

**MOHITE INDUSTRIES LTD.**



**Date – 01/10/2020**

**To,  
Manager - Corporate Relationship Dept.  
BSE Limited  
Phiroze Jeejee bhoy Towers  
Dalal Street  
Mumbai- 400001.**

**Scrip Code no. 532140**

**Sub. Submission of Annual Report 2019-2020**

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations 2015 we are herewith submitting Annual Report 2019-2020.

Please take it in on your records.

**For Mohite Industries Limited**

Sd/-  
**Ashvini Kalekar**  
**Company Secretary**

**Regd. Office :** R.S.No.347, Ambapwadi Phata, Off. NH-4, P. B. NO.1, Vadgaon, Tal. Hatkanangale, Dist - Kolhapur. 416112 (MS) India  
**GSTIN :** 27AABCR3410K1ZJ **Phone :** +91-230-2471230-33. **M.:** 9623570707, 9922370707. **Fax :** +91-230-2471229  
**CIN :** L40108MH1990PLC058774 (Formerly R M Mohite Industries Ltd.)

**City Office :** 'Parvati-Kunj', 250/B Nagala Park, Kolhapur- 416 003 (MS) India.  
**Phone :** +91-231-2667302. **e-mail :** mohitex@bsnl.in **web :** www.mohite.com



MOHITE INDUSTRIES LTD.

