



# R M MOHITE

INDUSTRIES LTD.



*21<sup>st</sup>* Annual Report 2011-2012



HYDRO POWER



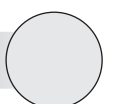
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# CORPORATE INFORMATION

## BOARD OF DIRECTOR

### CHAIRMAN & MANAGING DIRECTOR

Mr. Shivaji R. Mohite  
(w.e.f. 01/10/2011)

### JT. MANAGING DIRECTOR

Mrs. Monika S. Mohite

### DIRECTORS

CA. Vijay M. Navandhar  
(up to 26/11/2011)

Mr. Sanjay D. Patil

Mr. Rajendra P. Kinkar  
(up to 26/11/2011)

Mr. Dhiraj S. Patil

### ADDITIONAL DIRECTORS

CA. Neehal M. Pathan  
(w.e.f 22/06/2012)

Mr. Ranjeet D. Patil  
(w.e.f 22/06/2012)

### COMPANY SECRETARY

CS. Sachin G. Bidkar

### AUDITORS

#### Moreshwar G. Deshpande

Chartered Accountants  
F-2, Mayureshwar Appt.  
City High School Road,  
Sangli 416416

### INTERNAL AUDITORS

#### Kunte & Chaugule

Chartered Accountants  
Ayodhya Tower, 2<sup>nd</sup> Floor,  
Station Road, Kolhapur - 416 001

### BANKERS

Bank of Baroda  
IDBI Bank Ltd.  
State Bank of India

### REGISTERED OFFICE

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

### SPINNING PROJECT

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

### HYDRO POWER PROJECTS

#### Existing Project -

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

#### Project under construction -

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



# Notice

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Shareholders of R. M. MOHITE INDUSTRIES LIMITED Will be held on Saturday, 29<sup>th</sup> September 2012 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, to transact the following business:-

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31, March, 2012 and the Profit and Loss Account for the year ended on that date together with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Dhiraj S. Patil, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay D. Patil, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS :

- 5 To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :  
  
“RESOLVED THAT Mr. Neehal M. Pathan, who was appointed as an Additional Director of the Company with effect from 22/06/2012 and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom under Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.
6. To consider and thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :  
  
“RESOLVED THAT Mr. Ranjeet D. Patil, who was appointed as an Additional Director of the Company with effect from 22/06/2012 and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom under Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.
7. To consider and thought fit, to pass with or without modification(s), the following resolution as a **Special 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 re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Abhay S. Bhide, CEO of the Company as “Whole Time Director” as Executive Director of the Company for the period of Five years with effect from 01st October, 2012 to 30<sup>th</sup> September, 2017 at a remuneration described below

**Salary :**

- a) Monthly salary of ₹ 1,25,000/- (Rs. One Lakh Twenty Five Thousand Only)

**Perquisites :**

In addition to the aforesaid salary the Whole Time Director shall be entitled to the following perquisites :

- 1) Car for official as well as for personal purposes and all expenses for the maintenance, running and upkeep of the Motor Car for business purpose to be borne and paid by the company.
- 2) Mobile Phone and all charges including rental being paid by the company in full.
- 3) Leave at the rate of one month for every Eleven months of service. Leave not availed of may be encashed at the end of the tenure.
- 4) Such other benefits or amenities as may be applicable to other Senior Executives of the company.

Perquisites, if availed, shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. The total cost for the Company on account of the perquisites shall not exceed 50 % of salary. The Board of Directors subject to approval by Remuneration Committee shall have the powers to vary the above terms and conditions. Provided however that the total remuneration shall not exceed the limits prescribed under limits specified in Part II of Schedule XIII to the Companies Act, 1956.”

**RESOLVED FURTHER THAT** Mr. Shivaji R. Mohite, Chairman & Managing Director of the Company be and is hereby authorized to sign and file the necessary forms prescribed under the Companies Act, 1956.”

- 8) To consider and thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Sangramsinh S. Nimbalkar, who has filed his consent to act as Director, pursuant to section 264 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determined by retirement of Directors by rotation.”

- 9) To consider and thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to increase and revision in payment of remuneration to Shri. Shivaji R. Mohite, Chairman & Managing Director the Company (subject to overall limits laid down in Section 309 of the Companies Act, 1956 and Schedule XIII thereto,) as stipulated below :



**Salary :**

- a) Monthly salary of ₹ 4,00,000/- (Rs. Four Lakhs Only)
- b) Commission : Commission shall be decided by the Board of Directors as recommended by the Remuneration Committee based on the net profit of the Company each year, subject to condition that aggregate remuneration of the Chairman & Managing Director shall not exceed the limits laid down under Section 309 of the Companies Act, 1956.

**Perquisites :**

In addition to the aforesaid salary the Chairman & Managing Director shall be entitled to the following perquisites :

- 1) Fully furnished Rent Free Accommodation or alternatively, House Rent Allowance in lieu thereof may be paid not exceeding ₹ 1,00,000/-p.m. The expenses on furnishing gas, electricity, water and other utilities shall be borne by the company.
- 2) Reimbursement of all medical expenses incurred for self and family subject to a limit of one month's salary per year. In addition hospitalization expenses incurred in India for self and family will be paid on actual basis.
- 3) Leave Travel concession to the Chairman & Managing Director and his family, once in a year subject to the ceiling of one month's salary.
- 4) Personal Accident Insurance, premium of which shall not exceed ₹ 25,000/- per annum.
- 5) Fees of clubs subject to maximum of two clubs.

**Retirement Benefits :**

- 1) Provident Fund/Superannuation / Gratuity : As per Company's rule as applicable to other Senior Executives.

**Other Perquisites :**

- 1) All expenses for the maintenance, running and upkeep of the Motor Car for business purpose to be borne and paid by the company.
- 2) Telephone at Residence, all charges including rental and all charges of the telephone being paid by the company in full.
- 3) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure.
- 4) Such other benefits or amenities as may be applicable to other Senior Executives of the company.

Perquisites, if availed, shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. The total cost for the Company on account of the perquisites shall not exceed 50 % of salary. The Board of Directors subject to approval by Remuneration Committee shall have the powers to vary the above terms and conditions. Provided however that the total remuneration shall not exceed the limits prescribed under limits specified in Part II of Schedule XIII to the Companies Act, 1956."



**RESOLVED FURTHER THAT** Mr. Neehal M. Pathan Director of the Company be and is hereby authorized to sign and file the necessary forms prescribed under the Companies Act, 1956.”

10. To consider and thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to increase and revision in payment of remuneration to Mrs. Monika S. Mohite, Joint Managing Director of the Company (subject to overall limits laid down in Section 309 of the Companies Act, 1956 and Schedule XIII thereto,) as stipulated below :

**Salary :**

- a) Monthly salary of ₹ 2,00,000/- (Rs. Two Lakhs Only)
- b) Commission : Commission shall be decided by the Board of Directors as recommended by the Remuneration Committee based on the net profit of the Company each year, subject to condition that aggregate remuneration of the Managing Director shall not exceed the limits laid down under Section 309 of the Companies Act, 1956.

**Perquisites :**

In addition to aforesaid salary the Joint Managing Director shall be entitled to the following perquisites :

- 1) Fully furnished Rent Free Accommodation or alternatively House Rent Allowance in lieu thereof may be paid not exceeding ₹ 50,000/- p.m. The expenses on furnishing gas, electricity, water and other utilities shall be borne by the Company.
- 2) Reimbursement of all medical expenses incurred for self and family subject to a limit of one month's salary per year. In addition hospitalization expenses incurred in India for self and family will be paid on actual basis.
- 3) Leave Travel concession to the Joint Managing Director and her family, once in a year subject to the ceiling of one month's salary.
- 4) Personal Accident Insurance, premium of which shall not exceed ₹ 25,000/- per annum.
- 5) Fees of clubs subject to maximum of two clubs.

**Retirement Benefits :**

- 1) Provident Fund/Superannuation / Gratuity : As per Company's rule as applicable to other Senior Executives.

**Other Perquisites :**

- 1) All expenses for the maintenance, running and upkeep of the Motor Car for business purpose to be borne and paid by the company.
- 2) Telephone at Residence, all charges including rental and all charges of the telephone being paid by the company in full.



- 3) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure.
- 4) Such other benefits or amenities as may be applicable to other Senior Executives of the company.

Perquisites, if availed, shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. The total cost for the Company on account of the perquisites shall not exceed 50 % of salary. The Board of Directors subject to approval by Remuneration Committee shall have powers to vary the above terms and conditions. Provided however that the total remuneration shall not exceed the limits prescribed under limits specified in Part II of Schedule XIII to the Companies Act, 1956.”

**RESOLVED FURTHER THAT** Mr. Shivaji R. Mohite, Chairman & Managing Director of the Company be and is hereby authorized to sign and file the necessary forms prescribed under the Companies Act, 1956.”

11. To consider and thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Section 314(1) of the Companies Act, 1956, the shareholders do hereby ratify payment of ₹ 75,000/- p. m. made to Mr. Neehal M. Pathan, Director of the Company, as a Consultant, during the period since his appointment from 22/06/2012 to till the date of AGM.

