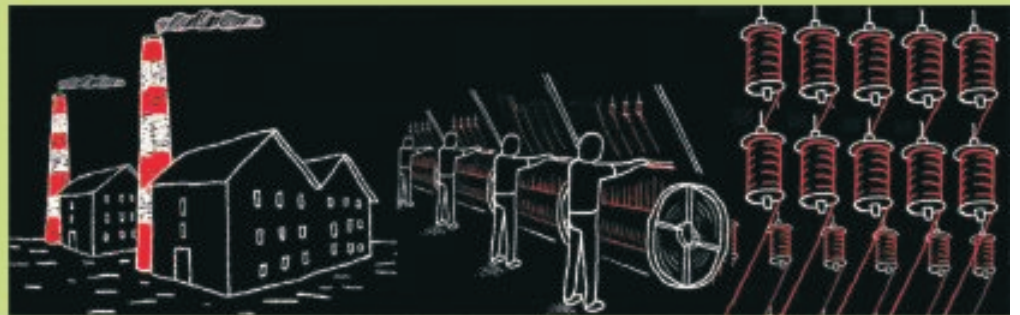




**R M MOHITE**  
INDUSTRIES LTD.

## HYDRO POWER



## TEXTILE

20<sup>th</sup> Annual Report 2010-2011



R M MOHITE  
INDUSTRIES LTD.



R M MOHITE  
INDUSTRIES LTD.



The Prestigious Hydro Power Project At Radhanagaeri (Internal View of Turbines)



The Power House Building and the Electricity Grid



The Auspicious Event of Commissioning of Hydro Power Project



The Chinese Technical team who finished the machinery installation



OUR TEAM, OUR PRIDE



Visit of Mr. E. E. Tuckaroy, C. W. and Mr. U. D. Kulkarni Chief Manager Bank Of Baroda to the Company



## BOARD OF DIRECTORS

Mr. Ramchandra Maruti Mohite	<i>Chairman (up to 13/05/2011)</i>
Mr. Shivaji Ramchandra Mohite	<i>Managing Director</i>
Mrs. Monika Shivaji Mohite	<i>Joint Managing Director</i>
Mr. Vijay Madanlal Navandhar	<i>Director</i>
Mr. Sanjay Dnyandeo Patil	<i>Director</i>
Mr. Rajendra Prabhakar Kinkar	<i>Director</i>
Mr. Dhiraj Shivajirao Patil	<i>Director</i>

## AUDITORS

**Moreshwar G. Deshpande**  
Chartered Accountants  
F-2, Mayureshwar Appt.  
City High School Road, Sangli – 416 416

## COMPANY SECRETARY

**Sachin G. Bidkar**

## BANKERS

**Bank of Baroda**  
**IDBI Bank Ltd.**  
**State Bank of India**

## REGISTERED OFFICE & WORKS

R. S. No. 347, Ambapwadi Phata,  
N. H. 4, Vadgaon, Tal. Hatkanangale,  
Dist - Kolhapur INDIA 416 112  
Phone : ++91 - 230 - 2471230  
Fax : ++91 - 230 - 2471229

## INTERNAL AUDITORS

**Kunte & Chaugule**  
Chartered Accountants  
Ayodhya Towers, 2nd Floor,  
Station road, Kolhapur - 416 001.

## REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt.Ltd.,  
C-13, Pannalal silk Mills' Compound,  
L.B.S.Marg,  
Bhandup (West), Mumbai- 400078

## HYDRO POWER PROJECT

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

**Ambai Hydro Electric Power Project**  
Ambai Exit  
A/p - Ambai  
Tal :- Radhanagari, Dist - Kolhapur

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## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Shareholders of R M MOHITE INDUSTRIES LIMITED Will be held on Friday, 30<sup>th</sup> September 2011 at 11.30 a. m. at Registered Office of the Company situated at R. S. No. 347, Ambapwadi Phata, N. H. 4, Vadgaon – 416112, Dist – Kolhapur in the state of Maharashtra, to transact the following business :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date together with the Auditors' Report and Directors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Sanjay Dnyandeo Patil, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajendra Prabhakar Kinkar who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution :

**"RESOLVED THAT** the Company's Auditors, M/s. Moreswar Deshpande, Chartered Accounted, Sangli, who retire but, being eligible, offers themselves for reappointment be and are hereby reappointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS :

6. To Consider and thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications(s) or reenactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Shivaji R. Mohite, Managing Director of the Company as "Chairman and Managing Director" of the Company for the period of Five years with effect from 01<sup>st</sup> October, 2011 to 30<sup>th</sup> September, 2016 at a remuneration of ₹ 3,00,000/- (Rupees Three Lacs only) per month with normal increment as per the general policy of the Company as applicable to the other employees."

For and on behalf of Board of Directors,

Vadgaon : 416 112  
Date : 30<sup>th</sup> May, 2011

**SHIVAJI MOHITE**  
MANAGING DIRECTOR

## NOTES :

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1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote on a poll instead of himself/herself and such proxy need not to be a member of the Company. The proxy, in order to be effective, must be lodged with the Company not less than 48 hours before the meeting. The blank proxy form is enclosed.
2. The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of the Business under Item No. 6 is annexed hereto. The relevant details of Director seeking re-appointment under Item No 3 and 4 pursuant to clause 49 of the Listing agreements entered into with Bombay Stock Exchange Ltd. are also annexed hereto
3. The Register of Members and Share Transfer Books of the Company shall remain closed from the 23<sup>rd</sup> September, 2011 to 29<sup>th</sup> September, 2011 [both days inclusive] for the purpose of Annual Book Closure.
4. Members holding shares in physical form are requested to notify the changes in their addresses, if any, at the earliest. Members holding shares in dematerialized form are requested to notify change in their addresses to their Depository Participants.



## ANNEXURE TO THE NOTICE

### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956**

As required under Section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the business under item. No. 6.

#### **ITEM NO. 6 (Ordinary Resolution)**

Shri Shivaji Ramchandra Mohite Managing Director of the Company has been designated as 'Chairman and Managing Director of the Company in the Shareholders' Annual General Meeting will be held on 30<sup>th</sup> September, 2011 for the period from 1<sup>st</sup> October 2011 to 30<sup>th</sup> September, 2016, subject to the approval of the shareholders.

Shri Shivaji Ramchandra Mohite is a commerce graduate. He is one of the founder promoters of R M Mohite Industries Ltd. He has put in around Eighteen years experience in the textile industry. He has hands on experience in textile, construction and general administration. He is instrumental in building the overall base of the company.

The relevant terms of the Salary and other benefits payable to Shri Shivaji Ramchandra Mohite are as follows:

#### **Particulars -**

Salary – ₹. 300000/- (Rupees Three Lacs Only) per month w.e.f. 1<sup>st</sup> October, 2011

#### **Perquisites –**

- a) Chauffeur driven car for official as well as for personal purposes.
- b) Two telephones at residence and mobiles at Company's cost.
- c) Subject to any statutory ceiling the Managing Director may be given any other allowances, perquisites, benefits and facilities at the discretion of the Board of directors.

#### **Evaluation of perquisites.**

Perquisites / allowances shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such rules shall be evaluated at such actual cost.

The Directors recommend this resolution for members approval.

Shri. Shivaji Ramchandra Mohite and Mrs. Monika Shivaji Mohite be treated as interested in Resolution.

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

As required under Clause 48(VI) (A) of the Listing Agreement with The Stock Exchange, Mumbai the particulars of the Directors who are proposed to be re-appointed are given below

1)	Name :	Mr. Shivaji Ramchandra Mohite
	Age :	43 Years
	Qualifications :	B. Com
	Experience :	Mr. Shivaji Mohite have more than 18 years experience in Textiles Business and he was one of the partners of M/s R M Mohite & Company, one of the leading premier construction firms from Maharashtra, which constructed many large dam projects & power house. He is involved in supervision, execution of construction of earthen dams and maintenance of large fleet. He was felicitated by Govt of Maharashtra for excellent work of Dhombalakovadi Dam project in Satara District.
	Other Directorship	a) Arch Hydro Power Projects Pvt. Ltd. b) Chirag Sanditext Pvt. Ltd c) Credence Builders Pvt. Ltd. d) D and S – Engineers and Contractors Pvt. Ltd e) Divine Contractors Pvt. Ltd. f) Janhavi Motors Pvt. Ltd g) Mohite Motors Pvt. Ltd h) Mohite Inns Pvt. Ltd i) Mohitex Knitts Pvt. Ltd. j) Musk Developers Pvt. Ltd k ) Pergola Builders Pvt. Ltd l) Pioneer Mining Project and development Pvt. Ltd m) Precision Developers Pvt. Ltd. n) R M Mohite Constructions Pvt. Ltd. o) R M Mohite Minerals Pvt. Ltd. p) Rajhans Hotels Pvt. Ltd q) Seventh Heaven Agro Properties Pvt. Ltd r) Shiv – Dhruv Builders Pvt. Ltd s) Shivam Earth Movers Pvt. Ltd t) Starlit Developers Pvt. Ltd u) Solitaire constructions Pvt. Ltd v) United Real Estate Developers Pvt. Ltd. w) Velour Build – Con Pvt. Ltd
2)	Name :	Mr. Sanjay Dnyandeo Patil
	Age:	45 Years
	Qualifications :	D. C. E.
	Experience :	Associated with various educational institutions for last 18 years. He is also Member of Indian Council of Agricultural research, New Delhi.
	Other Directorship:	1) DYP Hospitality Private Limited 2) Dnyanshanti Projects Private Limited
3)	Name :	Mr. Rajendra Prabhakar Kinkar
	Age:	46 Years
	Qualifications :	B. Com LLB.
	Experience :	Adv. Mr. Rajendra Kinkar is a one of the leading legal practitioners in Kolhapur & Sangli District. Since last Twenty years he is practicing in civil, co-operative & conveyance matters. Also he is legal advisor for various banks, builders and private & public limited companies.
	Other Directorship:	NA





## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report of the Company along with the audited statements of Accounts for the year ended 31<sup>st</sup> March, 2011. The summarized financial results are given below.