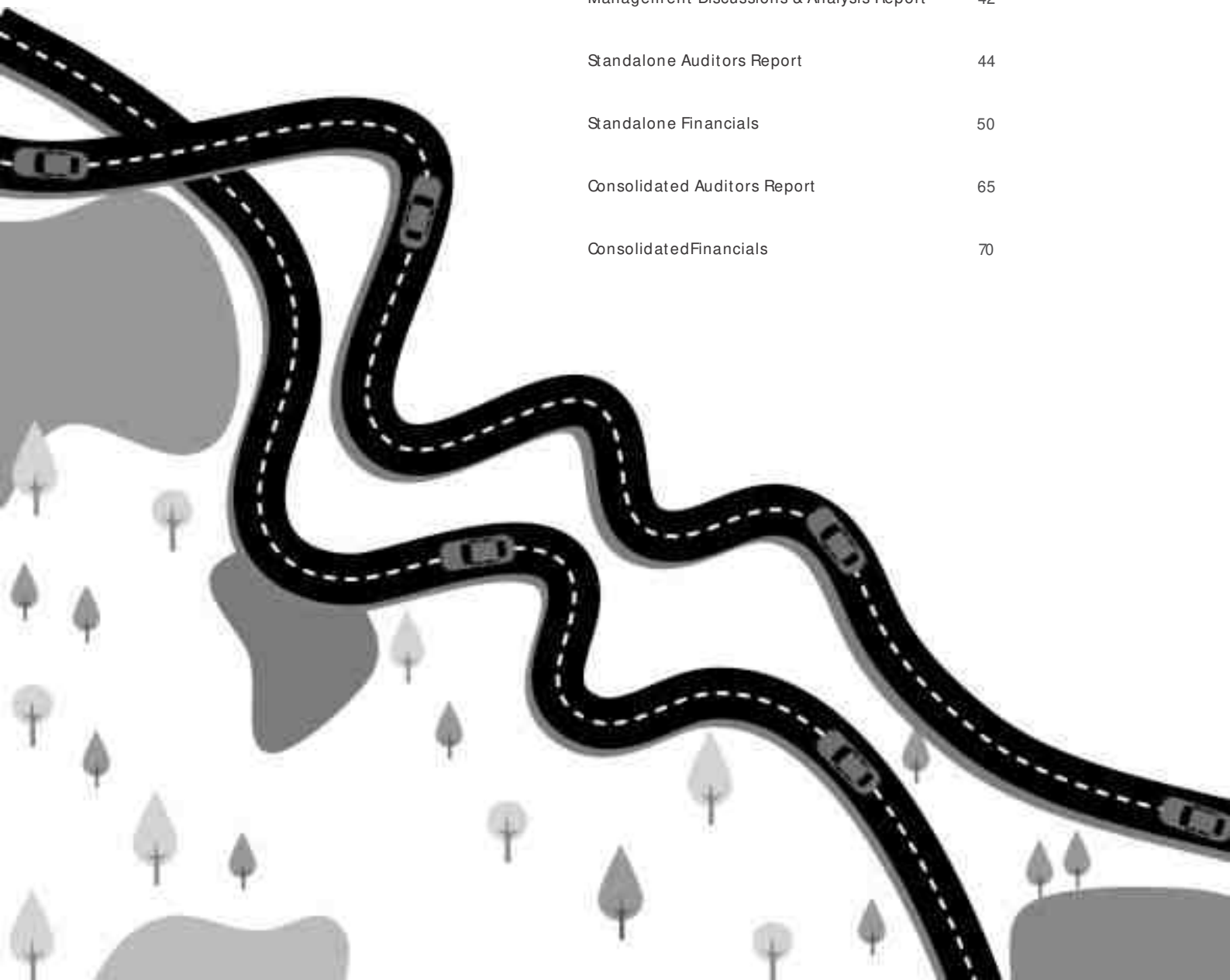


# Reinforcing Roads

29<sup>th</sup> Annual Report  
2019-2020

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## BOARD OF DIRECTORS

<b>Mr. Shivaji R. Mohite</b>	Managing Director
<b>Mrs. Monika S. Mohite</b>	Joint Managing Director
<b>Mr. Abhay S. Bhide</b>	Wholetime/ Executive Director & CEO
<b>Mr. Vijay M. Nawandhar</b>	Independent Director (upto 30 <sup>th</sup> Sept. 2020)
<b>Mr. Ranjeet D. Patil</b>	Independent Director (upto 30 <sup>th</sup> Sept. 2020)
<b>Mr. Shankar H. Patil</b>	Independent Director (upto 30 <sup>th</sup> Sept. 2020)

### SPINNING UNIT & REGISTERED OFFICE

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

### HYDRO-ELECTRIC POWER PROJECT

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

### BANKERS

Bank of Baroda,  
Shahupuri, Kolhapur

### AUDITOR

Prashant Hirawdekar & Associates  
Chartered Accountants,  
Kolhapur

### INTERNAL AUDITORS

N. M. Pathan & Co.  
Chartered Accountants,  
Kolhapur

### COST AUDITOR

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

### SECRETARIAL AUDITOR

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

### CHIEF FINANCE OFFICER

Priyanka Abhijit Patil

### COMPANY SECRETARY

CS Ashvini Prataprao Kalekar



## DIRECTOR'S REPORT

Dear Shareholders,

Your Director's have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements and Auditor's report for the year ended 31<sup>st</sup> March, 2020

### 1. FINANCIAL RESULTS:

Particulars	For the year ended on 31 <sup>st</sup> March 2020 (Standalone)	For the year ended on 31 <sup>st</sup> March 2019 (Standalone)	For the year ended on 31 <sup>st</sup> March 2020 (Consolidated)	For the year ended on 31 <sup>st</sup> March 2019 (Consolidated)
( ` in Lakhs)				
<b>Income from Operations</b>				
a) Revenue from Business Operations	9648.80	11649.85	11983.81	11649.85
b) Other Income	266.35	11.03	268.20	11.03
<b>Total Income from Operation</b>	<b>9915.15</b>	<b>11660.88</b>	<b>12252.01</b>	<b>11660.88</b>
<b>Profit Before Finance costs, Depreciation, Tax</b>	<b>1577.79</b>	<b>1988.91</b>	<b>1904.30</b>	<b>1977.34</b>
Less : Finance Costs	837.50	1059.59	881.55	1059.59
<b>Profit before Depreciation, Tax</b>	<b>740.29</b>	<b>929.32</b>	<b>1022.90</b>	<b>929.04</b>
Less : Depreciation	588.63	727.50	600.32	727.50
<b>Profit before Tax</b>	<b>151.66</b>	<b>201.82</b>	<b>422.58</b>	<b>201.54</b>
Less - Current Tax	24.75	42.50	24.75	42.50
Less - Previous year adjustment of Tax	-	-	-	-
Less - Deferred Tax	(28.72)	(53.81)	(28.72)	(53.81)
<b>Profit/ (Loss) for the period from continuing operations</b>	<b>155.63</b>	<b>213.13</b>	<b>426.55</b>	<b>212.85</b>
<b>Other Comprehensive Income Net of Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income After Tax</b>	<b>155.63</b>	<b>213.13</b>	<b>426.55</b>	<b>212.85</b>
Amount Transferred to General Reserve	-	-	-	-
Balance of Profit Brought Forward	<b>6872.59</b>	<b>6659.46</b>	<b>6872.59</b>	<b>6659.46</b>
Short Provision of Income Tax	-	-	-	-
Depreciation Reversal	-	-	-	-
<b>Balance carried to Balance Sheet</b>	<b>7028.23</b>	<b>6872.59</b>	<b>7166.50</b>	<b>6872.31</b>
Earning per share (Basic)/ (Diluted)	0.77	1.06	2.12	1.06

### PERFORMANCE REVIEW-

#### Standalone results -

During the Financial year under review the Company has achieved standalone revenue of ` 9648.80 Lakhs and that for previous year was ` 11649.85 Lakhs. The net Profit (after tax) of ` 155.63 Lakhs during the year and that for previous year there was net profit (after tax) of ` 213.13 Lakhs.