“RESOLVED FURTHER THAT pursuant to section 314(1) of the Companies Act, 1956, approval of shareholders of the Company be and is hereby accorded for payment of consultation fees of ₹ 75,000/- per month to Mr. Neehal M. Pathan, Director of the Company for the period of 3 years w.e.f 1st October, 2012 in respect of consultancy services offered by him in the matters of finance and taxation.

For and on behalf of Board of Directors,

Vadgaon : 416 112

Date : 14<sup>th</sup> August, 2012

**SHIVAJI MOHITE**

CHAIRMAN & MANAGING DIRECTOR

#### Notes :

- 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 5 to 11 is annexed hereto. The relevant details of Director under Item No 2,3,5,6,7,8, 9, 10 pursuant to clause 49 of the Listing Agreements entered into with Bombay Stock Exchange Ltd also annexed hereto
- 3) The Register of Members and Share Transfer Books of the Company shall remain closed from the 22<sup>nd</sup> September, 2012 to 28<sup>th</sup> September, 2012 [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.





## 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 materials facts relating to the business under Item. No. 5 to 11.

### ITEM No. 5

Mr. Neehal M. Pathan was appointed as Additional Director of the Company on 22<sup>nd</sup> June, 2012 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of the ensuing AGM. As required by Section 257 of the Companies Act, a notice has been received from a member signifying his intention to propose appointment of Mr. Neehal M. Pathan as a Director along with a deposit of Rupees Five Hundred Only.

Mr. Neehal M. Pathan is a member of The Institute of Chartered Accountants of India and having experience of more than 10 years in Finance, Accounts and Taxation.

The Board considers it desirable that the Company should continue to avail his services. The Board recommends the resolution set out in item No. 5 of the Notice for approval as Ordinary Resolution.

None of the Directors is interested in the resolution.

### ITEM No. 6

Mr. Ranjeet D. Patil was appointed as Additional Director of the Company on 22<sup>nd</sup> June, 2012 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of the ensuing AGM. As required by Section 257 of the Companies Act, a notice has been received from a member signifying his intention to propose appointment of Mr. Ranjeet D. Patil as a Director along with a deposit of Rupees Five Hundred Only.

Mr. Ranjeet D. Patil is one of successful businessman in Earth Moving Business and Dozer ripper since more than 20 years and also having experience of construction of Irrigation Project.

The Board considers it desirable that the Company should continue to avail his services. The Board recommends the resolution set out in item No. 6 of the Notice for approval as Ordinary Resolution.

None of the Directors is interested in the resolution.

### ITEM No. 7

The Board of Directors decides to appointed Shri Abhay S. Bhide, CEO of the Company as “Whole Time Director” as Executive Director of the Company, for the period of Five years with effects from 1 October 2012 to 30<sup>th</sup> September, 2017, subject to the approval of the shareholders.

Shri Abhay S. Bhide has completed B. Tech Degree. He has experience in Cotton Industry, besides this he is well versed with erection and implementation of Spinning Project. He has got training at Ritter in Europe and at USA for Cotton.

Except Shri Abhay S. Bhide, none of the other Directors is interested in this Special Resolution.

The resolution is being proposed to seek your consent under Section 269 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act.



The resolution and explanatory statement be treated as an abstract under section 302 of the Companies Act, 1956.

#### **ITEM No. 8**

Mr. Sangramsinh S. Nimbalkar is proposed to be appointed as a Director of the Company. As required by Section 257 of the Companies Act, a notice has been received from a member signifying his intension to propose appointment of Mr. Sangramsinh S. Nimbalkar as a Director along with a deposit of Rupees Five Hundred Only.

Mr. Sangramsinh S. Nimbalkar is one of successful businessman in Earth Moving Business for more than 15 years.

The Board considers it desirable that the Company should continue to avail his services. The Board recommends the resolution set out in Item No. 8 of the Notice for approval as Ordinary Resolution. None of the Directors is interested in the resolution.

None of the Directors is interested in the resolution.

#### **ITEM No. 9**

At a meeting of remuneration Committee meeting held on 30<sup>th</sup> May, 2012, approved, subject to the approval of the shareholders ensuing Annual General Meeting, the above remuneration payable to Shri Shivaji R. Mohite, Chairman and Managing Director.

Mr. Shivaji R. Mohite have more than 19 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 and 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 Dhom - Balakavadi Dam project in Satara District..

Mr. Shivaji R. Mohite interested in this Special Resolution. Also Mrs. Monika S. Mohite, Director, is interested in this Special Resolution, as she is close relative of Mr. Shivaji R. Mohite. None of the other Directors is interested in this Special Resolution.

The resolution is being proposed to seek your consent under Section 269 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act.

The resolution and explanatory statement be treated as an abstract under section 302 of the Companies Act, 1956.

#### **ITEM No. 10**

At a meeting of remuneration Committee meeting held on 30<sup>th</sup> May, 2012, approved, subject to the approval of the shareholders ensuing Annual General Meeting, the above remuneration payable to Mrs. Monika S. Mohite, Joint Managing Director.

Mrs. Monika S. Mohite, is Industrialist and is having educational qualification of M. A. ( English Literature).

Mrs. Monika S. Mohite interested in this Special Resolution. Also Mr. Shivaji R. Mohite, Chairman and Managing Director, is interested in this Special Resolution, as he is close relative of Mrs. Monika S. Mohite. None of the other Directors is interested in this Special Resolution.



The resolution is being proposed to seek your consent under Section 269 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act.

The resolution and explanatory statement be treated as an abstract under section 302 of the Companies Act, 1956.

#### **ITEM No. 11**

The Company availed consultancy services on financial and taxation matters from Mr. Neehal M. Pathan, Non Executive Director of the Company since his appointments as Additional Director. Since the payment was made to him in his capacity as a consultant, the same requires ratification by the shareholders by a Special Resolution in terms of provisions of Section 314(1) of the Companies Act, 1956.

The Company intends to avail his services as Consultant in financial and taxation matters, in future also. Payment of consultancy fees proposed to be made to Mr. Neehal M. Pathan will amount to payment in respect of place of profit held by him. As such in terms of the provisions of Section 314(1)(b) of the Companies Act, 1956, it requires approval of the shareholders by a Special Resolution. Hence your Directors proposed the resolution at item no. 11 as a Special Resolution for your consideration.

Mr. Neehal M. Pathan is interested in this Special Resolution. None of the other Directors is interested in this Special Resolution.

The Resolution and explanatory statement be treated as an abstract under section 302 of the Companies Act, 1956.



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

Details of the Directors retiring by rotation and seeking re-appointment (in pursuance of Clause 49 of the Listing Agreement).

1)	Name :	Mr. Dhiraj Shivajirao Patil
	Age:	42 Years
	Qualifications :	B.A.
	Experience :	Mr. Dhiraj Patil is one of the successful businessmen in wind mills project, development such as roads, foundation and construction of wind mill projects since last Eight years and is also having experience of earth moving business.
	Other Directorship:	N A
2)	Name :	Mr. Sanjay Dnyandeo Patil
	Age:	46 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. Neehal Mahamulal Pathan
	Age:	38 Years
	Qualifications :	B. Com. A.C.A.
	Experience :	He is a member of The Institute of Chartered Accountants of India and having experience of more than 10 years in Finance, Accounts and Taxation.
	Other Directorship:	N. A
4)	Name :	Mr. Ranjeet Dinkarrao Patil
	Age:	47 Years
	Qualifications :	B. A.
	Experience :	He is one of the successful businessman in Earth Moving Business and Dozer ripper since more than 20 years and also having experience of construction of Irrigation Projects.
	Other Directorship:	N A
5)	Name :	Mr. Abhay Shamrao Bhide
	Age:	41 Years
	Qualifications :	B. Tech
	Experience :	He has more than 18years experience in Spinning Industry especially cotton. Besides this he is well versed with erection and implementation of Spinning Projects. He has got training at Ritter in Europe and at USA for cotton.
	Other Directorship:	N A



6)	Name :	Mr. Sangramsinh S. Nimbalkar
	Age:	42 Years
	Qualifications :	D. C. E.
	Experience :	He is one of the successful businessmen in Construction Business since more than 18 years.
	Other Directorship:	NA
7)	Name :	Mr. Shivaji Ramchandra Mohite
	Age :	43 Years
	Qualifications :	B. Com.
	Experience :	Mr. Shivaji Mohite have more than 19 years experience in Textile Business and he was one of the partners of M/s R. M. Mohite & Company, which is the leading premier construction firm in Maharashtra State, who have constructed huge dam projects and power houses. 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 Dhom-Balakavadi 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)Shiv – Dhruv Builders Pvt. Ltd r) Shivam Earth Movers Pvt. Ltd s) Starlit Developers Pvt. Ltd t) Solitaire constructions Pvt. Ltd u) United Real Estate Developers Pvt. Ltd. v) Velour Build – Con Pvt. Ltd
8)	Name :	Mrs. Monika Shivaji Mohite
	Age :	37 Years
	Qualifications :	M. A., PGDCA
	Experience :	Mrs. Monika Shivaji Mohite, is Industrialist having educational qualification of M. A. (English Literature), PGDCA. Have experience in administration and system development.
	Other Directorship	a)Arch Hydro Power Projects Pvt. Ltd. b)Chirag Sanditext Pvt. Ltd c) Credence Builders Pvt. Ltd. d) Divine Contractors Pvt. Ltd. e) Janhavi Motors Pvt. Ltd f)Mohite Inns Pvt. Ltd g) Mohitex Knitts Pvt. Ltd. h) Musk Developers Pvt. Ltd i) Pergola Builders Pvt. Ltd j) Pioneer Mining Project and development Pvt. Ltd k) Precision Developers Pvt. Ltd. l) R M Mohite Constructions Pvt. Ltd. m) R M Mohite Minerals Pvt. Ltd. n)Shiv – Dhruv Builders Pvt. Ltd o) Shivam Earth Movers Pvt. Ltd p) Starlit Developers Pvt. Ltd q) Solitaire constructions Pvt. Ltd r) United Real Estate Developers Pvt. Ltd. s) Velour Build – Con Pvt. Ltd



# DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2012.

## 1. Financial Results :

The financial results for the year are as under:-

₹ in Lacs

PARTICULARS	2011-12	2010-11
Turnover	8557.71	13616.40
Profit Before Depreciation, Finance Cost & Tax	2893.32	2496.72
Less : Finance Cost	1507.50	931.24
<b>Profit before Depreciation &amp; Tax</b>	<b>1385.81</b>	<b>1565.48</b>
Less : Depreciation	932.26	642.49
Profit after depreciation but before exceptional items	453.55	922.99
a) Exceptional Items – Expenses	--	458.57
b) Deferred Tax Asset – Income	33.12	53.98
<b>Profit after exceptional items but before Tax</b>	<b>486.67</b>	<b>518.41</b>
Less : Provision for tax :		
a) Current	77.00	90.00
b) Deferred (Net of adjustment)	--	--
<b>Profit after Tax (PAT)</b>	<b>409.67</b>	<b>428.41</b>
Balance brought forward from Previous Year	2385.73	2191.71
<b>Profit available for distribution</b>	<b>2795.40</b>	<b>2620.11</b>
Earnings per share (Rupees) - Basic	2.04	2.13
Dividend - %	--	5%

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

## 2. Dividend

With a view to plough back the Profits, Board of Directors do not recommend the payment of dividend for the financial year 2011-12.

## 3. Expansion & Modernization

### Forward integration

#### Ambai Hydro Power Project of 3.50 MW at Kalamawadi (Dist-Kolhapur)

Your company has started setting up of Hydro Power Project of 3.50 MW capacity at Kalamawadi, Tal. Radhangari, Dist Kolhapur (Maharashtra).



#### **4. Report on Corporate Governance and Management Discussion & Analysis**

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

#### **5. Insurance**

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

#### **6. Directors**

In accordance with the provisions of the Companies Act 1956, and Articles of Association of the Company Mr. Sanjay Dnyandeo Patil and Mr. Dhiraj Shivajirao Patil retires by rotation and are eligible for re-appointment.

During the year Mr. Vijay Madanlal Navandhar and Mr. Rajendra Prabhakar Kinkar , Directors of the Company opted to resign from the Board of Directors. Board of Directors in its meeting held on 26<sup>th</sup> Nov. 2011, approved their resignation.

During the year Mr. Neehal Mahamulal Pathan and Mr. Ranjeet Dinkarrao Patil are appointed as additional Directors of the Company on 22<sup>nd</sup> June, 2012. Notice have been received from shareholders proposing the candidature of Mr. Mr.Neehal Mahamulal Pathan and Mr.Ranjeet Dinkarrao Patil.

#### **7. Auditors**

Moreshwar G.Deshpande, the Statutory Auditors of the company, will retire at the ensuing Annual General Meeting of the company and being eligible, offer themselves for re-appointment.

#### **8. 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 31,2013, the Central Government has approved the appointment of Shri. S.V.Vhatte, Cost Accountant, Solapur.

#### **9. 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 & 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 , 2012 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.



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

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

## 11. Cash Flow Analysis

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012 is annexed hereto.

## 12. Listing of Equity Shares

The Equity Shares of the Company are presently listed on Bombay Stock Exchange Limited, (BSE). The Company has duly paid the listing fees to Bombay Stock Exchange Limited for the financial year 2012-2013.

## 13. Depository System

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

## 14. Particulars of Employees:

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

## 15. Appreciation

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

## 16. Acknowledgments

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

Your Directors are grateful to Government of India, Ministry of Commerce, Ministry of Textiles, Port Authorities and various authorities 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 : 14<sup>th</sup> August, 2012

**SHIVAJI MOHITE**  
CHAIRMAN & 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 :

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

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

### B. TECHNOLOGY ABSORPTION:

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

#### FORM B

#### RESEARCH AND DEVELOPMENT (R & D)

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

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

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

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

3. Future Plan of Action:

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

ii) Setting Up of 3.50 MW Hydro Power Project at Kalamawadi (Dist-Kolhapur).

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 :

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 the machineries. The company is also at a continuous endeavor to improve the efficiency of process by way of deep study of new technologies and exchange of information with other mills and machinery manufacturers.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(d) The Company has achieved export sales of ₹ 1,231.36 Lacs. Out of which export through merchant export is worth ₹ 664.21 Lacs and ₹ 567.15 by direct export. The Company has earned foreign exchange to the tune of \$11,11,129 through direct export as given in schedule.

(e) Total Foreign Exchange used and earned.

The information on foreign exchange earnings and outgo is contained in note no. 23B (iv) of note on accounts.

On behalf of the Board

Vadgaon : 416 112

Date : 14<sup>th</sup> August, 2012

**SHIVAJI MOHITE**  
CHAIRMAN & MANAGING DIRECTOR



# FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

	PARTICULARS	2011-12	2010-11
A)	Power & Fuel Consumption		
	Electricity :		
	Total Consumption during the year : (Kwh)	1,74,69,732	2,54,99,489
	Total Amount (Rs.)	12,23,74,467	14,91,23,093
	Own Generation through :		
	Hydro Power Project (Kwh)	1,69,93,018	--*
	Purchased Units (Kwh)	4,76,714	2,54,99,489
B)	Consumption per unit of Production		
	1. Cotton Yarn		
	Electricity	4.97	5.03
	Diesel	--	--
	Coal Per Kg	--	--
	Others	--	--
	2.Knit-Fabric		
	Electricity	--	0.197
	Diesel	--	--
	Coal Per Kg	--	--
	Others	--	--

\* Total Units generated through Hydro Power Project in 2010-11 were 12,52,570 Kwh which were directly sold to MSEDCL.



# CORPORATE GOVERNANCE REPORT

## 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) **Chairman & Managing Director (MD)**: The primary role of Chairman & 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 composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that 50% of the Board should comprise of Non-executive directors. Further, if the Chairman is Executive Director, 50% of the Board should be Independent.



The Board of Directors comprises Chairman & Managing Director, Joint Managing Director and Four Non-Executive Directors, of which three are Independent Directors.

Name of the Director	Position
<b>Executive</b>	
Mr. Shivaji R. Mohite	Chairman & Managing Director
Mrs. Monika S. Mohite	Joint Managing Director
<b>Non Executive</b>	
CA Neehal M. Pathan	Additional Director
<b>Independent</b>	
Mr. Sanjay D. Patil	Director
Mr. Dhiraj S. Patil	Director
Mr. Ranjit D. Patil	Additional Director

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

The meetings of the Board of Directors are held at the Registered Office of the Company at 'Ambapwadi Phata, R.S.No.347, Off NH-4, Vadgaon – 416 112. During the year under review, 07 Board meetings were held on 11-04-2011, 30-05-2011, 13-08-2011, 30-09-2011, 14-11-2011, 05-12-2011 & 14-02-2012. The Agenda and the Explanatory Notes are prepared in consultation with Chairman and Managing Director, for each meeting, and are circulated the same in advance to the Directors. Every Director is free to suggest the inclusion of the items on the Agenda.

The attendance of the Board of Directors at the Meetings held during the year, number of other Directorships & Memberships of Committees as on March 31, 2012 are as follows:

Name of Director & Category of Directorship	No. of Board meetings attended	Attendance at last AGM	No. of other Directorships	No. of outside Committee position(s) held	
				Member	Chairman
Mr. Shivaji R. Mohite C.M.D.	07	Yes	23	-	-
Mrs. Monika S. Mohite Jt. M.D.	07	Yes	17	-	-
Mr. Ramchandra M. Mohite (up to 30/05/2012)	01	No	3	-	-
CA.Vijay M. Navandhar (up to 05/12/2011)	05	Yes	3	-	-
Mr. Sanjay D. Patil	07	Yes	2	-	-
Mr. Rajendra P. Kinkar (up to 05/12/2011)	05	Yes	-	-	-
Mr. Dhiraj S. Patil	07	Yes	-	-	-
CA. Neehal M. Pathan (w.e.f 22/006/2012)	--	No	-	-	-
Mr. Ranjeet D. Patil (w.e.f 22/006/2012)	--	No	-	-	-



**(iii) Information to the Board of Directors :**

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

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

**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 was formed in 2000 comprising of three directors, of which two directors are Non-Executive Directors. The Committee met Four times during the year on 30-05-2011, 13-08-2011, 14-11-2011 & 14-02-2012.