### 1. Financial Results :

The Financial results for the year are as under:-

₹ in Lacs

PARTICULARS	2010-11	2009-10
Turnover	13616.40	10630.38
Profit Before Depreciation, Interest, Tax (PBIDT)	2496.72	2155.36
Interest and Financial Expense	931.24	994.00
Profit before Depreciation & Tax (PBDT)	1565.48	1161.36
Depreciation	642.49	608.26
Profit after depreciation but before exceptional items	922.99	553.10
a) Exceptional Items – Expenses	458.57	--
b) Deferred Tax Asset – Income	53.98	--
Profit after exceptional items but before Tax (PBT)	518.41	--
Provision for tax		
a) Current	90.00	80.00
b) Deferred (Net of adjustment)	--	68.59
Profit after Tax (PAT)	428.41	404.51
Balance in P & L A/c	2191.71	1787.20
Profit available for distribution	2620.11	2191.71
Earning per share (Rupees) - Basic	2.13	2.01
Dividend - Interim %	5 %	Nil

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

**2. Dividend**

The Board of Directors had declared an interim Dividend of 0.50/- per share (5%) on the Equity Shares of the Company, in November, 2010. The Directors are pleased to recommend a final Dividend of 0.50/- per share (5%) on the Equity Shares of the Company.

**3. Exports**

The Total Exports including merchant exports, during F.Y. 2010-11, of the Company amounted to ₹ 4081.16 Lacs which represents about 29.97 % of the net sales.

**4. Expansion & Modernization**

**Hydro Electricity Project of 10 MW at Radhanagari (Dist-Kolhapur)**

Your company has successfully commissioned Hydro Electric Project of 10 MW capacity at Radhanagari (Maharashtra). The mechanical trial run of which is successfully completed on 02<sup>nd</sup> September 2010 and the power generation started from 08<sup>th</sup> March 2011. This is one of the largest Captive Hydro Power Project in Maharashtra.

Your company have acquired another Hydro Power Project of 3.5 MW capacity at Kallamawadi Dam foot on BOT basis. The construction of the power house is already started & it is expected to complete the project within a period of two years.

**5. Disposal of Asset :**

During the year, Subject to the Authority given to the Board of Directors by Resolution passed at 19<sup>th</sup> Annual General Meeting disposed off approved specific asset & investment. Company's Investment and assets. The Board of Directors disposed off the same to the various parties whom shown keen interest and offer best consideration for the Property.

**6. Change in Name of the Company.**

During the Year Company has changed its name from “ R M Mohite Textiles Limited” to “R M Mohite Industries Limited” vide resolution passed in 19<sup>th</sup> Annual General meeting and also received Fresh Certificate of Incorporation consequent to Change in the Name of the Company dated 04<sup>th</sup> November, 2011 from Registrar of Companies, Pune.

The Change in Name of the Company has been informed to all Government Authorities, Stock Exchanges, Customers, Suppliers and all others to whom it is required to inform.

**7. Subsidiary Companies**

As on date Company do not have any subsidiary Company..

**8. Management Discussion and Analysis**

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, Management Discussion Analysis Report is annexed herewith, forming part of this Report.

**9. Corporate Governance**

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

**10. Environment and Pollution Control**

Your Company strives hard to maintain the highest standards of environmental care and ensures that increasing levels of operation do not adversely impact the standards of health and environment. Top priority continues to be given to preservation of the environment by the Company. To combat pollution and strengthen the ecology area, considerable emphasis is given to plantation of fragrant and shady trees viz. Sliver Oak, Brassiya, Mahogani, Fathodia, etc. Manufacturing facilities possess the required environmental clearance from Maharashtra Pollution Control Board.

**11. Insurance**

Adequate insurance cover has been taken for the properties of the Company including buildings, plant and machineries and stocks.

**12. Directors**

In accordance with the provisions of the Companies Act 1956, and Articles of Association of the Company Mr. Sanjay Dnyandeo Patil and Mr. Rajendra Prabhakar Kinkar retire by rotation and are eligible for re-appointment.

During the year Mr. Ramchandra Maruti Mohite, Chairman of the Company opted to resign from the Board of Directors. Board of Directors in its meeting held on 30<sup>th</sup> May, 2011, approved his resignation.

**13. Auditors**

The retiring Auditors, Moreshwar Deshpande, Chartered Accountant, Sangli, are eligible for reappointment and have indicated their willingness to accept reappointment. In terms of Section 224A of the Companies Act, 1956, their appointment needs to be confirmed and their remuneration has to be fixed.

**14. Auditors Report**

The Auditors Report to the shareholders does not contain any reservation, qualification or adverse remarks.

**15. Cost Auditors**

The Central Government had directed an audit of the cost accounts maintained by the Company. For conducting the cost audit for the financial year ended on March 31, 2012, the Central Government has approved the appointment of Shri. S.V. Vhatte, Cost Accountant, Solapur.

**16. Directors Responsibility Statement:**

On the basis of compliance certificate received from the concerned officials of the Company and subject to disclosure in the Annual Accounts, as also 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 accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any ;

- 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 31, 2011 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, if any.
- iv) That the Directors have prepared the annual accounts on a going concern basis.

### **17. 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 a part of this Report.

### **18. 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 of the facility of dematerialization of the Company shares on either of the Depositories as aforesaid.

### **19. 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 receiving salary more than limits prescribed under this section, So, no any separate statement is attached to this report.

### **20. Acknowledgments**

Your directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment also 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 from Central and State Government for their co-operation and support. Your Directors look forward for their continued support.

#### **On behalf of the Board**

Vadgaon : 416 112

Date : 30<sup>th</sup> May, 2011

**SACHIN BIDKAR**

Company Secretary

**SHIVAJI MOHITE**

Managing Director

**MONIKA MOHITE**

Jt. Managing Director



## ANNEXURE 'A' TO THE DIRECTORS REPORT

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

- (a) Energy Conservation Measures Taken :
- 55kw inverter installed for compressor to save energy upto 10%
  - Existing 36 Watt T8 tube light replaced in place of 28 Watt T5 tube Lights.
- (b) Total energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure in respect of industries specified in the Schedule thereto.

### B. TECHNOLOGY ABSORPTION

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

#### FORM B

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.
2. Benefits derived as a result of the above R & D :  
With the result of the R & D activities are carried out , the company has been able to produce quality yarn.
3. Future Plan of Action:  
The company continues its efforts to maximize the 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

1. Efforts, in brief, made towards 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 machinery. 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 ₹ 4081.15 Lacs. Out of which export through merchant export worth ₹ 3477.76 Lacs and ₹ 603.39 by direct export. The Company has earned foreign exchange to the tune of \$1346432.00 through direct export as given in schedule.
- (b) Total Foreign Exchange used and earned.

The information on foreign exchange earnings and outgo is contained in note no.'D' and 'E' of Schedule 21 of accounts.

#### On behalf of the Board

Vadgaon : 416 112  
Date : 30<sup>th</sup> May, 2011

<b>SACHIN BIDKAR</b>	<b>SHIVAJI MOHITE</b>	<b>MONIKA MOHITE</b>
Company Secretary	Managing Director	Jt. Managing Director



FORM 'A'

Form for disclosure of particulars with respect to conservation of energy.

	PARTICULARS	UNIT	2010-11	2009-10
A)	Power & Fuel Consumption			
	Electricity : a) Purchased :			
	Units	KWH in lakh	295.12	246.58
	Total Amount	₹ in lakh	1490.37	1173.41
	Rate per unit	₹	5.05	4.761
	b) Own generation			
	through :	KWH in lakh	0.07028	0.09194
	Diesel generator	KWH	3.20	3.325
	Unit/liter of Diesel	₹	12.20	10.82
	Cost per unit	MT	--	--
	2. Coal	₹ in lakh	--	--
	Quantity	₹ in lakh	--	--
	Total cost	₹ per MT	--	--
	Average rate			
	3. Oil (LDO/HSP/RFO/HPS) :	K. Ltrs	--	--
	Quantity	₹ in lakh	--	--
	Total cost	₹ Per litre	--	--
	Average rate	MT	--	--
	4. Others	₹ in lakh	--	--
	Quantity	₹ per MT	--	--
	Total cost			
	Average rate			
B.	Consumption per unit of Production			
	1. Cotton Yarn			
	Electricity	KWH per Kg	5.03	4.25
	Diesel	Ltr. Per Kg	--	--
	Coal Per Kg	--	--	--
	Others	Per Kg	--	--
	2.Knit-Fabric			
	Electricity	KWH per Kg	0.197	0.190
	Diesel	Ltr. per Kg	--	--
	Coal Per Kg	--	--	--
	Others	Per Kg	--	--

## CORPORATE GOVERNANCE

### A. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that confirms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders aspirations. The Company is committed to attend the highest standards of Corporate Governance.

### B. THE CORPORATE GOVERNANCE STRUCTURE

The Company has three tiers of Corporate Governance structure viz:

- i) Strategic supervision – by the Board of Directors.
- ii) Executive management – by the Corporate Management comprising the Chairman & Managing Director and Joint Managing Director.
- iii) Operational Management – by the senior management functionaries.

The three-tier governance structure ensures greater management accountability and credibility, a well performing management in place and increased public confidence.

### C. ROLES OF VARIOUS CONSTITUENTS OF CORPORATE GOVERNANCE IN THE COMPANY

- (i) **Board of Directors (the Board):** The Directors of the Company are in fiduciary position, empowers to oversee the management functions with a view to ensure its effectiveness and enhancement of shareholder's value. The Board reviews and approves management's strategic plan and business objectives and monitors the Company's strategic direction.
- (ii) **Corporate Management (CM):** The main function of the Corporate Management is strategic management of the Company's businesses within the approved direction and framework. This includes ensuring that effective systems are in place for appropriate reporting to the Board on important matters concerning the Company.
- (iii) **Managing Director (MD):** The primary role of Managing Director is to provide leadership to the Board and the Corporate Management for realizing the approved strategic plans and business objectives. He also presides over the general meetings of the shareholders.
- (iv) **Senior Management functionaries:** The senior management functionaries play an important role in maintaining balance of the Board processes with their independent judgment on issues of strategy, performance, resources, standards of Company conduct etc.