#### Consolidated Results -

During the Financial year under review the Company has achieved consolidated revenue of ` 11983.81 Lakhs and that for previous year was ` 11649.85 Lakhs. The net Profit (after tax) of ` 426.55 Lakhs during the year and that for previous year there was net profit (after tax) of ` 212.85 Lakhs.

The performance of the company and state of affairs has been comprehensively covered in the management discussion and analysis report.

### 2. DIVIDEND

The Board of Directors do not recommend the payment of dividend for the financial year 2019-20.

### 3. TRANSFER TO RESERVES

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

### 4. DIRECTORS & KMP

The Board of directors is duly constituted the detailed composition of which is given in Corporate Governance Report forming part of this report. In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Director Mr. Abhay Shamrao Bhide (DIN : 005307473), retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment and your Board recommends for his re-appointment.

Mr. Shivaji Ramchandra Mohite (DIN : 00425441) and Mrs. Monika Shivaji Mohite (DIN : 00425614) were reappointed as Managing Director and Joint Managing Director of the Company for next five years with effect from 01<sup>st</sup> October, 2019 during the year.

Term of all Independent directors Mr. Vijay Madanlal Nawandhar (DIN : 00218197), Mr. Ranjeet Dinkarrao Patil (DIN : 02496342) and Mr. Shankar Hindurao Patil (DIN : 03198638) will expire on 30<sup>th</sup> September 2020 and in terms of provisions of section 149(11) they all were appointed for two consecutive terms and therefore are not eligible for reappointment. The Board of directors recommend appointment of Mr. Annasaheb Dhondiba More, (DIN : 08861721), Mr. Bhushan Madhukar Deshpande (DIN : 08861720) & Mr. Nikhil Vijay Nawandhar (DIN : 01291811) as an independent directors in forthcoming Annual General Meeting by approval of shareholders. Hence resolutions approving their appointment as directors is put before the shareholders for their approval.

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

## 5. COMMITTEES OF THE BOARD

There are five Committees of the Board and there was change in composition of any Committee during the year

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

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

## 6. AUDIT COMMITTEE

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

## 7. MEETINGS OF THE BOARD

The Board met 4 times during the year, the details of which are given in the Report on Corporate Governance. All meetings are duly convened.

## 8. DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for FY 2019-20, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2019-20 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 9. ANNUAL PERFORMANCE EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meeting of the Board, functions of the Board, degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board / Committee Meetings and guidance / support to the Management outside Board / Committee Meetings.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in separate meetings of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## 10. PUBLIC DEPOSIT

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

## 11. EXTRACT OF ANNUAL RETURN

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

## 12. LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on BSE Ltd. The Company has not paid the listing fees to BSE Limited for the Financial Year 2020-21.

## 13. REMUNERATION POLICY

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) has adopted a terms of reference which, inter alia, deals with the criteria for identification of members of the Board of Directors and selection/appointment of the Key Managerial Personnel/Senior Management Personnel of the Company. The NRC recommends appointment of Director/appointment or re-appointment of Managing Director based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed thereunder and Listing Regulations. The NRC, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, viewpoints, skills and areas of expertise.

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has also adopted the Remuneration Policy for the Directors, Key Managerial personnel and Senior Managerial personnel. The guiding principles of the Remuneration Policy are stated in the Report on Corporate Governance, which forms part of the Annual Report.

## 14. RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Even though it is not mandatory, the Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in approving the Company's Risk Management Framework and overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns/risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustain ability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures

## 15. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

As per provisions of the Companies (Amendment) Act 2017, the company does not incur any Corporate social responsibility liability for FY 2019-20 and also for current FY 2020-21 as it doesn't fulfill the criteria applicable.

But the Company has duly constituted Corporate Social Responsibility (CSR) Committee as provisions relating to same were applicable to company under old criteria and company continued with same CSR Committee. The Committee has framed the CSR Policy on Corporate Social Responsibility as per Schedule VII of the Companies Act, 2013 which is disclosed on website of the company under sub-heading Corporate Governance - heading Investor Relations. PARVATI MOHITE FOUNDATION, a Sec. 8 Company, has been incorporated as sole purpose vehicle to undertake CSR activities. But still no CSR activities are undertaken by the Company.