The attendance of Members of the Audit Committee Meeting was as follows:

Name	Status	No. of Meetings attended
Mr. Vijay Madanlal Navandhar	Chairman	3
Mrs. Monika Shivaji Mohite	Member	3
	/Chairman	1
Mr. Dhiraj Shivajirao Patil	Member	4
Mr. Sanjay D. Patil	Member	1

The Audit committee adheres to the SEBI Guidelines in terms of quorum for its meetings, functioning, role and powers as also set out in the Companies Act, 1956.

**(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 30-05-2011, 13-08-2011, 14-11-2011 & 14-02-2012. 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	3
Mr. Sanjay Dnyandeo Patil	Member	4
Mr. Dhiraj Shivajirao Patil	Member	1

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 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 & experience of the employee, responsibilities handled and individual performance, etc.



d) Details of remuneration paid to the directors are as follows: ₹ in Lacs

Name	Salary	Consultancy Fee	Perquisites	Contribution to PF	Total
Mr. Shivaji Mohite	36.00	--	--	--	36.00
Mrs. Monika Mohite	9.00	--	--	--	9.00
Mr. Sanjay Patil	--	--	--	--	--
Mr. Dhiraj Patil	--	--	--	--	--
Mr. Neehal Pathan	--	9.00	--	--	9.00
Mr. Ranjit Patil	--	--	--	--	--

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 shares certificates and new shares certificates on split/consolidation/renewal etc.
- To approve the transfer of shares lodged with the Company.

(b) Composition

The Shareholders'/ Investors' Grievance Committee presently comprising of Chairman & Managing Director and two Non-Executive Directors. During the year, the Committee held Four meetings on 30-05-2011, 13-08-2011, 14-11-2011 & 14-02-2012. 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	3
Mr. Rajendra Prabhakar Kinkar	Member	3
Mr. Sanjay Dnyandeo Patil	Member	1
Mr. Dhiraj Shivajirao Patil	Member	1

(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  
 Phone +91-230-2471230

During the year two complaints were received from the investors. As on March 31, 2012, 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

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company.

The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

Vadgaon 416 112  
14<sup>th</sup> August, 2012

**MONIKA MOHITE**  
JOINT 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
2010-2011	30 <sup>th</sup> September, 2011	11.30 a.m.
2009-2010	25 <sup>th</sup> September, 2010	11.30 a.m.
2008-2009	30 <sup>th</sup> September, 2009	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 30<sup>th</sup> September, 2011

- i) Appointment of Shivaji R. Mohite as Chairman & Managing Director of the Company .

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

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

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

NIL





**(iv) Disclosures:**

- (a) During the year, there were no transactions 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 of 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 (Marathi Newspaper) & The Free Press Journal (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 Saturday, 29<sup>th</sup> September, 2012 at 11.30 a.m. 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, 2012 to March 31, 2013

	<b>Event</b>	<b>Period</b>
i)	Annual Results of 2011-2012	30 <sup>th</sup> May, 2012
ii)	Quarterly Results of June 30, 2012	First Week of August, 2012
iii)	Annual General Meeting	29 <sup>th</sup> September, 2012
iv)	Quarterly Results of September 30, 2012	First Week of November, 2012
v)	Quarterly Results of December 31, 2012	First Week of February, 2013
vi)	Quarterly Results of March 31, 2013	Fourth Week of May, 2013

**(iii) Book Closure :**

The Register of members & Share Transfer Book will remain closed from Saturday, the 22<sup>nd</sup> September, 2012 to Friday, the 28<sup>th</sup> September, 2012 (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 2012-13 has been paid to the Bombay Stock Exchange Limited. The Company has paid custodial fees for the year 2012-13 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, 2012.

**(v) Stock Code:**

BSE – 532140ISIN No.INE154B01015



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

L40108MH1990PLC058774

**(vii) Stock market price data for the year 2011-2012**

Months	BSE			
	High	Low	Close	No. of Shares Traded
April, 2011	236.00	123.15	220.35	981021
May, 2011	216.80	92.15	92.15	347276
June, 2011	95.00	56.65	64.45	756790
July, 2011	90.00	63.45	79.45	1631636
August, 2011	138.00	76.50	127.10	2520531
September, 2011	135.90	70.40	70.40	1481958
October, 2011	71.00	38.90	38.90	332144
November, 2011	42.80	21.00	25.55	257546
December, 2011	32.45	20.45	23.90	216219
January, 2012	34.20	23.60	31.00	147012
February, 2012	35.75	24.25	29.15	201702
March, 2012	29.90	19.30	21.00	131808

**(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, 2012**

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Up to 5000	855	72.15	163223	0.81
5001 - 10000	123	10.38	101830	0.51
10001 - 20000	64	5.40	100337	0.50
20001 - 30000	27	2.28	68706	0.34
30001 - 40000	15	1.27	51718	0.26
40001 - 50000	25	2.11	119885	0.60
50001 - 100000	20	1.69	154680	0.77
100001 & above	56	4.72	19339321	96.21
<b>Total</b>	<b>1185</b>	<b>100.00</b>	<b>20099700</b>	<b>100.00</b>



**(xi) Categories of Shareholders as on March 31, 2012**

Category	Shareholding	Number of shares %
Financial Institutions	Nil	Nil
Nationalized Insurance Companies	Nil	Nil
Foreign Institutional Investors	Nil	Nil
Mutual Funds	Nil	Nil
Bodies Corporate	4792582	23.84
Directors & Relatives	13979389	69.55
General Public	1327729	6.61
<b>Total :</b>	<b>20099700</b>	<b>100.00</b>

**(xii) Dematerialization of shares :**

As on March 31, 2012, 90.06% of the Company's total paid up capital representing 18102679 shares were held in dematerialized form and the balance 9.94% representing 1997021 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 – 416 112 (District- Kolhapur) Maharashtra State.
- Hydro Power project, Gat.No.222, at Fejiwade, Tal- Radhanagari, Dist-Kolhapur.
- Ambai Hydro Power Project at Ambai exit, A/p. Ambai, Tal –Radhangari, Dist-Kolhapur.

**(xiv) Address for correspondence :**

R. M. Mohite Industries Limited

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

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

email- mohitex@bsnl.in

Shareholders 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 Chairman & 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.



## CHIEF EXECUTIVE OFFICER'S 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,

I, the undersigned, certify to the Board that :

- (a) I have reviewed the financial statements, read with the cash flow statement of R. M. Mohite Industries Limited for the year ended March 31, 2012 and that to the best of my knowledge and belief, I 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting. I 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 I am aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) I 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 I 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 : 14<sup>th</sup> August, 2012

**ABHAY S. BHIDE**  
CHIEF EXECUTIVE OFFICER



## **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, 2012 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 : 14<sup>th</sup> August, 2012

**Moreshwar Deshpande**  
Proprietor  
M.No.124163



## MANAGEMENT DISCUSSION & ANALYSIS

The management of R. M. Mohite Industries Limited presents the analysis of business performance of the Company for the year 2011-2012 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

During the year 2011-12, the Textile Sector passed through an extreme hardship due to volatile cotton prices. However, from the start of year 2012-13 the industry is showing recovery gradually from the calamitous backdrop. Yarn market both in domestic and international remained quite stable & lucrative to a certain level.

But still the export of yarn has been berriered by the condition of registration from DGFT which is affecting a bit on the acceleration of exports.

### 2) OPPORTUNITIES AND THREATS

In the post quota regime, the Indian Textile Exporters have got very good opportunity for increasing their export of cotton yarn and value added products. Due to very good demand from domestic exports oriented garment manufacturers, the cotton yarn manufacturers have got good opportunities in local market also.

At the same time the Indian Textile Industry is facing threat from other textile exporting countries due to high power cost, cost of raw materials and rigid labour laws of the Country.

### 3) MANAGEMENT PERCEPTION OF RISKS & CONCERNS

This year the rain fall delayed considerably which in turn is going to affect the cotton crop throughout the country. Thus it is presumed by the management that cotton prices will surged substantially being acute shortage. Of course, the increase in cotton price will push up the price of yarn in domestic as well as international market. Hence maintaining ample stock of cotton is imperative in the days to come.

### 4) 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 the business.

### 5) 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.

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

- a) Production of our Company of 100% cotton yarn was 3,513.76 MT during 2011-12 as against production of 8,658.18 MT in 2010-11. Sale of yarn was ₹ 6,038.81 Lacs during 2011-12 as compared to sales of ₹ 9,641.57 Lacs during 2010-11 and Sales of Cotton Waste was ₹ 80.60 Lacs during 2011-12 as compared to sales of ₹ 184.03 Lacs during 2010-11.



