Governance. All recommendations made by Audit committee are accepted by the Board during the year under consideration.

### **7. MEETINGS OF THE BOARD**

The Board met four times during the year, the details of which are given in the Report on Corporate Governance. The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other business. The notice of Board meeting is given well in advance to all the Directors of the Company.

### **8. 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 2016-2017 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.

## 9. ANNUAL PERFORMANCE EVALUATION

Pursuant to, the provisions of Section 134(3) and other applicable sections of the Companies Act, 2013 and rules made thereunder, provisions of Corporate Governance under 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 Board of the Company.

The evaluation framework for assessing the performance is as follows-

The performance evaluation is carried out once in a year (generally in first or second quarters meeting) by method of internal assessment. Views of each members are considered on oral basis. The board after seeking inputs from all the directors, after making analysis of information gathered evaluate the performance of the Board as whole, of Committees thereof and of individual director. The Nomination and Remuneration Committee also contribute in this process of evaluation. It recommends/sets criteria for evaluation.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The evaluation criteria for independent directors in details given in the Report on Corporate Governance.

The result of evaluation is disclosed in the Meeting of the Board and action plans if any are also discussed in same meeting.

## 10. 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.

## 11. EXTRACT OF ANNUAL RETURN

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

## 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 2017-18.

## 13. 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.

## 14. RISK MANAGEMENT AND AREAS OF CONCERN

The Board has adopted the policies and procedures which provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff/workers and business assets and ensure financial sustainability.

The Board of Directors of the Company is to oversight and to review the risk management. Besides that Audit Committee, Risk Management Committee, Senior Management of the Company also play important role in this process. After identifying risks those are evaluated and plans are made for management thereof. Risk Management Committee reviews the implementation of plan in each meeting. There are no risks which in opinion of the Board threaten the existence of the company.

## **15. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE**

The Company has duly constituted Corporate Social Responsibility (CSR) Committee. The Committee has framed the CSR Policy on Corporate Social Responsibility as per Schedule VII of the Companies Act, 2013 which is disclosed on website of the company under subheading Corporate Governance - heading Investor Relations. PARVATI MOHITE FOUNDATION, a Sec. 8 Company, has been incorporated as sole purpose vehicle to undertake CSR activities.

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

## **16. 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 are prescribed in Form AOC-2 are appended as Annexure III.

## **17. 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 is 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 end on the date of this report.

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

Due to non completion of project within time the Maharashtra Government has taken away permission granted to the Hydro-Electric Power Project at Ambai, A/p Kalamawadi, Tal. Radhanagari, Dist. Kolhapur which was under construction and thereby extraordinary loss recorded of ₹ 6.88 Cr. during year under consideration. Besides that there was no other changes occurred during the year under consideration affecting financial position of the Company.

## **19. 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.

## **20. 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.

## **21. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their declarations 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.

## **22. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Sections 124,125 of the Companies Act, 2013 there is no any unclaimed or unpaid dividend for previous years pending and due for remittance to the Investor Education and Protection Fund established by the Central Government.

## **23. 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.

## **24. WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism Policy /Whistle blower Policy to provide mechanism for reporting genuine concerns or grievance. 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 2016-17, no employee or director was denied access to the Audit Committee.

## **25. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from DILIP PANGE & ASSOCIATES, (proprietor Shri. Dilip Pange), Practicing Company Secretaries, Kolhapur is appended as Annexure IV and forms part of this report.

## **26. INTERNAL AUDIT**

M/s R. T. Chaugule & Co, Chartered Accountant, Kolhapur were Internal Auditors of the Company for F.Y. 2016-17. 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 were presented to the Audit Committee of the Board.

The Board has appointed M/s. N. M. Pathan & Co, (Proprietor Mr. Neehal Pathan) Chartered Accountants, Kolhapur as its Internal Auditor for FY. 2017-18.

## **27. 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 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.

## **28. 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
- Confirmation on compliance of Code of Conduct

## **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 up to the conclusion of forthcoming Annual General Meeting. As per provisions of Sec.139 of the Companies Act 2013 an individual can not be appointed as an auditor for more than one term of five consecutive years and transition period of three years was given to comply with that provision. Accordingly Moreshwar G. Deshpande, Chartered Accountant, Sangli, the present Statutory Auditor are not eligible for re-appointment.



So Board hereby recommend the appointment of PRASHANT HIRAWDEKAR & ASSOCIATES, Chartered Accountants, Kolhapur proprietor Hirawdekar Prashant Subhash (having membership number 133498), as statutory Auditors of the Company for next five years i.e. up to conclusion of thirty first Annual General Meeting of the Company to be held in year 2022, subject to ratification in each succeeding Annual General Meeting . The Company has received a letter from him as to his willingness to be appointed as Statutory Auditor and his appointment would be within the limits prescribed under Section 141 of the Companies Act, 2013 and he is not disqualified from being appointed as Auditor.

### **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. 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".

### **33. 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.

### **34. ACKNOWLEDGEMENT :**

Your Directors wishes to thank the employees for their dedication and the excellence they have displayed in conducting the operations of the Company. Directors also place on record their sincere thanks to bankers, customers, suppliers, business associates, consultants, market intermediaries, various Government Authorities for their continued support extended to the Company during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed.

On behalf of the Board  
**MOHITE INDUSTRIES LIMITED**

**SHIVAJI MOHITE**  
Chairman & Managing Director  
DIN 00425441

Date : 18<sup>th</sup> August, 2017

Place : Vadgaon

# ANNEXURE - I

## EXTRACT OF ANNUAL RETURN

### Form No. MGT-9

As on the financial year ended on 31<sup>ST</sup> MARCH 2017

[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 <sup>st</sup> 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-101, 1 <sup>st</sup> Floor, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai MH 400083 Tel. No. - 022 -49186270 (for Investor) 022- 49186000 Fax No. - 022- 49186060 Email - rnt.helpdesk@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	84.54 %
2	Generation of Hydro Electric Power	40101	15.46 %

#### 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