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

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

All related party transactions that were entered into by the Company during the financial year under review were generally on arms' length basis and in the ordinary course of business. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in prescribed Form AOC-2 is given in **Annexure III**, which is attached hereto and forms a part of the Directors' Report. There are no material significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the meeting(s) of Audit Committee for its approval.

The statement giving details of all related party transactions to be entered into together with relevant documents/information are placed before the Audit Committee for approval and also already entered transactions are placed for review and updation on quarterly basis. The Company's Policy on materiality of Related Party Transactions and dealing with Related Party Transactions, as approved by the Board of Directors, is uploaded on the Company's website and can be accessed at weblink: <http://mohite.com/pdf/new-data/Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>

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

In wake of COVID 19 pandemic and lockdown situation in many states and union territories across country, the operations of the company have been totally closed/ stopped since 22<sup>nd</sup> March 2020 for ensuring compliance with directives issued by the government and local authorities. Still now those operations are not resumed. As operations are totally closed it badly impacts on financial and operational position of the company. The management is scheduling to resume its operations on 21<sup>st</sup> September 2020. There are no other material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

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

In last week of financial year company closed its operation totally as a compliance measure of directives issued by the government and local authorities but still now those are not resumed because of labour problem as majority workers migrated to their native places after lockdown and not returned back. The management is scheduling to resume its operations on 21<sup>st</sup> September 2020. Besides that there was no changes occurred during the year under consideration affecting financial position of the Company.

## 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of Loans, Guarantees and Investments in pursuance to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements read together with Notes annexed to and forming an integral part of the financial statements..

## 20. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT

The Secretarial Compliance Report and secretarial audit report issued by secretarial auditor pointed out some violation made by the company during the financial year 2019-20 but those are complied with during same year by the Company. Details of violation and then after compliance thereof in detail is given in secretarial audit report attached as **Annexure IV** to this report and also in Corporate Governance report attached to this report.

There were no qualifications, reservations or adverse remarks made by of the Auditors of the company or by Cost Auditors in their respective Reports.

## 21. DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors (existing and proposed to be appointed) of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Listing Regulations"). There has been no change in the circumstances affecting their status as Independent Directors of the Company.

In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

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

In terms of Section 124, 125 of the Companies Act, 2013 there was no any pending unclaimed or unpaid Interim Dividend relating to any previous years due for remittance to Investor Education and Protection Fund (IEPF).

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

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

During year under consideration company received final show cause notices from ROC regarding violations observed ( details as given below) during inspection of Books of accounts of the Company under section 206(5) of the Companies Act 2013. Board is considering an option to approach ROC with compounding application for those violations as violations are due to inadvertence and not intentional

Details of Violation

- 1) SCN under section 77 of the Companies Act 2013
- 2) SCN under section 189 (1) R/W Rule 16(1) of the Companies Act 2013
- 3) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 17
- 4) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 13
- 5) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 9

## 24. WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors' and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism and provides to employees' direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at [www.mohite.com](http://www.mohite.com)

## 25. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from Shri. Dilip Pange, Practicing Company Secretary, Kolhapur is appended as **Annexure IV** and forms part of this report. Report is qualified. Mr. Dilip Pange, Kolhapur Membership No.6423, CP No. 2516, is reappointed as Secretarial Auditor of the company for year 2020-21.

## 26. INTERNAL AUDIT

M/s N. M. Pathan & Co, Chartered Accountants, Kolhapur (proprietor Mr. Neehal Pathan, Membership No130017) were appointed as Internal Auditors of the Company for F. Y. 2019-20. The Internal Auditors of the company conducts financial, operational and management audit of various functions and areas. Their reports are placed before the Audit Committee and appropriate actions as deemed fit are initiated based on the reports.



The Board has reappointed M/s. N. M. Pathan & Co, (Proprietor Mr. Neehal Pathan, Membership No.130017) Chartered Accountants, Kolhapur as its Internal Auditor for FY. 2020-21.

## 27. CORPORATE GOVERNANCE

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

- Management Discussion and Analysis Report
- Report on Corporate Governance
- Auditors' Certificate regarding compliance of conditions of Corporate Governance
- Confirmation by CEO as to compliance of Code of Conduct

## 28. PARTICULARS OF EMPLOYEES REMUNERATION

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

### Remuneration from subsidiary

During year under consideration no director of the company receiving remuneration from subsidiary company. But from June 2020, Mr. Shivaji Mohite, was appointed as Managing Director and Mrs. Monika Mohite as Joint Managing Director of subsidiary company and both are receiving remuneration of ` 300000/- pm and ` 200000/- pm respectively from subsidiary.