## D. BOARD OF DIRECTORS

### (i) Composition :

The Board of Directors comprises Managing Director, Joint Managing Director and Four non-executive directors, of which all are independent directors. The composition by 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.

### (ii) Meetings of the Board of Directors

The meetings of the Board of Directors are mostly 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, 09 meetings were held on 07-04-2010, 26-05-2010, 30-07-2010, 17-08-2010, 29-09-2010, 30-10-2010, 15-11-2010, 07-02-2011, 24-03-2011. The Agenda and the Explanatory Notes are prepared in consultation with both, 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 composition of the Board of Directors and their attendance at the Meetings held during the year and at the last Annual General Meetings as also number of other Directorships & Memberships of Committees as on March 31, 2011 are as follows:

Category / Designation	Name of Director & Category of Directorship	No. of Board meetings attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Member	Chairman
Promoter/ Executive Directors	Mr. Shivaji R. Mohite M.D.	09	Yes	23	2	2
	Mrs. Monika S.Mohite Jt.M.D.	09	Yes	17	1	-
Promoter / Non Executive	Mr.Ramchandra M.Mohite	09	Yes	3	--	--
Independent/ Non-Executive Director	Mr.Vijay M.Navandhar	09	Yes	3	3	1
	Mr.Sanjay D.Patil	09	Yes	2	1	-
	Mr.Rajendra P. Kinkar	09	Yes	-	1	-
	Mr. Dhiraj S. Patil	09	Yes	-	1	-

**(i) 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.

**E. 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 the 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 Auditors and fixation of their remuneration.
- Reviewing and discussing with the Statutory Auditors.
- Reviewing major accounting policies and practices and adoption of applicable Accounting Standards.
- Disclosure of contingent liabilities.
- Reviewing the risk management mechanisms of the Company
- Reviewing compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.
- Reviewing the quarterly and half-yearly financial results and the annual financial statements before they are submitted to the Board.
- Reviewing operations, new initiatives and performance

(b) The audit Committee of the Board of Directors was formed in 2000 and comprises three directors, of which two directors are non-executive directors. The Committee met Six times during the year on 26-05-2010, 30-07-2010, 30-10-2010, 15-11-2010, 07-02-2011 & 24-03-2011. The attendance of Members of the Meeting was as follows:



NAME	STATUS	No.of Meetings attended
Mr.Vijay Madanlal Navandhar	Chairman	6
Mrs.Monika Shivaji Mohite	Member	6
Mr. Dhiraj Shivajirao Patil	Member	6

All the members of Audit Committee are financial literate and have accounting or related financial management expertise. General Manager (Finance) is permanent invitee to the meetings of the Audit Committee, who is also the secretary of the Committee. Minutes of the meetings are circulated to the Members of the Board and taken note of.

**(ii) Nomination & Compensation Committee :**

- (a) Terms of reference: To review, assess and recommend the appointment of senior employees and to review their remuneration packages.
- (b) The Committee comprises three directors, of which two directors are non-executive directors. The Committee met Four times during the year on 26-05-2010, 30-07-2010, 15-11-2010 & 24-03-2011. The attendance of Members of the Meetings was as follows :

Name	Status	No.of Meetings attended
Mr.Shivaji Ramchandra Mohite	Chairman	4
Mr. Vijay Madanlal Navandhar	Member	4
Mr.Sanjay Dnyandeo Patil	Member	4

Chief Executive Officer is permanent invitee to the meetings of the Nomination & Compensation Committee.

**(c) Remuneration Policy :**

The objective of the remuneration is to motivate employees to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary from different grades and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled individual performance, etc.

**(d) Details of remuneration paid to the whole time directors are as follows:**

₹ in Lacs

Names	Salary	Perquisites	Retirement benefits	Commission
Mr. Shivaji Mohite	36.00	NIL	NIL	NIL
Mrs. Monika Mohite	9.00	NIL	NIL	NIL

(e) Any other remuneration is not paid to the non-executive directors.

**(iii) Shareholders'/Investors' Grievance Committee:**

(a) Terms of reference

- Redressal of investors' complaints.
- Allotment of Shares, approval of transfer & transmission of shares, issue of duplicate certificates and new certificates on split/consolidation/renewal etc.
- To approve the transfer of shares lodged with the Company.

(b) Composition

The Shareholders'/Investors' Grievance Committee presently comprise Managing Directors and two non-executive directors. During the year, the Committee held Four meetings on 26-05-2010, 17-08-2010, 15-11-2010 & 07-02-2011. The attendance of Members at the said Meetings was as follows;

Name	Status	No.of Meetings attended
Mr. Shivaji Ramchandra Mohite	Chairman	4
Mr. Vijay Madanlal Navandhar	Member	4
Mr. Rajendra Prabhakar Kinkar	Member	4

(c) Name Designation and Contact Details of Compliance Officer

Sachin G. Bidkar  
 Company Secretary  
 R. S. 347, Ambapwadi Phata, P. B. No. 1, Off N. H. 4,  
 Vadgaon, Dist – Kolhapur 416112  
 Maharashtra - MH Tel. No. :-0230 2471606

During the year no complaint was received from the investors. As on March 31, 2011, no any request involving transfer of shares was pending.

**F. OTHER INFORMATION**

**(i) Risk Management Framework:**

The Company has in place mechanism to inform Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by senior management employees through the means of a properly defined framework.

**(ii) Code of Conduct:**

The Company has laid down a code of conduct for all Board Members and senior management personnel of the Company. The declaration of Joint Managing Director given below.



### To the Shareholders of R. M Mohite Industries Ltd.

Sub. Compliance with Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members & the Senior Management Team have Complied with the Code of Conduct for the financial year ended March 31, 2011.

Vadgaon : 416 112  
Date : 13<sup>th</sup> August, 2011

**MONIKA MOHITE**  
Jt. Managing Director

### (iii) Annual General Meeting

The last three Annual General Meetings of the Company were held at Kolhapur/Vadgaon (District –Kolhapur) as under:

Financial Year	Date	Time
2009-2010	25 <sup>th</sup> September, 2010	11.30 a.m.
2008-2009	30 <sup>th</sup> September, 2009	11.30 a.m.
2007-2008	23 <sup>rd</sup> September, 2008	11.30 a.m.

The following Special Resolutions / Business were passed by the members at the last three Annual General meeting.

#### Annual general Meeting held on 25<sup>th</sup> September, 2010

- I) Alteration of Object Clause by substituting Clause III (B) 23.
- ii) Commencement of New Business.
- iii) Change in Name of the Company.

#### Annual general Meeting held on 30<sup>th</sup> September, 2009

Only Ordinary Business.

#### Annual General Meeting held on 23<sup>rd</sup> September, 2008

- I) Appointment of Mr. Ramchandra Maruti Mohite as a Director
- ii) Appointment of Mrs. Monika Mohite as a Director.

### (iv) Disclosures

- (a) During the year, there were no transaction of material nature with the Directors or the Management or the subsidiaries or relatives that had potential conflict with the interest of the Company.
- (b) There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

### (v) Means of communication

- (a) Quarterly & Annual Results are published in prominent daily news papers viz. Sakal, The Free Press Journal & The Economic Times (English Newspaper)

(b) Information relating to the shareholding pattern is also available on website of Bombay Stock Exchange Limited.

(c) Management Discussion & Analysis forms integral part of this Annual Report.

## G. GENERAL SHAREHOLDERS' INFORMATION

### (i) Annual General Meeting :

The Annual General Meeting of the Company has been convened on Friday, 30<sup>th</sup> September, 2011 at the registered office of the Company located at 'R. S. No.347, Ambapwadi Phata, Off NH-4, Vadgaon – 416 112, Kolhapur, Maharashtra State.

### (ii) Financial Calendar:

**Financial Year:** April 1, 2011 to March 31, 2012

Event		Period
i)	Annual Results of 2010-2011	30 <sup>th</sup> May, 2011
ii)	June 30, 2011	Fourth Week of July, 2011
iii)	Annual General Meeting	30 <sup>th</sup> September, 2011
iv)	September 30, 2011	Fourth Week of October, 2011
v)	December 31, 2011	Fourth Week of January, 2012
vi)	March 31, 2012	Fourth Week of May, 2012

### (iii) Book Closure :

The book closure is from Friday, the 23<sup>rd</sup> September, 2011 to Thursday, the 29<sup>th</sup> September, 2011 (both days inclusive)

### (iv) Listing of Equity shares on Stock Exchange:

The shares of the Company are listed on the Bombay Stock Exchange Limited (BSE). Listing fees for the year 2010-11 has been paid to the Bombay Stock Exchange Limited. The Company has paid custodial fees for the year 2011-12 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them on March 31, 2011.

### (v) Stock Code:

BSE – 532140

ISIN No.INE154B01015

### (vi) Corporate Identification Number of the Company

L40108MH1990PLC058774



**vii) Stock market price data for the year 2010-2011**

Month	BSE			
	High	Low	Close	No. of Shares Traded
April, 2010	26.65	24.20	26.65	497
May, 2010	29.00	27.95	29.00	135
June, 2010	30.00	28.00	30.00	148
July, 2010	42.30	30.00	42.30	4395
August, 2010	97.95	44.40	97.95	49729
September, 2010	268.30	96.50	262.60	1087920
October, 2010	286.15	207.65	220.60	1223733
November, 2010	255.00	199.25	241.05	355655
December, 2010	264.80	202.65	264.65	1537377
January, 2011	354.90	263.00	342.55	2996758
February, 2011	380.00	210.50	264.25	2313794
March, 2011	277.45	167.40	167.40	1432552

**(viii) Registrar and Share Transfer Agents :**

Link Intime India Pvt.Ltd.,  
C-13, Pannalal silk Mills' Compound, L.B.S.Marg,  
Bhandup (West), Mumbai- 400078  
Phone :- 022-25963838 Fax :- 022-25946969

**(ix) Share Transfer System:**

The Company's shares are required to be traded in BSE compulsorily in dematerialized mode. Shares in physical modes which are lodged for transfer are processed and returned within the stipulated time.