- b) Job Work of 100 % cotton yarn was 2,881.85 MT during 2011-12 as against job work of 66.90 MT in 2010-11. Job work charges was ₹ 733.83 Lacs as compared to Job work charges ₹ 26.48 Lacs in 2010-11.
- c) Production of fabric (knitted as well as woven) was 754.38 MT during 2011-12 as against production of 1,265.38 MT in 2010-11. Sale of fabric was ₹ 137.93 Lacs during 2011-12 as compared to sales of ₹ 2,709.12 Lacs during 2010-11 and job work charges of Fabric ₹ 136.00 Lacs during 2011-12 as compared to job work charges of ₹ 997.05 Lacs during 2010-11.
- d) Generation of Hydro Power was 2,51,73,208 Kwh Units during 2011-12 as against generation of 12,52,570 Kwh Units in 2010-11. Inter-segment of 1,90,38,361 Kwh Units during 2011-12 as against NIL in 2010-11. Sale value of Hydro Power Units of ₹ 222.65 Lacs during 2011-12 as compared to sales of ₹ 45.71 Lacs during 2010-11
- e) Production of yarn during 2011-12 was decreased by 59.42 % and Sales during 2011-12 were decreased by 43.36 % as compared previous year.
- f) The Direct Export & Merchant Export of yarn and fabric was of ₹ 1,231.36 Lacs during 2011-12 as against of ₹ 4,081.16 Lacs during 2010-11.

#### RAW MATERIAL

- a) Main raw material for the Company is cotton and during the year the cotton price movement graph show volatility in cotton prices. The average cost of cotton consumed increased to 1.05% from ₹ 101.21 per Kg. for the previous year ended on 31-03-2011 to ₹ 106.59 per kg. for the year ended 31-03-2012
- b) Total raw material cost for the year 2011-12 is decreased to ₹ 3,603.29 Lacs compared to ₹ 8,385.82 Lacs for 2010-11. Cost of material consumed to sales ratio for the period ended 31.03.12 was 51.91% as compared to 61.59% for 31.03.11.

#### POWER AND FUEL

The cost of power was ₹ 1,223.74 Lacs for the year 2011-12 as compared to ₹ 1,491.23 Lacs for the year 2010-11. Cost of power was ₹ 17.22 per kg. of the production for the year 2011-12 as compared to power cost of ₹ 15.74 per kg of production for 2010-11 .

#### SALARY AND WAGES

The salary and wages was ₹ 639.57 Lacs for the year 2011-12 as compared to ₹ 843.61 Lacs for the year 2010-11. The Company has taken step of fully providing for the gratuity liability.

#### INTEREST AND FINANCE COST

The interest and finance cost was ₹ 1,524.58 Lacs for the year 2011-12 as compared to ₹ 1,029.20 Lacs for the year 2010-11. During the year the interest income is of ₹ 17.08 Lacs (previous year ₹ 97.97 Lacs) earned.

#### PROFITABILITY

The Company earned profit before depreciation, interest and tax of ₹ 2,893.32 Lacs as against ₹ 2,496.72 Lacs in the previous year, showing increase of ₹ 15.88% during the year under review. The Company earned profit before depreciation and tax of ₹ 1,418.93 Lacs as compared to ₹ 1,160.90 Lacs in the previous year.





The Profit before tax (after interest and depreciation) of ₹ 453.67 Lacs and the Profit after tax of ₹ 409.67 Lacs for the financial year under review as against ₹ 464.42 Lacs and ₹ 428.41 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, 2012 were ₹ 19,023.73 Lacs as compared to ₹ 18,846.86 Lacs in the previous year. During the year, the Company added fixed assets amounting to ₹ 215.83 Lacs and sold off the fixed assets of ₹ 38.95 Lacs.

There were no debtors outstanding for more than six months in the year under review. (Previous year ₹ 67.55 Lacs). The net current assets as on 31<sup>st</sup> March, 2012 were ₹ 660.04 Lacs as against ₹ 496.44 Lacs in the previous year. Inventory level as on 31<sup>st</sup> March, 2012 was ₹ 3,188.48 Lacs, as against ₹ 2,511.24 Lacs in the previous year.

On behalf of the Board

Vadgaon : 416 112

Date : 14<sup>th</sup> August, 2012

**SHIVAJI MOHITE**  
CHAIRMAN & MANAGING DIRECTOR



# 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, 2012, 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.
  - (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, 2012 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, 2012 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, 2012;
    - (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

Vadgaon : 416 112  
Date : 30<sup>th</sup> May, 2012

**Moreshwar Deshpande**  
Proprietor  
M.No.124163



**R M MOHITE**  
INDUSTRIES LTD.

## 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) Transactions made in pursuance of such contracts and arrangements have been made at prices which are reasonable having regard to the 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.
- (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, 2012 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 created security or charge in respect of debentures issued.
- (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

Vadgaon : 416 112

Date : 30<sup>th</sup> May, 2012

**Moreshwar Deshpande**  
Proprietor  
M.No.124163



# BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012

	PARTICULARS	NOTES	31-Mar-12	31-Mar-11
<b>I</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>Shareholders Fund</b>			
	a) Share Capital	1	2,009.97	2,009.97
	b) Reserves & Surplus	2	4,255.93	3,846.25
	c) Money Received against Share Warrants	-	-	-
			<b>6,265.90</b>	<b>5,856.22</b>
<b>2</b>	<b>Share Application Money pending allotment</b>		-	-
<b>3</b>	<b>Non - Current Liabilities</b>			
	a) Long Term Borrowings	3	6,683.66	6,943.52
	b) Deferred Tax Liability (Net)	-	615.83	648.94
	c) Other Long Term Liabilities	-	-	-
	d) Long Term Provisions	-	-	-
			<b>7,299.49</b>	<b>7,592.46</b>
<b>4</b>	<b>Current Liabilities</b>			
	a) Short Term Borrowings	4	4,186.05	3,869.65
	b) Trade Payables & Other Current Liabilities	5	1,607.64	1,171.92
	c) Short - Term Provisions	6	483.50	523.69
			<b>6,277.18</b>	<b>5,565.26</b>
	<b>Total</b>		<b>19,842.58</b>	<b>19,013.94</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non- Current Assets</b>			
	a) Fixed Assets	7		
	i) Tangible Assets		11,810.26	12,565.48
	ii) Intangible Assets		-	-
	iii) Capital Work in Progress		558.42	-
	iv) Intangible Assets under Development		-	-
			<b>12,368.68</b>	<b>12,565.48</b>
	b) Non - Current Investment	8	12.25	36.75
	c) Deferred Tax Asset (Net)	-	0.00	0.00
	d) Long Term Loans & Advances	9	86.40	116.49
	e) Other Non-current Assets	10	438.02	233.52
			<b>12,905.35</b>	<b>12,952.24</b>
<b>2</b>	<b>Current Assets</b>			
	a) Current Investments		-	-
	b) Inventories	11	3,188.48	2,511.24
	c) Trade Receivables	12	3,462.31	3,239.32
	d) Cash and Bank Balances	13	271.15	294.79
	e) Short - Term Loans and Advances	14	15.29	16.35
	f) Other Current Assets	-	-	-
			<b>6,937.23</b>	<b>6,061.70</b>
	<b>Total</b>		<b>19,842.58</b>	<b>19,013.94</b>

Notes to Financial Statements

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As per our separate report attached

For **MORESHWAR G. DESHPANDE**

CHARTERED ACCOUNTANTS

**MORESHWAR DESHPANDE**

Proprietor

Membership No.124163

Vadgaon – 416 112

30<sup>th</sup> May, 2012

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

**SANJAY PATIL**

Director

Vadgaon – 416 112

30<sup>th</sup> May, 2012



**R M MOHITE**  
INDUSTRIES LTD.

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# PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2012

	PARTICULARS	NOTES	31-Mar-12	31-Mar-11
	<b>INCOME</b>			
I	Revenue from Operations	15	8,557.71	13,616.40
II	Other Income	16	189.21	183.61
	<b>Total Revenue</b>		<b>8,746.92</b>	<b>13,800.01</b>
	<b>EXPENSES</b>			
	Cost of Material Consumed	17	4,045.95	8,667.83
	Purchase of Stock-in-Trade	-	-	-
	Manufacturing & Operating Cost	18	1,570.49	2,030.45
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	19	(442.66)	(282.01)
	Employee Benefits Cost	20	639.57	843.62
	Finance Cost	21	1,547.75	974.65
	Depreciation and Amortization Expenses	22	932.26	642.49
	Other Expenses		-	-
	<b>Total Expenses</b>		<b>8,293.36</b>	<b>12,877.03</b>
	<b>Profit before Exceptional Items &amp; Tax</b>		<b>453.55</b>	<b>922.98</b>
	Exceptional Items		-	458.57
	<b>Profit before Tax</b>		<b>453.55</b>	<b>464.41</b>
	Tax Expense :-			
	1) Current Tax		77.00	90.00
	2) Deferred Tax (Income)		(33.12)	(53.98)
	<b>Profit for the Year after Tax</b>		<b>409.67</b>	<b>428.39</b>
	Earning per share (of the face value of ₹ 10 per equity share)			
	1) Basic		2.04	2.13
	2) Diluted		2.04	2.13