## 29. AUDITORS

M/s PRASHANT HIRAWDEKAR & ASSOCIATES, Chartered Accountants, Kolhapur proprietor HIRAWDEKAR PRASHANT SUBHASH (having membership number 133498) was appointed as statutory Auditors of the Company for five years i.e. up to conclusion of thirty first Annual General Meeting of the Company to be held in year 2022, subject to ratification in each succeeding Annual General Meeting. However, after the amendment in Section 139 of the Act, effective 7<sup>th</sup> May, 2018, ratification by members every year for the appointment of the Statutory Auditors is no longer required. The Company has received eligibility cum consent letter from him expressing his willingness to be continued as Statutory Auditor. He is not disqualified from being appointed as Auditor.

## 30. COST AUDITORS AND COST RECORDS

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company appointed Shri. S. V. Vhatte, Cost & Management Accountant, Solapur as Cost Auditors of the Company to conduct audit of cost records maintained by the Company for year 2019-20 at a remuneration of ` 75000/- (Rupees Seventy Five Thousand Only) plus taxes and out of pocket expenses. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2020-21 is provided in the Notice of the ensuing Annual General Meeting.

The Cost accounts and records as required to be maintained under Section 148 (1) of Act are duly made and maintained by the Company.

## 31. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

Your Company has acquired a subsidiary namely Solitaire Constructions Private Limited, belongs to same promoter group as that of your company and the subsidiary company is a non-material non-listed Indian Subsidiary company. The subsidiary had undertaken its business activity during last year i.e. construction and allied infrastructure sectors.

As on 31<sup>st</sup> March 2020 income of the subsidiary company is 19.48% (i.e. exceeds 10 %) of the companies consolidated income therefor as defined under Regulation 16 of the SEBI (LODR) Regulations 2015 subsidiary become material subsidiary during current year and company is going to take steps to meet the corporate governance requirements as applicable with respect to Material Unlisted Subsidiary

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at [www.mohite.com](http://www.mohite.com).

A Statement containing the salient features of the financial statements of subsidiary company as prescribed under the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of The Companies (Accounts) Rules, 2014 is attached as per the prescribed format and forms a part of the Annual Report. In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary company will be available on the Company's website [www.mohite.com](http://www.mohite.com).

The company doesn't have associates or joint venture companies. Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 the statement containing the salient features of financial statements of subsidiary is attached as **Annexure - VII**

## 32. CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company as of and for the year ended March 31, 2020 have also been prepared in the same form and manner as that of the Company and are in accordance with the applicable provisions of the Act and the rules and regulations made thereunder, read with Indian Accounting Standard (Ind AS)-110 "Consolidated Financial Statements forms a part of the Annual Report.

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

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

### 34. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was filed during year under consideration. No complaint was pending at the beginning or end of the year under review.

### 35. ACKNOWLEDGMENT :

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

On behalf of the Board

**MOHITE INDUSTRIES LIMITED**

Place - Vadgaon, Kolhapur

Date - 15<sup>th</sup> September, 2020

**SHIVAJI MOHITE**  
MANAGING DIRECTOR  
DIN 00425441

**MONIKA MOHITE**  
JOINT MANAGING DIRECTOR  
DIN 00425614

## ANNEXURE - I EXTRACT OF ANNUAL RETURN

**Form No. MGT-9**

**As on the financial year ended on 31<sup>ST</sup> MARCH 2020**

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

### I. REGISTRATION AND OTHER DETAILS :

1.	CIN	L40108MH1990PLC058774
2.	Registration Date	31 <sup>st</sup> October 1990
3.	Name of the Company	MOHITE INDUSTRIES LIMITED
4.	Category / Sub-Category of the Company	Public Company Limited By Shares Indian Non-Government Company
5.	Address of the Registered office and contact details	R.S. No. 347, Ambapwadi Phata, NH-4, Vadgaon, Tal-Hatkanangale, Dist.-Kolhapur – 416112 . Phone + 91 230 2471230 email – cs@ mohite.com                      web – www.mohite.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private limited C-101, 1 <sup>st</sup> Floor, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai MH 400083 Tel. No. 022-49186270 (for Investor) 022-49186000 Fax No. – 022-49186060                      Email – rnt.helpdesk@ linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Manufacturing 100% Cotton Yarn	13111	88.64
2	Generation of Hydro Electric Power	35101	11.36