**(x) Distribution of Shareholding as on March 31, 2011**

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Up to 500	506	69.9862	98346	0.4893
501 - 1000	59	8.1604	49453	0.2460
1001 - 2000	32	4.4260	50381	0.2507
2001 - 3000	17	2.3513	42508	0.2115
3001 - 4000	13	1.7981	46291	0.2303
4001 - 5000	20	2.7663	95923	0.4772
5001 - 10000	20	2.7663	150749	0.7500
10001 & above	56	7.7455	19566049	97.3450
<b>Total :</b>	<b>723</b>	<b>100.0000</b>	<b>20099700</b>	<b>100.0000</b>

**(xi) Categories of Shareholders as on March 31, 2011**

Category	Shareholders	Shareholding
Financial Institutions	Nil	Nil
Nationalized Insurance Companies	Nil	Nil
Foreign Institutional Investors	Nil	Nil
Mutual Funds	Nil	Nil
Bodies Corporate	5055388	25.15
Directors & Relatives	13981689	69.56
General Public	1062623	5.29
<b>Total :</b>	<b>20099700</b>	<b>100.00</b>

**(xii) Dematerialization of shares :**

As on March 31, 2011, 79.7852% of the Company's total paid up capital representing 16036579 shares were held in dematerialized form and the balance 20.2148 % representing 4063121 shares were held in physical form.

**(xiii) Plant location :**

Manufacturing facilities of the Company are located at :

- R. S. No. 347, Ambapwadi Phata, Vadgaon Pin Code – 416 112 (District- Kolhapur) Maharashtra State.
- Hydro Power Project, Gat.No.222, at Fejiwade, Tal- Radhangari, Dist-Kolhapur.
- Ambai Hydro Electric Power Project, Ambai Exit, A/p - Ambai, Tal :- Radhanagari, Dist - Kolhapur, Maharashtra State.

**(xiv) Address for correspondence :**

R M Mohite Industries Limited

R.S. No.347, Ambapwadi Phta, OffNH-4, P. B. No.1, Vadgaon, Tal – Hatkanangale, Dist – Kolhapur – 416 112, Maharashtra State, India.

Phone – 0230-2471230-33, Fax – 0230-2471229

Shareholder correspondence should be directed to Company's Registrar and Transfer Agent, whose address is given below :

Link Intime India Pvt.Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup(West), Mumbai – 400 078.

Phone- 022-25963838 Fax -022-25946969

**(xv) Non-mandatory requirement on Corporate Governance recommended under Clause 49 of the Listing Agreement**

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement.





- (a) Nomination & Compensation Committee is in place since July 2005. Presently the Committee comprises of the Managing director and two non-executive directors.
- (b) Whistle blower policy for the Company is in place.

**(xvi) Securities Dealing Code:**

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a Securities Dealing Code for prevention of insider trading is in place. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under the Code, Designated Persons (Directors, Advisors, officers and other concerned employees/persons) are prohibited from dealing in the Company's shares during the closure of trading Window. To deal in securities beyond specified limit, permission of Chairman & Managing Director is also required. All the Designated Employees are also required to disclose related information periodically as defined in the code.

Mr. Sachin Bidkar, Company Secretary has been designated as the Compliance Officer.

**(xvii) CEO/CFO Certification pursuant to the provisions of the Clause 49 of the Listing Agreement.**

**To the Board of Directors of R M Mohite Industries Limited,**

Dear Sirs,

**Sub : CEO/CFO Certificate**

We, the undersigned, certify to the Board that :

- (a) We have reviewed the financial statements, read with the cash flow statement of R M Mohite Industries Limited for the year ended March 31, 2011 and that to the best of our knowledge and belief, we state that :
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
  - (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

- (d) We have indicated to the Auditors and Audit Committee :
- (i) Significant changes in the internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements, and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vadgaon : 416 112

Date : 30<sup>th</sup> May, 2011

**MONIKA MOHITE**

Jt. Managing Director



## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**To the members of R M Mohite Industries Limited,**

We have examined the compliance of conditions of corporate governance by R M Mohite Industries Limited for the year ended on March 31, 2011 as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **MORESHWAR G.DESHPANDE**  
CHARTERED ACCOUNTANTS

Vadgaon : 416 112  
Date : 30<sup>th</sup> May, 2011

**Moreshwar Deshpande**  
Proprietor  
Membership No.124163

## MANAGEMENT DISCUSSION & ANALYSIS

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The management of R M Mohite Industries Limited presents the analysis of business performance of the Company for the year 2010-2011 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

### 1) INDUSTRY STRUCTURE & FUTURE OUTLOOK

- a) During the year 2010-11, the Textile Sector passed through an extreme hardship. The cotton prices were up-surfed considerably. The whole textile fraternity remained in the state of dubious & dejection. Moreover, the govt. had put ban on export of cotton yarn which made the industry more vulnerable.
- b) Impact of this crisis seems to be remain for a longer time. Despite this, the company is at a continuous endeavor to overcome these obstacles by taking remedial steps to regain its position from which it was relegated.

### 2) OPPORTUNITIES AND THREATS

It is now a big opportunity for the company to make full proof planning of cotton purchase and explore buyers for yarn in domestic as well as in international market other than conventional buyers.

The scenario which the company had to pass through has created an opportunity to work out afresh the cost reduction/cost saving methods, so that in future, company can arrest such situation & maintain smooth working.

The main threat foreseen by the company is a drastic down-fall of cotton price during the commencement of the FY 2011-12 and thereby causing extreme vexation in the yarn market. As during previous year cotton yarn prices were sky-high on account of steep increase in cotton prices more often, the company had kept stock of cotton in anticipation of further price hike. The sudden & drastic fall in cotton price, led to an unprecedented low in yarn price resulting in reverse ratio of sale price with cost of production.

### 3) MANAGEMENT PERCEPTION OF RISKS & CONCERNS

The whole Textile Industry is now-a- days coping with instable cotton price. Due to this availability of raw material at affordable and viable price is a major cause of concern to the Industry. Also non availability of skilled and ample labour is also other area of concern.

Due to above reasons, the Company may take risk of reduction in production which obviously affect its profitability



## INTERNAL CONTROL SYSTEM

The Company has well defined internal control systems. Internal Audit in the organization measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board. Management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business.

### 4) HUMAN RESOURCES DEVELOPMENT & INDUSTRIAL RELATIONS :

The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. Performance management is the key word for the Company. Pursuit of proactive policies for industrial relation has peaceful and harmonious situation.

### 5) FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS :

- a) Total production of our Company was 8658.18 MT out of which 100% cotton yarn was 7332.58 MT during 2010-11, as against total production was 8497.16 MT out of which 100% cotton yarn was 7847.89 in 2009-10. Sale of 100 % cotton yarn was ₹ 9641.57 Lacs during 2010-11, as compared to sales of ₹ 6536.97 Lacs during 2009-10.
- b) Production of fabric (knitted as well as woven) was 1325.40 MT – during 2010-11 as against production of 649.27 MT in 2009-10. Sale of fabric was ₹ 2709.12 Lacs during 2010-11 as compared to sales of ₹ 3229.99 Lacs during 2009-10.
- c) Production during 2010-11 were increased by 1.89 % and Sales during 2010-11 were increased by 26.45 % as compared to 11.92 % and 5.49 % respectively, during the previous year.
- d) The export of yarn and fabric was ₹ 4081.15 Lacs during 2010-11 as compared to exports of yarn of ₹ 1200.66 Lacs during 2009-10.
- e) Average sales price realization per kg is ₹ 161.04 for the year 2010-11 as compared to average price realization of ₹ 119.53 per kg during 2009-10.

## RAW MATERIAL

- a) Main raw material for the Company is cotton and during the year under review the cotton price movement graph was of the cotton-prices were somewhat volatile. The average cost of cotton consumed increased by 44.21% from ₹ 68.77 per Kg. for the previous year ended on 31-03-2010 to ₹ 99.17 per kg. for the year ended 31-03-2011
- b) Total raw material cost for the year 2010-11 is increased to ₹ 8142.06 Lacs compared to ₹ . 5759.12 Lacs for the previous year. Cost of raw material consumed to sales ratio for the period ended 31-03-2011 was 65.92% compared to 58.12% for the previous year.

### **POWER AND FUEL**

The cost of power is ₹ 1491.23 Lacs for the year 2010-11 compared to ₹ 1337.80 Lacs for the year 2009-10. Cost of power is ₹ 17.22 per kg. of the production for the year 2010-11 as compared to power cost of ₹ 15.74 per kg of production for the previous year.

### **SALARY AND WAGES**

The salary and wages is ₹ 843.61 Lacs for the year 2010-11 compared to ₹ 677.31 Lacs for the year 2009-10. The Company has taken step of fully providing for the gratuity liability.

### **INTEREST AND FINANCE COST**

The interest and finance cost is ₹ 931.24 Lacs for the year 2010-11 compared to ₹ 994.00 Lacs for the year 2009-10. During the year the interest income is of ₹ 97.97 Lacs (previous year ₹ 25.24 Lacs) earned.

### **PROFITABILITY**

The Company earned profit before depreciation, interest and tax of ₹ 2496.72 Lacs as against ₹ 2155.35 Lacs in the previous year, showing increase of ₹ 15.84% during the year under review. The Company earned profit before depreciation and tax of ₹ 1160.90 Lacs as compared to ₹ 1161.36 Lacs in the previous year.

The Profit before tax (after interest and depreciation) of ₹ 464.42 Lacs and the Profit after tax of ₹ 428.41 Lacs for the financial year under review as against ₹ 553.10 Lacs and ₹ 404.51 Lacs respectively, for the previous financial year.