Notes to Financial Statements

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As per our separate report attached  
For **MORESHWAR G. DESHPANDE**  
CHARTERED ACCOUNTANTS

**MORESHWAR DESHPANDE**

Proprietor  
Membership No.124163  
Vadgaon – 416 112  
30<sup>th</sup> May, 2012

for and on behalf of the Board of Directors of

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**MONIKA MOHITE**  
Jt. Managing Director

**SHIVAJI MOHITE**  
Managing Director

**DHEERAJ PATIL**  
Director

**SANJAY PATIL**  
Director

Vadgaon – 416 112  
30<sup>th</sup> May, 2012



**R M MOHITE**  
INDUSTRIES LTD.

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# CASH FLOW STATEMENT

For the year ended on 31<sup>st</sup> March, 2012

₹ in Lacs

	Particulars		Current Year		Previous Year
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit Before Tax		453.55		922.99
	<b>Adjustments for :</b>				
	Depreciation	932.26		642.49	
	Interest Paid	1,507.50		931.24	
	Interest/Dividend Received	(1.15)		(135.61)	
	(Profit) / Loss on sale of Assets	-		-	
	(Profit) / Loss on sale of Investments	24.50		(458.57)	
			2,463.11		979.55
	Operating Profit before working capital changes		2,916.66		1,902.54
	<b>Adjustments for :</b>				
	(Increase) / Decrease in :				
	Trade & Other Receivables	(396.34)		598.19	
	Inventory	(677.24)		(506.28)	
	Increase / (Decrease) in :				
	Trade payables & other liabilities	166.15	(907.43)	(79.05)	12.86
	Cash generation from operations		2,009.23		1,915.40
	Taxes Paid	44.06	44.06	-	-
	<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,965.17</b>		<b>1,915.40</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets	(774.25)		(2,208.10)	
	Sale of Fixed Assets	38.95		0.20	
	Purchase of Investments	-		-	
	Dividend Received	1.15		135.61	
	Sale of Investments	-		1116.35	
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(734.15)</b>		<b>(955.94)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from Issue of Share Capital	-		-	
	Proceeds from Long Term Borrowings [net]	(827.96)		(283.07)	
	Proceeds from Short Term Borrowings [net]	316.39		(203.99)	
	Proceeds from Unsecured Borrowings	764.41		478.52	
	Interest & Finance Charges	(1,507.50)		(931.24)	
	Dividend & Dividend Tax Paid	-		(117.19)	
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,254.66)</b>		<b>(1,056.97)</b>
	Net Increase in Cash & Cash Equivalents		(23.64)		(97.51)
	Cash & Bank Balances as on 01.04.2011		294.79		392.30
	Cash & Bank Balances as on 31.03.2012		271.15		294.79

As per our separate report attached

For **MORESHWAR G. DESHPANDE**

CHARTERED ACCOUNTANTS

**MORESHWAR DESHPANDE**

Proprietor

Membership No.124163

Vadgaon – 416 112

30<sup>th</sup> May, 2012

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

**SANJAY PATIL**

Director

Vadgaon – 416 112

30<sup>th</sup> May, 2012



**R M MOHITE**  
INDUSTRIES LTD.

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## NOTE - 1

### SHARE CAPITAL

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>AUTHORISED</b> 2,60,00,000 Equity Shares of ₹ 10/- each, (Previous Year 2,60,00,000)	2,600.00	2,600.00
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b> 2,00,99,700 Equity Shares of ₹ 10/- each fully paid up (Previous Year 2,00,99,700)	2,009.97	2,009.97

Note :-

- a. Reconciliation of the shares outstanding at the beginning and at end of the reporting period.

#### Equity Shares

Particulars	As at 31, March 2012		As at 31, March 2011	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the reporting period	20099700	200997000	20099700	200997000
Movement during the reporting period	-	-	-	-
	<b>20099700</b>	<b>200997000</b>	<b>20099700</b>	<b>200997000</b>

- b. Right of Equity Shareholders :

Company has only one class of equity shares of par value ₹ 10/- Each holder of the equity shares is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after distribution of the preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c. Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31, March 2012		As at 31, March 2011	
	No. of Shares	% holding in the Class	No. of Shares	% holding in the Class
Shivaji Ramchandra Mohite	9176324	45.65	9176324	45.65
Dilip Ramchandra Mohite	4100000	20.40	4100000	20.40

- d. During the previous five years, the company has not issued bonus shares / bought back shares / issued shares for consideration other than cash.



## NOTE - 2

### RESERVE AND SURPLUS

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>Capital Reserve :</b> (Special Capital Incentive as per last Balance Sheet)	30.00	30.00
<b>General Reserve :</b>		
Opening Balance	3,816.26	3,622.24
Add- Net Profit for the Current Year	409.67	428.39
Add- Excess provision reversal	-	-
Profit Available for Appropriation	4,225.93	4,050.63
Less-Proposed Dividend on Equity Shares	-	201.00
Less - Tax on Dividend	-	33.38
Net Surplus in the Statement of Profit & Loss	4,225.93	3,816.25
<b>Total</b>	<b>4,255.93</b>	<b>3,846.25</b>

## NOTE - 3

### LONG TERM BORROWINGS

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>A. Secured Loans</b>		
<b>a. Loans from Banks</b>		
i. Bank of Baroda T/L - I	732.15	945.40
ii. Bank of Baroda T/L - II	1,380.40	1,629.55
iii. Bank of Baroda T/L - III	355.03	414.28
iv. IDBI Bank - Loan against Property	1,151.10	1,374.39
v. IDBI Bank - Loan under TUF's scheme	757.60	1,082.60
vi. Vehicle Loans	41.44	80.44
	<b>4,417.72</b>	<b>5,526.66</b>
<b>b. Loans from Financial Institutions &amp; Others</b>		
i. LIC Loan	516.34	418.63
ii. Vehicle Loans	5.99	19.03
	<b>522.33</b>	<b>437.66</b>
<b>B. Unsecured Loans from Directors</b>	<b>1,743.61</b>	<b>979.20</b>
<b>Total</b>	<b>6,683.66</b>	<b>6,943.52</b>

#### Notes :

1. Term Loan No. I above is secured by First pari passu charge on the fixed asset (Present & Future) relating to the weaving unit with IDBI Bank



### Collateral

- a) First *pari passu* charge on the fixed asset of the Company (except vehicles) relating to the textile unit. (*pari passu* with IDBI Bank)
- b) Extension of first charge on fixed assets (present & future) of Hydro Power Project at Radhanagari
- c) Second *pari passu* charge on the current assets relating to the textile unit (*pari passu* with SBI & IDBI)
- d) Personal guarantee of Shri R M Mohite, Mrs Monika Mohite and Shri Shivaji Mohite

2. Term Loan No. II & III above are secured by exclusive First charge on fixed assets (Present & Future) of the Company relating to the Hydro Power Project

### Collateral

- a) Second *pari passu* charge on the fixed asset of the Company (except vehicles) relating to the textile unit.
- b) Second *pari passu* charge on the current asset of the Company relating to the textile unit.
- c) Personal guarantee of Shri R M Mohite, Mrs Monika Mohite and Shri Shivaji Mohite

3. The Loan against property is secured by the mortgage of property located at Plot No. 1, Survey No. 250B/1A/4, E Ward, Nagala Park, Kolhapur.

4. a) Term Loan under TUF's scheme is secured by first *pari passu* charge with BOB on fixed assets of spinning unit at Vadgaon, Weaving unit at Kagal & Khotwad Ichalkaranji
- b) Pledge of Thirty Lacs Equity Shares of Shivaji Mohite

5. LIC Loan is availed against assignment of Key Man Insurance Policies

6. All Vehicle Loans are secured by the mortgage of the particular vehicles.

### Maturity Profile of Loans are set out below :

₹ in Lacs

Particulars	2012-13	2011-12
Loan from Banks	1,083.81	1,277.24
Loan From Financial Institutions	10.19	13.04
<b>Total :</b>	<b>1,094.00</b>	<b>1,290.28</b>



**NOTE - 4****SHORT TERM BORROWINGS**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>Working Capital Facility from Bank</b>		
i. Bank of Baroda	2,361.80	2,192.37
ii. IDBI Bank	912.03	785.26
iii. State Bank of India	912.22	892.02
<b>Total</b>	<b>4,186.05</b>	<b>3,869.65</b>

**Note :**

Above Working Capital Facilities are secured by First charge on entire stock of raw material, stock in process, finished goods, consumables, stores & spare and book debts on *pari passu* with other banks (present & future)

**NOTE - 5****TRADE PAYABLES & OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Current Maturities of Long Term Loans	1,290.28	1,094.00
Trade Payables & Other Liabilities	315.07	71.23
TDS/TCS Payable	2.29	6.69
<b>Total</b>	<b>1,607.64</b>	<b>1,171.92</b>

**NOTE - 6****SHORT TERM PROVISIONS**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Provision for Income Tax	483.50	406.50
Dividend & Dividend Tax	-	117.19
<b>Total</b>	<b>483.50</b>	<b>523.69</b>