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares Held	Applicable Section
Solitaire Constructions Private Limited Parvati-Kunj' Plot No. 1, C.S. No. 250/B/1a/4 Nagala Park, Near Nagoba Mandir, Kolhapur, Maharashtra India – 416003	U45202PN2003PTC018306	Subsidiary	52.00	2(87)(ii)

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

#### A. Promoters

##### 1. Indian

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
Individual/ HUF	13832663	-	13832663	68.8202	13832663	-	13832663	68.8202	NIL
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt. (s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total of (A)(1)</b>	<b>13832663</b>	<b>-</b>	<b>13832663</b>	<b>68.8202</b>	<b>13832663</b>	<b>-</b>	<b>13832663</b>	<b>68.8202</b>	<b>NIL</b>

**2. Foreign**

NRI Individuals	-	-	-	-	-	-	-	-	-
Other Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporates	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total of (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters</b>									
<b>(A)= A(1)+ (A)(2)</b>	<b>13832663</b>	<b>-</b>	<b>13832663</b>	<b>68.8202</b>	<b>13832663</b>	<b>-</b>	<b>13832663</b>	<b>68.8202</b>	<b>NIL</b>

**B. Public Shareholding**
**1. Institutions**

Mutual Funds	-	-	-	-	-	-	-	-	-
Bank/FI	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-	-
Portfolio Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total of (B)(1)</b>	-	-	-	-	-	-	-	-	-

**2. Non-Institutions**
**a. Bodies Corp.**

i) Indian	2316283	1862300	4178583	20.7893	2366381	1862300	4228681	21.0385	0.2492
ii) Overseas	-	-	-	-	-	-	-	-	-

**b. Individual**

i) Individual Shareholders holding Nominal Share Capital up to ` 1 Lakhs	522467	52021	574488	2.8581	512093	52021	564114	2.8066	(0.0515)
ii) Individual Shareholders holding Nominal Share Capital in Excess of ` 1 Lakhs	638727	-	638727	3.1778	651999	-	651999	3.2438	0.0660

**c. Any Other (Specify)**

i) NRI(Repat)	3050	-	3050	0.0152	3050	-	3050	0.0152	NIL
ii) NRI (Non- Repat)	-	-	-	-	-	-	-	-	-
iii) OCB	-	-	-	-	-	-	-	-	-
iv) Trust	2050	-	2050	0.0102	2050	-	2050	0.0102	NIL
v) Clearing Member	55024	-	55024	0.2738	60	-	60	0.0003	(0.2735)
vi) Hindu Undivided Family	613122	-	613122	3.0504	615090	-	615090	3.0602	0.0098
vii) Director & Relative of Director	201993	-	201993	1.005	201993	-	201993	1.005	0.0000
<b>Sub-Total of (B)(2)</b>	<b>4352716</b>	<b>1914321</b>	<b>6267037</b>	<b>31.1798</b>	<b>4352716</b>	<b>1914321</b>	<b>6267037</b>	<b>31.1798</b>	<b>0.0000</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>4352716</b>	<b>1914321</b>	<b>6267037</b>	<b>31.1798</b>	<b>4352716</b>	<b>1914321</b>	<b>6267037</b>	<b>31.1798</b>	<b>0.0000</b>

**C. Shares held by Custodian for GDRs & ADRs - NIL**

<b>Grand Total (A+ B+ C)</b>	<b>18185379</b>	<b>1914321</b>	<b>20099700</b>	<b>100</b>	<b>18185379</b>	<b>1914321</b>	<b>20099700</b>	<b>100</b>	<b>0.0000</b>
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**(ii) Shareholding of Promoters And Promoters Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shivaji Ramchandra Mohite	9176324	45.654	4.5654	9176324	45.654	4.5654	NIL
2	Monika Shivaji Mohite	4656339	23.1662	0	4656339	23.1662	0	NIL
	<b>Total</b>	<b>13832663</b>	<b>68.8202</b>	<b>4.5654</b>	<b>13832663</b>	<b>68.82</b>	<b>4.5654</b>	<b>NIL</b>