### **RESOURCE MOBILISATION**

The gross fixed assets (excluding capital work in progress) as at 31<sup>st</sup> March, 2011 were ₹ 18846.86 Lacs as compared to ₹ 12591.00 Lacs in the previous year. During the year, the Company added fixed assets amounting to ₹ 6255.86 Lacs.

Debtors outstanding for more than six months were ₹ 67.55 Lacs (Previous year ₹ 28.47 Lacs). The net current assets as on 31<sup>st</sup> March, 2011 were ₹ 5810.11 Lacs as against ₹ 6127.67 Lacs in the previous year. Inventory level as on 31<sup>st</sup> March, 2011 was ₹ 2511.24 Lacs, as against ₹ 2004.96 Lacs in the previous year.



## AUDITOR'S REPORT

### TO THE MEMBER OF R M MOHITE INDUSTRIES LIMITED.

1. We have audited the attached balance sheet of R M Mohite Industries Limited, as on 31<sup>st</sup> March, 2011, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) 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.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give 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 31<sup>st</sup> March, 2011;
    - (b) in the case of Profit and Loss account, of the profit for the year ended on that date; and
    - (c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For **MORESHWAR G. DESHPANDE**  
CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**  
Proprietor  
Membership No.124163

Vadgaon : 416 112  
Date : 30<sup>th</sup> May, 2011

## ANNEXURE TO AUDITOR'S REPORT

Re: R M MOHITE INDUSTRIES LTD.

Referred to in paragraph 3 of our report of even date,

- I) (a) The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programmed verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of the fixed assets.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are 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. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) According to the information and explanations given to us the Company has neither taken nor granted any loan, secured or unsecured, from /to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (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 regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees Five Lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.





- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of sections 58 A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public, are inapplicable. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost, maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost record under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed Statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, service tax, customs duty, excise duty and cess, were in arrears as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information, and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, there are no accumulated losses in the books of the Company. The Company has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us the Company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

- (xiv) In our opinion, the term and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures nor has the Company created security or charge in respect of debenture issue.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the Company had not raised any money by way of public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **MORESHWAR G. DESHPANDE**  
CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**  
Proprietor  
Membership No.124163

Vadgaon : 416 112  
Date : 30<sup>th</sup> May, 2011



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH,2011

₹ in Lacs

Particulars	Schedule	As at 31-03-2011	As at 31-03-2010
<b>SOURCES OF FUNDS</b>			
I SHAREHOLDERS FUNDS			
[a] Share Capital	1	2009.97	2009.97
[b] Reserves and Surplus	2	3846.27	3652.24
		5856.24	5662.21
II LOANS FUNDS			
[a] Secured Loans	3	10927.96	11415.02
[b] Unsecured Loans	4	979.20	500.68
III DEFFERED TAX LIABILITY		648.95	702.93
Total		<b>18412.34</b>	<b>18280.85</b>
<b>APPLICATION OF FUNDS</b>			
I FIXED ASSETS	5		
[a] Gross Block		18846.86	12591.00
[b] Less: Depreciation		6281.38	5638.90
[c] Net Block		12565.48	6952.10
[d] Capital Work in Process		0.00	4047.97
II INVESTMENTS	6	36.75	1153.10
III CURRENT ASSETS, LOANS & ADVANCES			
[a] Inventories	7	2511.24	2004.96
[b] Sundry Debtors	8	3239.32	3377.29
[c] Cash and Bank Balances	9	294.79	392.30
[d] Other Current Assets	10	249.87	185.66
[e] Loans and Advances	11	116.49	640.92
		6411.72	6601.13
Less:- LIABILITIES & PROVISIONS	12		
[a] Liabilities		77.92	156.96
[b] Provision for Income Tax & FBT		406.50	316.50
[c] Dividend & Dividend Tax		117.19	0.00
		601.61	473.46
NET CURRENT ASSET		5810.11	6127.67
IV MISCELLANEOUS EXPENDITURE (To the extent not Written off)		0.00	0.00
V Profit and loss Account		0.00	0.00
Total		<b>18412.34</b>	<b>18280.85</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT	21		

As per our report of even date attached  
For **MORESHWAR G.DESHPANDE**  
CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**  
Proprietor  
Membership No.124163  
Vadgaon – 416 112  
30<sup>th</sup> May, 2011

for and on behalf of the Board of Directors of  
**R M MOHITE INDUSTRIES LTD.**

<b>MONIKA MOHITE</b> Jt. Managing Director	<b>SHIVAJI MOHITE</b> Managing Director
<b>DHEERAJ PATIL</b> Director Vadgaon – 416 112 30 <sup>th</sup> May, 2011	<b>VIJAY NAVANDHAR</b> Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2011

₹ in Lacs

Particulars	Schedule	As at 31-03-2011	As at 31-03-2010
<b>INCOME</b>			
[a] Sales and Operation Income	14	13616.40	10630.38
[b] Other Income	15	183.61	325.67
Total		<b>13800.01</b>	<b>10956.06</b>
<b>EXPENDITURE</b>			
[a] Cost of Materials	16	8385.82	6177.98
[b] Manufacturing Expenses	17	2354.73	2015.19
[c] Administrative Expenses	18	471.27	562.47
[d] Selling Expenses	19	91.47	45.06
[e] Depreciation	5	642.49	608.26
Total		<b>11945.78</b>	<b>9408.96</b>
Profit before Interest & Exceptional Items		1854.23	1547.09
Interest	20	931.24	994.00
<b>Profit after Interest but before Exceptional Items</b>		<b>922.99</b>	<b>553.10</b>
Exceptional Items-Expenses		458.57	0.00
Deferred Tax Asset-Income		53.98	0.00
<b>Profit before Tax</b>		<b>518.41</b>	<b>553.10</b>
Less:- Provision for Taxation		90.00	80.00
Less:- Deferred tax liability for the year		0.00	68.59
<b>Profit after tax</b>		<b>428.41</b>	<b>404.51</b>
Add: Profit brought forward from earlier years		2191.71	1787.20
Profit available for distribution		2620.11	2191.71
Less:- Interim Dividend		100.50	0.00
Less:- Proposed Dividend		100.50	0.00
Less:- Tax On Dividend		33.38	0.00
Balance Carried to Balance Sheet		<b>2385.73</b>	<b>2191.71</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT	21		

As per our report of even date attached

For **MORESHWAR G.DESHPANDE**

CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**

Proprietor

Membership No.124163

Vadgaon – 416 112

30<sup>th</sup> May, 2011

for and on behalf of the Board of Directors of

**R M MOHITE INDUSTRIES LTD.****MONIKA MOHITE**

Jt. Managing Director

**SHIVAJI MOHITE**

Managing Director

**DHEERAJ PATIL**

Director

Vadgaon – 416 112

30<sup>th</sup> May, 2011**VIJAY NAVANDHAR**

Director



## SCHEDULES FORMING INTEGRAL PART OF ACCOUNTS

₹ in Lacs

Particulars	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL:</b>		
<b>AUTHORISED</b>		
[a] 260,00,000 Equity Shares of Rs.10/- each	2600.00	2600.00
<b>ISSUED,SUBSCRIBED &amp; PAID-UP</b>		
[a] 200,99,700 Equity Shares of Rs.10/- each fully paid up Total	<b>2009.97</b>	<b>2009.97</b>
<b>SCHEDULE -2</b>		
<b>RESERVE AND SURPLUS</b>		
[a] Capital Incentive Received from SICOM	30.00	30.00
[b] General Reserve	1430.53	1430.53
[c] Profit and Loss A/c	2385.73	2191.71
Total	<b>3846.27</b>	<b>3652.24</b>
<b>SCHEDULE-3</b>		
<b>SECURED LOANS</b>		
[a] Loans from Banks		
(i) Cash Credit / Packing Credit	3869.65	4073.63
(ii) Term Loans	6460.50	6906.25
[b] Loan from LIC	453.00	418.63
[c] Vehicle Loans	144.82	16.50
Total	<b>10927.96</b>	<b>11415.02</b>
<b>SCHEDULE-4</b>		
<b>UNSECURED LOANS</b>		
[a] Deposits from-Promoter-Directors	979.20	500.68
Total	<b>979.20</b>	<b>500.68</b>

- Note :
- 1 Term loans are secured by pari-passu first charge on fixed assets of the Company in Favour of IDBI Bank & Bank of Baroda & pari-passu charge on current assets, except receivable.
  - 2 Working capital limits are secured by way of pari-passu first charge on current assets, except receivables in favour Bank of Baroda, IDBI Bank & State Bank of India & pari-passu second charge on fixed assets.
  - 3 All term loans & Credit facilities availed from bank of baroda, IDBI Bank & State Bank of India are also secured by personal guarantee of Mr. Shivaji Mohite, Mr. R. M. Mohite & Mrs. Monika Mohite.
  - 4 Loan from LIC of India is secured by assignment of keyman insurance policy.