**NOTE - 7**

**FIXED ASSETS**

₹ in Lacs

Particulars	GROSS BLOCK			Rate %	DEPRECIATION				Net Block As on 31.03.2012	Net Block As on 31.03.2011
	Gross Block As on 01.04.2011	Additions	Deductions / Transfer / Sale		Gross Block As on 31.03.2012	Depn upto 01.04.2011	Depn on Asset Sold	Depn for 01.04.2011 to 31.03.2012		
<b>A) TANGIBLE ASSETS</b>										
(a) Land	57.55	-	-	57.55	-	-	-	-	-	57.55
(b) Kagal MIDC Land	289.43	-	-	289.43	-	-	-	-	-	289.43
(c) Factory Building	3,379.50	124.81	5.00	3,499.31	3.34%	527.02	115.16	642.16	2,857.15	2,852.47
(d) Plant & Machinery										
Imported	6,230.03	19.40	-	6,249.43	5.28%	3,969.73	329.91	4,299.63	1,949.80	2,260.31
Indigenous	7,792.30	66.76	32.55	7,826.51	5.28%	1,444.13	414.20	1,858.18	5,968.32	6,348.16
(e) Electrical Installation	387.17	1.22	-	388.39	4.75%	102.26	18.44	120.70	267.69	284.91
(f) Office Equipment	75.44	2.88	-	78.32	4.75%	33.61	3.65	37.27	41.05	41.83
(g) Laboratory Equipments (Imported)	99.59	0.66	-	100.25	4.75%	50.73	4.74	55.47	44.77	48.86
(h) Vehicles	402.37	-	1.40	400.97	9.50%	103.20	38.22	141.42	259.54	299.17
(i) Furniture & Fixtures	101.51	0.09	-	101.60	6.33%	37.47	6.43	43.90	57.70	64.03
(j) D. G. Sets - Imported	31.88	-	-	31.88	4.75%	13.12	1.51	14.64	17.24	18.76
(k) Equipments Below ₹ 5000	0.10	-	-	0.10	-	0.10	-	0.10	-	-
<b>SUB TOTAL</b>	<b>18,847.86</b>	<b>215.82</b>	<b>38.95</b>	<b>19,023.73</b>	-	<b>6,281.38</b>	<b>932.26</b>	<b>7,213.47</b>	<b>11,810.26</b>	<b>12,565.48</b>
<b>B) CAPITAL WORK IN PROGRESS</b>										
(a) Advance to Machinery	-	10.00	-	-	-	-	-	-	-	-
(b) Capital WIP	-	548.42	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>18,847.86</b>	<b>774.24</b>	<b>38.95</b>	<b>19,023.73</b>	-	<b>6,281.38</b>	<b>932.26</b>	<b>7,213.47</b>	<b>11,810.26</b>	<b>12,565.48</b>
Pervious Year	16,638.97	6,256.06	4,048.17	18,846.86	-	5,638.90	642.49	6,281.38	12,565.48	11,000.07

**Notes :**

- Capital work-in-progress includes the expenditure incurred on construction of power house at Kalamawadi Dam for Ambai Hydro Power Project
- Advance to machinery is given to supplier of machineries for Ambai Hydro Power Project

**NOTE - 8****NON-CURRENT INVESTMENT**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>Investment (Quoted)</b>	-	-
<b>Investments (Unquoted)</b>		
Shares of Parshwanath Co-op. Bank Ltd. 2000 Equity Shares of Rs 25/- Each (at cost)	0.50	0.50
Kallappana Awade Ichalkaranji Jan. Co. Bank Ltd. 1000 Equity Shares of Rs 500/- Each (at cost)	5.00	5.00
Mahalaxmi Co.op. Bank Ltd. 175000 Equity Shares of Rs 1/- Each (at cost)	1.75	1.75
Rajarambapu Sah. Bank Ltd. 50000 Equity Shares of Rs 10 /- Each (at cost)	5.00	5.00
Siber Software Service India Ltd. 600 Equity Shares of Rs 10 /- Each (at cost)	0.0045	0.0045
Indus Sacharides Pvt Ltd. (Share application money)	-	24.5000
<b>Total</b>	<b>12.25451</b>	<b>36.75451</b>

**Note :**

The Shares of Siber Software Service India Ltd is included in unquoted investment due to suspension of the said shares from trading on BSE from 2003.

**NOTE - 9****LONG TERM LOANS AND ADVANCES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>Unsecured, Considered Goods</b>		
Advances Recoverable	31.15	19.60
REC Certificates	19.08	-
TDS /Advance Tax	28.57	95.25
CENVAT-Duty Drawback / PLA	7.60	1.64
<b>Total</b>	<b>86.40</b>	<b>116.49</b>



**NOTE - 10****OTHER NON CURRENT ASSETS**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Security Deposit with MSEB	24.34	22.58
MVAT / Elec.Duty refund Receivable	413.68	210.94
<b>Total</b>	<b>438.02</b>	<b>233.52</b>

**NOTE - 11****INVENTORIES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>(Valued at lower of cost or net realisable value)</b>		
Raw Material (Including Goods-in-transit Rs.Nil,Previous Year Nil)	915.34	623.91
Finished Goods (Including Goods-in-transit Rs.Nil,Previous Year Nil)	944.11	667.74
Stock In Process (Including Goods-in-transit Rs.Nil,Previous Year Nil)	1007.37	847.88
Stores,Spares,Packing Material (Including Goods-in-transit Rs.Nil,Previous Year Nil)	270.89	327.74
Waste (Including Goods-in-transit Rs.Nil,Previous Year Nil)	50.78	43.97
<b>Total</b>	<b>3188.48</b>	<b>2511.24</b>



**NOTE - 12****TRADE RECEIVABLES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>Secured, considered Good</b>		
Outstanding for the period exceeding six months from the date they are due for payment	-	-
Outstanding for the period less than six months from the date they are due for payment	-	-
<b>Unsecured, considered Good</b>		
Outstanding for the period exceeding six months from the date they are due for payment	-	67.55
Outstanding for the period less than six months from the date they are due for payment	3,462.31	3,171.77
<b>Total</b>	<b>3,462.31</b>	<b>3,239.32</b>

**NOTE - 13****CASH & BANK BALANCES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
a) Cash and Cash Equivalents :		
i) Cash in Hand	2.83	2.21
ii) Balances with Scheduled Banks in Current Account	18.76	57.51
iii) Fixed Deposit Accounts	247.73	232.51
b) Other Bank Balances :		
Current Accounts	1.83	2.56
<b>Total</b>	<b>271.15</b>	<b>294.79</b>

**NOTE - 14****SHORT TERM LOANS AND ADVANCES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Staff Advances	2.46	2.84
Prepaid Expenses	12.83	13.51
<b>Total</b>	<b>15.29</b>	<b>16.35</b>





Short Term Loans and advances includes amount receivable from employees against interest free loan given to them in the ordinary course of business and as per rules of the Company. No repayment schedule or repayment is beyond seven years.

**NOTE - 15**

**REVENUE FROM OPERATIONS**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>A. SALE OF PRODUCTS</b>		
Direct Export	567.15	603.39
Merchant Exports	664.22	3477.76
DTA-Sales	4945.38	8269.53
Cotton Waste Sales	80.60	184.03
Sales-Trading	-	12.42
Sales-Jobwork	869.84	1023.54
Hydro Power Units & REC	1430.53	45.72
<b>Total</b>	<b>8557.71</b>	<b>13616.40</b>
<b>B. OTHER OPERATING INCOME :</b>	-	-
<b>Total :</b>	<b>8557.71</b>	<b>13616.40</b>

**NOTE - 16**

**OTHER INCOME**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Other income	110.64	48.00
VAT Refund	16.86	-
Insurance Claim	60.56	-
Dividend Received	1.15	135.61
<b>Total</b>	<b>189.21</b>	<b>183.61</b>



**NOTE - 17****COST OF MATERIAL CONSUMED**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Raw Material Consumed		
Opening Stock	623.91	548.03
Add: Purchases	4,046.81	8,217.94
Less : Closing Stock	915.34	623.91
<b>Total</b>	<b>3,755.38</b>	<b>8,142.06</b>
Packing Material		
Opening Stock	96.95	76.93
Add: Purchases	114.14	165.02
Less : Closing Stock	14.39	96.95
<b>Total</b>	<b>196.70</b>	<b>145.00</b>
Machinery Spares Consumed		
Opening Stock	230.79	102.42
Add: Purchases	114.08	273.21
Less: Closing Stock	256.50	230.79
<b>Total</b>	<b>88.37</b>	<b>144.84</b>
Stores, Spares Consumed		
Imported	5.50	10.00
Indigenous spares, other material	-	225.93
<b>Total</b>	<b>5.50</b>	<b>235.93</b>
<b>Total Cost of material Consumed</b>	<b>4,045.95</b>	<b>8,667.83</b>