## iii) Change in Promoters' Shareholding (Please Specify, if there is no change)- Not Applicable

## iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>1. PATIL AGRO TECH LLP</b>					
A.	At the beginning of the year	971900	4.8354		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):				
	Date	Reason			
	-	-		971900	4.8354
C.	At End of the year			971900	4.8354
<b>2. WARNER WINE INDUSTRIES LTD</b>					
A.	At the beginning of the year	890400	4.4299		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):				
	Date	Reason			
	-	-		890400	4.4299
C.	At End of the year	-	-	890400	4.4299
<b>3. VISHWANATH MINERALS AND METALS LLP</b>					
A.	At the beginning of the year	0	0		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):				
	Date	Reason			
	20/03/2020	Transfer (Shares received from VISHWANATH MINERALS AND METALS PRIVATE LIMITED)		848200	4.2200
C.	At End of the year	-	-	848200	4.2200
<b>4. GREENLAND BIOTECH LLP</b>					
A.	At the beginning of the year	787200	3.9165		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):				
	Date	Reason			
	-	-		787200	3.9165
C.	At End of the year	-	-	787200	3.9165
<b>5. SHRI GANESH SEEDS LLP</b>					
A.	At the beginning of the year	0	0		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):				
	Date	Reason			
	20/03/2020	Transfer (shares received from SHRI GANESH SEEDS PRIVATE LIMITED)		459825	2.2877
C.	At End of the year	-	-	459825	2.2877

**6. JTENDRA KUMAR RANKA (HUF)**

A.	At the beginning of the year		281992	1.4030		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):					
	Date	Reason				
	-	-	-	-	281992	1.4030
C.	At End of the year				281992	1.4030

**7. RAJENDRA KUMAR RANKA (HUF)**

A.	At the beginning of the year		278050	1.3834		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):					
	Date	Reason				
	-	-	-	-	278050	1.3834
C.	At End of the year		-	-	278050	1.3834

**8. PREM LATA RAM ESH SARAOGI**

A.	At the beginning of the year		201150	1.0008		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):					
	Date	Reason				
	-	-	-	-	201150	1.0008
C.	At End of the year		-	-	201150	1.0008

**9. GLOBE FINCAP LIMITED**

A.	At the beginning of the year		99145	0.4933		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):					
	Date	Reason				
	-	-	-	-	99145	0.4933
C.	At End of the year		-	-	99145	0.4933

**10. RUPA VIPUL SHAHA**

A.	At the beginning of the year		97260	0.4839		
B.	Changes During The year (Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):					
	Date	Reason				
	-	-	-	-	97260	0.4839
C.	At End of the year		-	-	97260	0.4839

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Name of Director / KMP	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Shivaji Ramchandra Mohite</b> (Chairman & Managing Director)	9176324	45.6540	9176324	45.6540
2.	<b>Monika Shivaji Mohite</b> (Jt. Managing director)	4656339	23.1662	4656339	23.1662
3.	<b>Mr. Abhay Shamrao Bhide</b> (Whole time Director)	-	-	-	-
4.	<b>Mr. Vijay Madanlal Nawandhar</b> (Director)	40000 Equity Shares held Jointly with Vinod Madanlal Nawandhar & 2500 Equity Shares held Individually	0.2114	40000 Equity Shares held Jointly with Vinod Madanlal Nawandhar & 2500 Equity Shares held Individually	0.2114
5.	<b>Mr. Ranjeet Dinkarrao Patil</b> (Director)	-	-	-	-
6.	<b>Mr. Shankar Hindurao Patil</b> (Director)	-	-	-	-
7.	<b>Mrs. Priyanka Abhijit Patil (Gavali)</b> (Chief Finance Officer)	-	-	-	-
8.	<b>Miss. Ashvini Prataprao Kalekar</b> (Company Secretary)	-	-	-	-

**V. INDEBTEDNESS (Indebtedness of the Company including interest outstanding/accrued but not due for payment)**

( ` in Cr. )

Particulars	Secured Loans excluding deposits	Deposits / Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			
Principal Amount	74.40	0.19	74.59
Interest due but not paid	-	-	-
Interest accrued but not due	-	-	-
<b>Total (i+ ii+ iii)</b>	<b>74.40</b>	<b>0.19</b>	<b>74.59</b>
<b>Change in Indebtedness during the financial year</b>			
Addition	-	0.57	0.57
Deletion	(3.90)	-	(3.90)
<b>Net Change</b>	<b>(3.90)</b>	<b>0.57</b>	<b>(3.33)</b>
<b>Indebtedness at the end of the financial year</b>			
Principal Amount	70.50	0.76	71.26
Interest due but not paid	-	-	-
Interest accrued but not due	-	-	-
<b>Total (i+ ii+ iii)</b>	<b>70.50</b>	<b>0.76</b>	<b>71.26</b>
<b>At End of the year</b>	<b>70.50</b>	<b>0.76</b>	<b>71.26</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars Of Remuneration	Name Of MD/WTD/ Manager			Total Amount (In Lakhs)
		Shivaji Mohite (MD)	Monika Mohite (J. MD)	Abhay Bhide (WTD& KMP)	
1.	<b>Gross Salary</b> (A) Salary As Per Provisions Contained In Section 17(1) of The Income-Tax Act,1961 (B) Value Of Perquisites U/S17(2) Income-Tax Act,1961 (C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961	46.84	23.42	35.15	105.41
2.	<b>Stock Option</b>	-	-	-	-
3.	<b>Sweat Equity</b>	-	-	-	-
4.	<b>Commission</b> - as % of profit - others (Contribution to PF)	-	-	-	-
5.	<b>Others, please specify</b>	-	-	-	-
	<b>Total (A)</b>	<b>46.84</b>	<b>23.42</b>	<b>35.15</b>	<b>105.41</b>
	<b>Ceiling as per the</b>	ActAs per Section 197 and Schedule V of The Companies Act 2013			