## SCHEDULE-5 FIXED ASSETS

₹ in Lacs

Name of the Asset	GROSS BLOCK				DEPRECIATION				Net Block As On 31.03.2011	Net Block As on 31.03.2010	
	Gross Block As On 01.04.2010	Additions	Deductions / Transfer / Sale	Gross Block As on 31.03.2011	Rate %	Depn upto 01.04.2010	Depn on Asset Sold	Depn for 01.04.2010 to 31.03.2011			Total Depn
Land	57.55	-	-	57.55	-	-	-	-	-	57.55	57.55
Kagal MIDC Land	289.43	-	-	289.43	-	-	-	-	-	289.43	289.43
Factory Building	2,397.15	982.35	-	3,379.50	3.34%	443.50	-	83.52	527.02	2,852.47	1,953.65
Plant & Machinery											
Imported	6,067.66	162.37	-	6,230.03	5.28%	3,643.77	-	325.96	3,969.73	2,260.31	2,423.89
Indigenous	3,029.81	4,762.68	0.20	7,792.30	5.28%	1,263.68	0.01	180.46	1,444.13	6,348.16	1,766.13
Electrical Installation	252.23	134.94	-	387.17	4.75%	88.94	-	13.32	102.26	284.91	163.29
Office Equipment	70.95	4.49	-	75.44	4.75%	30.10	-	3.51	33.61	41.83	40.84
Laboratory Equipments <sup>(Imported)</sup>	98.81	0.78	-	99.59	4.75%	46.02	-	4.71	50.73	48.86	52.79
Vehicles	227.07	175.29	-	402.37	9.50%	78.47	-	24.73	103.20	299.17	148.60
Furniture & Fixtures	68.35	33.16	-	101.51	6.33%	32.70	-	4.78	37.47	64.03	35.66
D. G. Sets - Imported	31.88	-	-	31.88	4.75%	11.61	-	1.51	13.12	18.76	20.27
Equipments Below Rs.5000	0.10	-	-	0.10	-	0.10	-	-	0.10	-	-
<b>TOTAL</b>	<b>12,591.00</b>	<b>6,256.06</b>	<b>0.20</b>	<b>18,846.86</b>		<b>5,638.90</b>	<b>0.01</b>	<b>642.49</b>	<b>6,281.38</b>	<b>12,565.48</b>	<b>6,952.10</b>
Advance to Machinery	-	-	-	-	-	-	-	-	-	-	-
Capital WIP	4,047.97	-	4,047.97	-	-	-	-	-	-	-	4,047.97
<b>TOTAL</b>	<b>16,638.97</b>	<b>6,256.06</b>	<b>4,048.17</b>	<b>18,846.86</b>	-	<b>5,638.90</b>	-	<b>642.49</b>	<b>6,281.38</b>	<b>12,565.48</b>	<b>11,000.07</b>
Perivious Year	15,417.12	1,424.37	202.52	16,638.97	-	5,044.05	-	608.26	5,638.90	11,000.07	10,373.07



₹ in Lacs

Particulars	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE -6</b>		
<b>INVESTMENTS</b>		
a) Government Securities (Quoted)	-	-
b) Investments (Unquoted) <span style="float: right;">Nos of Shares</span>		
i) Shares of Parshwanath Co-Op.Bank Ltd. <span style="float: right;">0.02</span>	0.50	0.50
ii) Kallappana Awade Ichalkaranji J.Co.Bank Ltd. <span style="float: right;">0.01</span>	5.00	5.00
iii) Mahalaxmi Co.OP.Bank Ltd. <span style="float: right;">0.035</span>	1.75	1.75
iv) Rajaram Bapu S.Bank Ltd. <span style="float: right;">0.50</span>	5.00	5.00
v) Sibar Software Service India Ltd. <span style="float: right;">0.006</span>	0.0045	0.0045
c) Investment In Subsidiary Companies <span style="float: right;">Nos of Shares</span>		
i) First Steps Baby Wear Pvt. Ltd. <span style="float: right;">2.69</span>	0.00	1116.35
d) Share Applications Money Deposited		
i) Indus Sacchrides Pvt.Ltd. <span style="float: right;">-</span>	24.50	24.50
<b>Total</b>	<b>36.75</b>	<b>1153.10</b>
<b>SCHEDULE -7</b>		
<b>INVENTORIES</b>		
[a] Stock-In-trade		
(i) Raw Material	623.91	548.03
(ii) Finished Goods	667.74	507.86
(iii) Stock In Process	847.88	556.80
(iv) Stores,Spares,Packing Material	327.74	179.35
(iv) Waste	43.97	212.92
<b>Total</b>	<b>2511.24</b>	<b>2004.96</b>
<b>SCHEDULE -8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
[a] Exceeding six months	67.55	28.47
[b] Less than six months-		
(i) Export Receivables	298.56	0.00
(ii) Receivables - Other than exports	2873.21	3348.81
<b>Total</b>	<b>3239.32</b>	<b>3377.29</b>

Particulars	₹ in Lacs	
	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE -9</b>		
<b>CASH &amp; BANK BALANCES</b>		
[a] Cash In Hand	2.21	2.20
[b] Balances With Scheduled Banks in		
i) Current Accounts	57.51	286.04
ii) Fixed Desposit Accounts	232.51	102.65
[c] Balances with Non Scheduled Banks/ Co-Op.Banks in:		
i) Current Accounts	2.56	1.41
Total	<b>294.79</b>	<b>392.30</b>
<b>SCHEDULE -10</b>		
<b>OTHER CURRENT ASSETS</b>		
[a] Deposits with		
(I) MSEB	22.58	22.58
[b] MVAT / Elec. Duty refund Receivable	225.26	162.42
[c] Others	2.03	0.67
Total	<b>249.87</b>	<b>185.66</b>
<b>SCHEDULE -11</b>		
<b>Loans &amp; Advances (Unsecured, Considered Goods)</b>		
[a] Advances Recoverable /TDS /Advance Tax	114.85	582.53
[b] Cenvat / PLA	1.64	58.39
Total	<b>116.49</b>	<b>640.92</b>
<b>SCHEDULE-12</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>		
[a] Sundry Creditors	142.79	89.53
[b] Other Liabilities	334.94	62.13
[c] TDS/TCS Payable	6.69	5.30
Total	<b>484.42</b>	<b>156.96</b>
<b>SCHEDULE-13</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Total	-	-





₹ in Lacs

Particulars	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE -14</b>		
<b>SALES</b>		
[a] Export Sales	603.39	0.00
[b] Merchant Exports	3477.76	1200.66
[c] DTA-Sales	8269.53	8566.31
[d] Cotton Waste Sales	184.03	132.90
[e] Sales-Trading	12.42	18.83
[f] Sales-Jobwork	1023.54	711.69
[g] Hydro Power Units	45.72	0.00
Total	<b>13616.40</b>	<b>10630.38</b>
<b>SCHEDULE -15</b>		
<b>OTHER INCOME</b>		
[a] Other income/Excise Duty Refund	48.00	113.89
[b] Profit on Sale of Assets/Investments	0.00	211.24
[c] Dividend Received	135.61	0.54
Total	<b>183.61</b>	<b>325.67</b>
<b>SCHEDULE -16</b>		
<b>INCREASE / DECREASE IN STOCK</b>		
a) Stocks as at Close		
(i) Finished Goods	667.74	507.86
(ii) Stock in Process	847.88	556.80
(iii) Waste	43.97	212.92
1	<b>1559.59</b>	<b>1277.58</b>
b) Stock as at Commencement		
(i) Finished Goods	507.86	546.89
(ii) Stock in Process	556.80	430.98
(III) Waste	212.92	211.78
2	<b>1277.58</b>	<b>1189.66</b>
Increase / - Decrease In Stock	a (1-2)	282.01
<b>COST OF MATERIAL:</b>		
[a] Raw Material Consumed		
i) Opening Stock	548.03	286.14
ii) Add: Purchases	8217.94	6021.01
iii) Less: Closing Stock	623.91	548.03
b	<b>8142.06</b>	<b>5759.12</b>

₹ in Lacs

Particulars	As at 31-03-2011	As at 31-03-2010
[b] Packing Material		
i) Opening Stock	76.93	12.14
ii) Add: Purchases	165.02	100.07
ii) Less: Closing Stock	96.95	76.93
	<b>145.00</b>	<b>35.27</b>
[c] Machinery Spares Consumed		
i) Opening Stock	102.42	207.39
ii) Add: Purchases	273.21	25.34
ii) Less: Closing Stock	230.79	102.42
	<b>144.84</b>	<b>130.31</b>
[d] Stores, Spares Consumed		
i) Imported	10.00	20.75
ii) Indigenous spares, other material	225.93	320.45
Total Cost of Material:-	g=(b+c+d+e+f) 8667.83	6265.90
Cost of Goods Sold	Total (a-g) <b>8385.82</b>	<b>6177.98</b>
<b>SCHEDULE-17</b>		
<b>MANUFACTURING EXPENSES</b>		
[a] Payment to Workers		
(I) Wages & Bonus	572.33	463.78
(ii) P. F. Contribution	27.96	15.66
(iii) Workers Welfare Expenses	15.29	12.82
	615.58	492.26
[b] Power & Fuel	1491.23	1337.80
[c] Freight, Clearing & Forwarding	21.18	15.63
[d] Repairs & Maintenance	49.59	36.34
[e] Mixing, Unloading, Jobwork	120.80	113.90
[f] Factory General Expenses	56.35	19.27
	<b>2354.73</b>	<b>2015.19</b>
<b>SCHEDULE-18</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
[a] Payment to Staff Salary		
(I) Salary & Bonus	210.83	172.50
(ii) P.F.Contribution	8.22	3.49
(iii) Grautuity Contribution	8.48	7.32
(iv) Staff Welfare Expenses	0.51	1.75
	228.03	185.05



₹ in Lacs

Particulars	As at 31-03-2011	As at 31-03-2010
[b] Clearing & Forwarding-Imports	5.14	2.17
[c] Printing & Stationery	5.07	3.27
[d] Postage and Telegram / Telephone	5.34	4.67
[e] Bank Charges, ECGC Premium	43.41	57.47
[f] Travelling and Conveyance	45.39	31.49
[g] Advertisement	1.95	1.48
[h] Legal And Professional Fees	46.95	32.12
[I] Security Expenses	21.37	10.19
[j] Insurance	11.92	33.10
[k] Key-Men Insurance Premium	23.26	133.80
[l] Rent, Rates Taxes & Repairs	14.98	31.88
[m] Miscellaneous	13.41	28.53
[n] Audit Fees	5.05	7.24
<b>Total</b>	<b>471.27</b>	<b>562.47</b>
<b>SCHEDULE-19</b>		
<b>SELLING EXPENSES</b>		
[a] Freight and Forwarding	20.87	16.66
[b] Commission On Sales	65.09	28.40
[c] Exchange Loss/Gain	5.51	0.00
<b>Total</b>	<b>91.47</b>	<b>45.06</b>
<b>SCHEDULE -20</b>		
<b>INTEREST</b>		
[a] Borrowing From Working Capital	546.83	563.31
[b] Term Loans from banks/FI	482.38	440.35
[c] Others & Export-Import & L/C Chgs & IBP	0.00	15.58
Less:-Interest Received	97.97	25.24
<b>Total</b>	<b>931.24</b>	<b>994.00</b>