## NOTE - 18

## MANUFACTURING &amp; OPERATING COST

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	1,223.74	1491.23
Freight, Clearing & Forwarding	3.68	21.18
Repairs & Maintenance	17.68	49.59
Mixing, Unloading, Jobwork	14.39	120.80
Factory General Expenses	8.94	56.35
Transaction/Sheduling/Apllication/Water Chgs-Hydro	77.46	-
<b>Total (A)</b>	<b>1,345.90</b>	<b>1,739.15</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Clearing & Forwarding-Imports	2.13	5.14
Printing & Stationery	3.02	5.07
Postage and Telegram / Telephone	5.03	5.34
Travelling and Conveyance	11.96	45.39
Advertisement	2.27	1.95
Legal And Professional Fees	43.28	51.40
Security Expenses	16.48	21.37
Insurance	14.86	11.92
Key-Men Insurance Premium	36.46	23.26
Rent, Rates Taxes & Repairs	25.18	14.98
Miscellaneous	11.44	13.41
Payment to Statutory Auditors		
Audit Fees	0.50	0.50
Tax Audit Fees	0.10	0.10
Certification Fees	-	-
<b>Total (B)</b>	<b>172.71</b>	<b>199.83</b>
<b>SELLING EXPENSES</b>		
Freight and Forwarding	16.39	20.87
Commission On Sales	35.49	65.09
Exchange Loss/Gain	-	5.51
<b>Total (C)</b>	<b>51.88</b>	<b>91.47</b>
<b>Total A+B+C</b>	<b>1,570.49</b>	<b>2,030.45</b>



**NOTE - 19****CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Stocks as at Close		
Finished Goods	944.11	667.74
Stock in Process	1,007.37	847.88
Waste	50.78	43.97
<b>Total</b>	<b>2,002.25</b>	<b>1,559.59</b>
Stock as at Commencement		
Finished Goods	667.74	507.86
Stock in Process	847.88	556.80
Waste	43.97	212.92
<b>Total</b>	<b>1,559.59</b>	<b>1,277.58</b>
(Increase) / Decrease In Stock	(442.66)	(282.01)

**NOTE - 20****EMPLOYEE BENEFIT EXPENSES**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Payment to Workers - Salary, Wages & Bonus	586.59	783.16
P. F. Contribution	29.60	36.18
Gratuity Contribution	8.50	8.48
Staff Welfare Expenses	14.88	15.80
<b>Total</b>	<b>639.57</b>	<b>843.62</b>



**NOTE - 21****FINANCE COSTS**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Borrowings From Working Capital	644.28	546.83
Term Loans from banks/FI	864.92	482.38
Others & Export-Import & L/C Chgs & IBP	15.38	-
Less:- Interest Received	17.08	97.97
	1,507.50	931.24
Bank Charges,ECGC Premium	40.25	43.41
<b>Total</b>	<b>1,547.75</b>	<b>974.65</b>

**NOTE - 22****DEPRECIATION AND AMORTISATION**

₹ in Lacs

Particulars	As at 31, March	
	2012	2011
Depreciation on Tangible Assets	932.26	642.49
<b>Total</b>	<b>932.26</b>	<b>642.49</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE - 23 A

#### SIGNIFICANT ACCOUNTING POLICIES:

**(i) Basic of Accounting**

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.

**(ii) Fixed Assets:**

Fixed assets are stated at cost of acquisition, including interest during construction period if any, less accumulated depreciation.

**(iii) Investments:**

Non Current Investments are carried at cost less provision, if any, for diminution in value other than temporary nature.

Current investments are carried at lower of cost or market value.

**(iv) Inventories :**

Inventories are valued as under:

[a] Stock of cotton, stores, spares, packing material at lower of cost and market value.

[b] Stock in process – at lower of cost and market value.

[c] Finished Yarn at lower of cost and market value.

[d] Cotton waste at net realizable value.

**(v) Income Recognition :**

The income is generally accounted for on accrual basis.

**(vi) 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.

**(vii) 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.

**(viii) 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.

**(ix) 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.



**NOTE -23 B****OTHER NOTES :****i) Contingent liabilities:**

Contingent Liabilities not provided in respect of :-

₹ in Lacs

Particulars	As at March, 31, 2012	As at March, 31, 2011
1. Claims not acknowledged as debts in respect of matters in appeals.	359.89	359.89
<b>2. Commitments</b>		
a) Estimated amount of contracts remaining to be executed	--	--
b) Other Commitments :		
Guarantee given by banks, counter guaranteed by the Company	668.21	675.85
c) Other Significant Commitments	--	--

**ii) Disclosure under Accounting Standard 15- Employee Benefits (Revised)****Actuarial Assumptions:**

₹ in Lacs

Particulars	As at March, 31, 2012	As at March, 31, 2011
Discount Rate	8% p.a.	8%p.a.
Mortality	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
Salary Escalation Rate	6.50%	5.50%
Turnover Rate	1% p.a. to 3% p.a. Depending on Age	1% p.a. to 3% p.a. Depending on Age
Retirement Age(Years)	60	60
Maximum Gratuity Payable Rs.	24,15,903/-	23,08,215/-

a) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India.



b) Salary Escalation Rate:

Future salary increases considered in actuarial valuation taken into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

i) Expected rate of return in plan assets :

This is based on actuaries expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

ii) Discount Rate:

The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

iii) **Deferred Tax Liability/Assets at the end of the year :**

As on 31<sup>st</sup> March, 2012 the Deferred Tax Asset comprises of timing difference on account of Depreciation only of ₹ 33,11,670/- which is shown under Deferred Tax Liability (Net)

iv) Additional information pursuant to Revised Schedule VI to the Companies Act, 1956 :

₹ in Lacs

Particulars	2011-12	2010-11
a. Raw Material Consumed	3,755.37	8,142.06
b. Packing Material	196.70	145.00
c. Machinery Spares	88.37	144.84
d. Stores, Spares consumed :		
Imported	5.50	9.99
Indigenous	--	225.93
e. Value of imports of stores & spares	24.19	59.29
f. Earnings in Foreign Exchange on goods exported	567.15	603.39
g. Expenditure in Foreign Currency on Commission	12.76	12.04

(v) **Retirement and Other benefits to Employees**

[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] Gratuity Liability is defined benefit obligation and 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.

**(vi) Segment Reporting :**

Segment have been identified in line with Accounting Standard on Segment reporting (AS-17)

**Segment-wise information for the year ended March 31st, 2012**

₹ in Lacs

Particulars	Year ended 31.03.2012
<b>1 Segment Revenue</b>	
a) Textiles	7,127.18
b) Hydro Power	1,430.53
Total :	8,557.71
Less : Inter segment revenue	1,084.01
<b>Net sales /income from operations :</b>	<b>7,473.70</b>
<b>2 Segment Results - Profit/(Loss) before tax &amp; interest</b>	
a) Textiles	989.06
b) Hydro Power	971.99
Total :	1,961.05
Less :	
i) Interest	1,507.50
ii) Other un-allocable expenditure net of un-allocable income	-
<b>Profit Before Tax :</b>	<b>453.55</b>
<b>3 Segment Assets</b>	
a) Textiles	14,200.49
b) Hydro Power	5642.10
Total :	<b>19,842.59</b>
<b>4 Segment Liabilities</b>	
a) Textiles	11,407.76
b) Hydro Power	2,168.92
Total	<b>13,576.68</b>
<b>5 Depreciation</b>	
a) Textiles	651.04
b) Hydro Power	281.22
Total :	<b>932.26</b>



(xii) Earnings per share

Basic and diluted EPS after taxation :

₹ in Lacs

Particulars	As at March, 31, 2012	As at March, 31, 2011
Net profit after taxation	409.67	428.41
Average No. of Equity Shares Outstanding	200.99	200.99
<b>Earnings per Share (EPS) ₹</b>	<b>2.04</b>	<b>2.13</b>

(viii) Related Party Disclosures:

As per the Accounting Standard on 'Related Party Disclosures' (AS 18)

Name of the Parties

i) Key Management Personnel :

Mr. Shivaji Ramchandra Mohite (Chairman & Managing Director)

Mrs. Monika Shivaji Mohite (Joint Managing Director)

ii) Other related parties (Associates), where transaction have taken place during the year.

M/s. Mahalaxmi Cotton, Ginning, Pressing & Oil Industries

2. Transactions with related parties :

₹ in Lacs

Particulars	2011-12	2010-11
1. Key Management Personnel :		
Remuneration paid/provided		
Mr. Shivaji Ramchandra Mohite	36.00	36.00
Mrs. Monika Shivaji Mohite	9.00	9.00
2. Other related parties(associates)		
M/s.Mahalaxmi Cotton Ginning, Pressing & Oil Industries.		
Purchase of Cotton	126.51	6,614.18

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, 2012

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, 2012

**SANJAY PATIL**  
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 21<sup>st</sup> Annual General Meeting of the Company to be held on the Saturday, 29<sup>th</sup> September, 2012 and at any adjournment thereof.

DP ID*		Folio No.	
Clinte ID*		No. of Shares	

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.



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Tal : Hatkanangale, Dist : Kolhapur (INDIA)

## ATTENDANCE SLIP

I / We hereby record my/our presence at the 21<sup>st</sup> Annual General Meeting being held on Saturday, 29<sup>th</sup> September, 2012 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, Ambapwad Phata, N. H. 4, Vadgaon, Tal. Hatkanangale, Dist - Kolhapur INDIA 416 112

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