## SCHEDULE 2I

### ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### **[A] Significant Accounting Policies:**

1. **Accounting Convention :**  
The financial statements are prepared on accrual basis under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India, and in compliance with the Accounting Standards referred to in Section 211 (3C) and requirements of the Companies Act, 1956.
2. **Fixed Assets:**  
Fixed assets are stated at cost of acquisition, including interest during construction period if any, less accumulated depreciation.
3. **Investments:**  
Long-term investments are carried at cost less provision, if any, for diminution in value other than temporary.  
Current investments are carried at lower of cost or market value.
4. **Inventories:**  
Inventories are valued as under:
  - [a] Stock of cotton, stores, spares, packing material at lower at cost and market value.
  - [b] Stock in process – Yarn manufacturing at lower of cost and market value.
  - [c] Finished Yarn at lower of cost and market value.
  - [d] Cotton waste at net realizable value.
5. **Income recognition:**  
The income is generally accounted for on accrual basis.
6. **Depreciation:**  
Depreciation for the current financial year is provided on 'Straight Line Method' at the rates prescribed under Schedule XIV of the Companies Act, 1956.
7. **Foreign Exchange Transactions:**
  - [a] Transactions in foreign currency are recorded at actual exchange rates applied by the bankers of the Company.
  - [b] Receivables, balances in bank and payables denominated in foreign currency outstanding at the end of the year are translated at closing rates.
8. **Excise Duty:**  
Since the excise duty rate applicable to Company's product is zero percent, no provision is required to be made in the accounts for excise duty payable on goods manufactured and lying in the factory premises.



9. Provision for taxation:

Provision for taxation is made at the rates applicable under the Income Tax Act, 1961 after claiming deduction allowable under its various provisions.

**[B] Notes on Accounts:**

1. Contingent liabilities:

- [a] Guarantees given by banks, counter guaranteed by the Company – Rs.6,75,84,900/- (previous year Rs.6,49,50,000/-)
- [b] Letter of credit (for import of machinery) established by banks, counter guaranteed by the Company – Nil (Previous Year - Euro 1,84,680)
- [c] Income tax/sales tax demands against which the Company has preferred appeals – Nil (previous year Nil)  
Central Excise duty demands against which the Company has preferred appeals – Rs.3,59,89,388/- (previous year Rs.3,59,89,388/-)
- [d] Guarantees given on behalf of a sister /associate concerns –Rs.6,00,00,000 (previous year 4,00,00,000)

2. Share Capital :

During the year the Company has not issued any shares. There is no change in issued, subscribed and paid up capital of the Company during the year.

3. Fixed Assets :

Estimated amount of contracts remaining to be executed on capital account and not provided for (net advances) is NIL (Previous year NIL)

4. Current Assets, Loans & Advances :

- [a] Debtors do not include any overdue amount which has not been settled over long periods or which is under dispute and arbitration. In the opinion of the management, all the outstanding debts as on 31.03.2011 are considered good.
- [b] Advances recoverable in cash or in kind do not include any sort of loan or advance to the Chairman, Managing Director or to Joint Managing Director.
- [c] In the opinion of the Board of Directors of the Company, the value of realization of current assets, loan and advances, in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities, is adequate and not in excess of the amount reasonably required.
- [d] The balances of debtors and creditors are subject to confirmation.
- [e] The Company does not have information regarding their vendors status “The Small, Medium and Micro Enterprises Development Act, 2006”, therefore bifurcation between Total Outstanding dues of Micro Enterprises and Small Enterprises and Other dues are not disclosed under the head “Current Liabilities and Provisions”.

## 5. Details about investments:

₹ in Lacs

	Book Value		Market Value	
	Current Year	Previous Year	Current Year	Previous Year
[a] Quoted Shares	0.00	0.00	0.00	0.00
[b] Other Investments	36.75	36.75	36.75	36.75
[c] Shares of Private Limited (Subsidiary) companies	0.00	269.00	0.00	1116.35
<b>Total</b>	<b>36.75</b>	<b>305.75</b>	<b>36.75</b>	<b>1153.10</b>

## 6. Profit and Loss Account:

- [a] Provident fund is accounted on monthly basis in accordance with the terms of contract with the employees and is deposited with the “Employees Provident Fund Organization (EPFO)”.
- [b] Encashment of leave is accounted for in the year in which the employees exercise the option of encashment.
- [c] Provisions for additional accrued-gratuity–liability for the year is estimated to be Nil (Previous year Rs.Nil). Liability on account of retirement gratuity is provided in accordance with the Company's Group Gratuity Cash Assurance Scheme with Life Insurance Corporation of India.
- [d] Managerial remuneration paid to the Chairman & M.D. and Joint M.D. for the year is as follows :

₹ in Lacs

	For the year	Previous Year
i) Salaries	45.00	33.00
ii) Contribution to Provident Fund	NIL	NIL
iii) Perquisites & Commission	NIL	NIL

- [e] Remuneration paid to the Auditors for the year is as follows :

₹ in Lacs

	For the year	Previous Year
i) Audit Fees	5.05	7.24
ii) Other Services	NIL	NIL
<b>Total</b>	<b>5.05</b>	<b>7.24</b>



7. Additional information pursuant to the provisions of paragraph 3, 4C, 4D of part II of Schedule VI of Companies Act, 1956.

A.	Current Year		Previous Year	
<b>I) Licensed Capacity</b>	35216 spindles 640 Rotors 22 TFOs Knitting- 20 Machines [10500 Mt]		35216 spindles 640 Rotors 22 TFOs Knitting- 20 Machines [10500 Mt]	
<b>ii) Installed Capacity</b>	34896 spindles 640 Rotors 22 TFOs Knitting 20 Machines [10500 Mt]		34896 spindles 640 Rotors 22 TFOs Knitting 20 Machines [10500 Mt]	
	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
	Quantity (Kg)	Value ₹	Quantity (Kg)	Value ₹
iii) Value of Production	86,58,184	--	84,97,166	--
iv) Opening stock of raw material				
- Manufacturing -Trading	9,74,651	5,48,02,770	4,74,113	2,86,13,800
v) Purchases-raw material	82,86,398	82,17,94,063	87,54,753	60,21,01,134
- Purchases -Trading	--	--	--	--
vi) Sales				
-Export Sales-Yarn	2,22,264	6,03,39,214	--	--
-Export Sales-Fabric	--	--	--	--
-Export Sales-Waste	--	--	--	--
-Merchant Sales	20,12,752	34,77,76,381	8,34,046	12,00,65,739
-DTA Sales-Yarn	39,72,081	55,60,41,275	47,05,140	53,36,31,409
-DTA sales -Fabric	12,65,384	27,09,12,178	15,74,926	32,29,99,143
-Sale of Cotton Waste	9,33,756	1,84,03,305	7,58,726	1,32,90,448
-Sale Garments	--	--	--	--
-Sale-Others	--	10,81,67,821	--	7,30,51,535
-Export Sales-Trdg. Div				
-Local Sales-Trdg. Div.	--	--	--	--
<b>Total Sales</b>		<b>136,16,40,174</b>		<b>106,30,38,274</b>

vii) Closing Stock of –				
-Raw Material –Mfg.	4,21,016	6,23,90,765	9,74,651	5,48,02,770
-Stock in Process	4,88,247	8,47,87,922	3,80,709	5,56,79,597
-Finished Goods-Yarn	2,91,404	5,52,89,215	3,26,661	4,99,68,768
-Finished goods –Fabric	79,460	1,14,85,267	4,818	8,17,605
-Cotton waste	63,324	43,96,786	5,60,342	2,12,91,950
-Stores, spares, packing Material	–	3,27,74,000	--	1,79,35,000
<b>B. Raw Material [including Yarn, stores and spares consumed]</b>				
- Cotton & Yarn	82,10,205	81,42,06,068	83,74,468	57,59,12,165
- Other raw material	--	3,80,76,884	--	4,18,86,146
<b>C. Value of imported and indigenous raw materials</b>				
-imported	4.54	10,306	--	--
-indigenous	82,86,398	82,17,83,757	87,54,753	60,21,011,34
<b>D. [I] CIF value of imports</b>				
- Raw Material i.e. Cotton	--	--	--	--
-Fabric	--	--	--	--
-Packing Material	--	--	--	--
-Machinery Spares	--	9,99,878	--	20,74,848
-Capital goods	--	1,62,37,097	--	--
<b>[ii] Expenses incurred in Foreign Currency</b>				
- Interest & Bank charges	--	--	--	--
-Travelling Overseas	--	96,735	--	--
- Commission on Exports	--	--	--	--
- Service Charges	--	--	--	2,40,89,299
<b>E. Earning in Foreign currency</b>	\$1335054.47	5,91,80,438	--	--
-FOB value of exports of which deemed exports				





## 8. STATEMENT OF COMPUTATION OF DEFERRED TAX LIABILITIES/ASSETS (NET)

Particulars	2010-2011	2009-2010
Net WDV of Fixed Assets as per Companies Act (excluding Leased Assets)	691318817	695210312
Less : Net WDV of Fixed Assets as per Income Tax Act	398686550	411903750
Net effect of timing differences relating to Fixed Assets	292632266	283306562
Tax impact of net timing difference	84038981	96295900
Deferred Tax Asset on unabsorbed losses & depreciation	--	--
Deferred Tax Provision as on 31.03.2011	84038981	96295900
Deferred Tax Provision as per books – 01.04.2010	89437296	89437296
Deferred Tax Provision for the Accounting Period	(-)5398315	6858604

## 9. SEGMENT REPORTING :

The Company is engaged in the business of 100% cotton yarn of various counts/plies and knitted fabric . In context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India, it is considered to be the only one business segment.

## 10. RELATED PARTY DISCLOSURES:

As per the Accounting Standard on 'Related Party Disclosures' (AS 18) issued by The Institute of Chartered Accountants of India, the related parties of the Company are as follows :

### 1) List of Related Parties & Relationship

- (a) Mr. Shivaji Ramchandra Mohie
- (b) Mrs. Monika Shivaji Mohite
- (c) Mahalaxmi Cotton, Ginning Pressing & Oil Ind.
- (d) United Real Estate Developers Pvt. Ltd.
- (e) Shantanu Developers Pvt. Ltd.
- (f) Shivam Earth-Movers Pvt. Ltd.
- (g) Shiv-Dhruv Developers Pvt. Ltd.
- (h) D & S (Engineers & Contractors) Pvt. Ltd.
- (i) First Steps Baby Wear Pvt. Ltd.
- (j) Mohitex Knitts Pvt. Ltd
- (k) R M Mohite Minerals Pvt. Ltd
- (i) Divine Constructions Pvt. Ltd
- (m) Musk Developers Pvt. Ltd
- (n) Precision Developers Pvt. Ltd
- (o) Starlit Developers Pvt. Ltd
- (p) R M Mohite Constructions Pvt. Ltd.

2) **Related Party Transactions :**  
Nature of transactions Related Parties Referred in 1 above.

	2010-2011	2009-2010
	<i>₹ in Lacs</i>	
(a) Remuneration & other services	45.00	33.00
(b) Deposits, Advances (interest free)		
- Maximum outstanding during the year	0.00	0.00
- Year-end balance	0.00	0.00
(c) Investment in equity shares of subsidiary Companies		
- Opening Balance	--	269.00
- Investment made during the year	--	--
- Investment in FSBW which is no more subsidiary Company of RMMTL	--	269.00
- Year end balance	--	269.00

11. Previous year's figures have been re-grouped and reclassified to make them comparable with the figures of the current year.

As per our report of even date attached  
For **MORESHWAR G.DESHPANDE**  
CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**  
Proprietor  
Membership No.124163  
Vadgaon – 416 112  
30<sup>th</sup> May, 2011

for and on behalf of the Board of Directors of  
**R M MOHITE INDUSTRIES LTD.**

**MONIKA MOHITE**  
Jt. Managing Director

**SHIVAJI MOHITE**  
Managing Director

**DHEERAJ PATIL**  
Director  
Vadgaon – 416 112  
30<sup>th</sup> May, 2011

**VIJAY NAVANDHAR**  
Director



**R M MOHITE INDUSTRIES LTD.**  
**CASH FLOW STATEMENT**

For the year ended on 31<sup>st</sup> March, 2011

₹ in Lacs

Particulars		Current Year		Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		922.99		553.10
Adjustments for :				
Depreciation	642.49		608.26	
Interest Paid	931.24		1019.24	
Interest/Dividend Received	-135.61		-25.79	
(Profit) / Loss on sale of Assets	0.00		-211.00	
(Profit) / Loss on sale of Investments	-458.57		0.00	
		979.55		1390.71
Operating Profit before working capital changes		1902.54		1943.81
Adjustments for :				
(Increase) /Decrease in :				
Trade & Other Receivables	598.19		-406.53	
Inventory	-506.28		-309.63	
Increase / (Decrease) in :				
Trade payables & other liabilities	-79.05	12.86	-459.10	-1175.26
Cash generation from operations		1915.40		768.55
			-10.00	-10.00
Taxes paid				
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1915.40</b>		<b>758.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-2208.10		-1221.84	
Sale of Fixed Assets	0.20		202.52	
Purchase of Investments	0.00		0.00	
Dividend Received	135.61		25.79	
Sale of Investments	1116.35		1349.69	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>-955.94</b>		<b>356.16</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Share Capital	0.00		0.00	
Proceeds from Long Term Borrowing [net]	-283.07		858.89	
Proceeds from Short Term Borrowing [net]	-203.99		110.38	
Proceeds from Unsecured Borrowing	478.52		-1270.81	
Interest & finance Charges	-931.24		-1019.24	
Dividend & Dividend Tax Paid	-117.19		0.00	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>-1056.97</b>		<b>-1320.78</b>
Net increase in Cash & Cash equivalents		-97.51		-206.07
Cash & Bank Balances as on 01.04.2010		392.30		598.37
Cash & Bank Balances as on 31.03.2011		294.79		392.30

As per our report of even date attached  
For **MORESHWAR G.DESHPANDE**  
CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**  
Proprietor  
Membership No.124163  
Vadgaon – 416 112  
30<sup>th</sup> May, 2011

for and on behalf of the Board of Directors of  
**R M MOHITE INDUSTRIES LTD.**

**MONIKA MOHITE** | **SHIVAJI MOHITE**  
Jt. Managing Director | Managing Director

**DHEERAJ PATIL** | **VIJAY NAVANDHAR**  
Director | Director  
Vadgaon – 416 112  
30<sup>th</sup> May, 2011

Additional information as required under Part IV of Schedule VI of the Companies Act, 1956  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**

**I. Registration Details :**

Registration No.

State Code

Balance Sheet Date

		0	5	8	7	7	4
						1	1
3	1	0	3	2	0	1	1
Date		Month			Year		

**II. Capital Raised during the year :**

Public Issue

Rights Issue

Bonus Issue

Private Placements

(Amount in Rs. Thousands)							
					N	I	L
					N	I	L
					N	I	L
					N	I	L

**III. Total Liabilities**

Total Assets

	1	8	4	1	2	3	4
	1	8	4	1	2	3	4

**Sources of Funds :**

Paid-up Capital

Reserves &amp; Surplus

Secured Loans

Unsecured Loans

		2	0	0	9	9	7
		3	8	4	6	2	7
	1	0	9	2	7	9	6
				9	7	9	2

**Application of Funds :**

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

	1	2	5	6	5	4	8
				3	6	7	5
		5	8	1	0	1	1
					N	I	L
					N	I	L

**IV. Performance of Company :**

Turnover

Total Expenditure

Profit / Loss Before Tax

Profit / Loss After Tax

Earning Per Share [Rupees]

Dividend Rate

(Amount in Rs. Thousands)							
	1	3	6	1	6	4	0
	1	3	2	8	1	6	1
			5	1	8	4	1
			4	2	8	4	1
						2.13	
						5%	

**V. Generic Names of three Principal Products / Services of Company**

(as per monetary terms)

i) Item Code No. – (I.T.C. Code Number)

Product Description –

5	2	0	5	2	4	0	1
---	---	---	---	---	---	---	---

100 PERCENT COTTONYARN NEC 40/1 COMBED

ii) Item Code No. – (I.T.C. Code Number)

Product Description –

5	2	0	5	2	2	0	1
---	---	---	---	---	---	---	---

100 PERCENT COTTON YARN NEC 40/2 COMBED

iii) Item Code No. – (I.T.C. Code Number)

Product Description –

5	2	0	8	0	0	-	-
---	---	---	---	---	---	---	---

COTTON FABRICS

As per our report of even date attached

For **MORESHWAR G. DESHPANDE**

CHARTERED ACCOUNTANTS

**Moreshwar Deshpande**

Proprietor

Membership No.124163

Vadgaon – 416 112

30<sup>th</sup> May, 2011

for and on behalf of the Board of Directors of

**R M MOHITE INDUSTRIES LTD.****MONIKA MOHITE**

Jt. Managing Director

**SHIVAJI MOHITE**

Managing Director

**DHEERAJ PATIL**

Director

Vadgaon – 416 112

30<sup>th</sup> May, 2011**VIJAY NAVANDHAR**

Director



# R M MOHITE INDUSTRIES LTD.

Reg. Office : Ambapwadi Phata R.S.No.347, Off.NH-4, P.B.No.1, Vadgaon – 416 112  
Tal : Hatkanangale, Dist : Kolhapur (INDIA)

## PROXY FORM

I/We..... of ..... in the district of ..... being a member / member (s) of the above named Company, hereby appoint Mr./Miss/Mrs..... of ..... in the district of ..... of failing him/her Mr./Miss/Mrs..... of ..... In the district of ..... as my / our proxy to vote for me/ us on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on the Friday, 30<sup>th</sup> September, 2011 and at any adjournment thereof.

<b>DP ID*</b>	
<b>Clint ID*</b>	

<b>Folio No.</b>	
<b>No. of Shares</b>	

Signature (s) .....

Address .....

Affix  
one  
Revenue  
Stamp

Note : *The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.*



# R M MOHITE INDUSTRIES LTD.

Reg. Office : Ambapwadi Phata R.S.No.347, Off.NH-4, P.B.No.1, Vadgaon – 416 112  
Tal : Hatkanangale, Dist : Kolhapur (INDIA)

## ATTENDANCE SLIP

I / We hereby record my/our presence at the 20<sup>th</sup> Annual General Meeting being held on 30<sup>th</sup> September, 2011 at 11.30 a.m. at Ambapwadi Phata R.S.No.347, Off.NH-4, P.B.No.1, Vadgaon – 416 112 Tal : Hatkanangale, Dist : Kolhapur (INDIA)

Name of the Shareholder/Proxy \_\_\_\_\_  
(In Block Letters)

Reference Folio No \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Shareholder/Proxy**

Note : 1. Please complete this attendance slip and hand it over at the entrance of the venue of the Meeting.  
2. Please bring your copy of Annual Report at the time of Annual General Meeting.  
\* Applicable for members holding shares in Demat Mode.



## **R M MOHITE INDUSTRIES LIMITED**

### **REGISTERED OFFICE & WORKS**

R. S. No. 347, Ambapwadi Phata, N. H. 4, Vadgaon, Tal. Hatkanangale, Dist - Kolhapur INDIA 416 112

Phone : ++91 - 230 - 2471230 Fax : ++91 - 230 - 2471229