**B. Remuneration to other directors:**

( Amount In Laes)

Sl. No.	Particulars Of Remuneration	Name Of Directors			Total Amount
		Mr. Vijay Madanlal Nawandhar	Mr. Ranjeet Dinkarrao Patil	Mr. Shankar Hindurao Patil	
	<b>Independent Directors</b>				
	• Fee for attending board committee meetings • Commission • Others, please specify				
	<b>Total (1)</b>				
	<b>Other Non-Executive Directors</b>				
	• Fee for attending board committee meetings • Commission • Others( Consultancy fees and cannot be recognised as Managerial Remuneration )			Nil	
	<b>Total (2)</b>				
		1% of Net profit of the Company Calculated as per sec 198 of the Companies Act 2013			
	<b>Total (B)= (1+ 2)</b>				
	Total Managerial Remuneration	-	-		
	Overall Ceiling as per the Act	As per Section 197 and Schedule V of The Companies Act 2013			

**C. Remuneration to Key Managerial Personnel Other Than MD /MANAGER /WTD**

( Amount In Laes)

Sl. No.	Particulars Of Remuneration	CEO	CFO (Priyanka A. Patil)	Company Secretary (Ashvini Kalekar)	Total Amount
1	<b>Gross Salary</b> (A) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act,1961 (B) Value Of Perquisites U/S17(2) Income-Tax Act,1961 (C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961	NA	2.40	2.81	5.21
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b> - as % of profit - others, specify...	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	<b>NA</b>	<b>2.40</b>	<b>2.81</b>	<b>5.21</b>
	<b>Ceiling as per the Act</b>	-	-	-	-
	<b>Overall Ceiling as per the Act</b>	-	-	-	-



**I. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NOT APPLICABLE**

Final show cause notices were issued by ROC against violations observed during inspection of books of Company under section 206(5) of the Companies Act 2013 and company considering an option to approach the ROC with compounding application, still final order is not issued

Type	Section Of The Companies Act Sec.87	Brief Description	Details Of Penalty / Punishment / Compounding Fees Imposed	Authority [RD / NCLT / COURT]	Appeal Made, If Any (Give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding					
<b>B. DIRECTORS</b> Penalty Punishment Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding					

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

Vadgaon, Kolhapur  
15<sup>th</sup> September, 2020

**SHIVAJI MOHITE**  
MANAGING DIRECTOR  
DIN 00425441

**MONIKA MOHITE**  
JOINT MANAGING DIRECTOR  
DIN 00425614

## Annexure II ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

	Particulars	Details
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The Company has adopted CSR Policy and the details of policy are displayed on website of the Company.  Weblink for same is <a href="http://www.mohite.com/pdf/newdata/CSR%20Policy%20---.pdf">http://www.mohite.com/pdf/newdata/CSR%20Policy%20---.pdf</a>
2	The Composition of the CSR Committee.	<b>Mr. Shivaji Ramchandra Mohite- Chairman</b> <b>Mr. Abhay Shamrao Bhide- Member</b> <b>Mr. Vijay Madanlal Nawandhar -Member</b>
3	Average net profit of the company for last three financial years	₹ 1.99 Cr
4	Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above) <b>During 2019-20 company has not incurred any CSR liability.</b>	₹ NIL
5	Details of CSR spent during the financial year. a) Total amount to be spent for the financial year b) Amount unspent, if any c) Manner in which the amount spent during the financial year. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount : The implementation and monitoring of CSR Policy will be in compliance with CSR objectives and Policy of the company.	On recommendation of CSR Committee the Board has undertaken formation of Section 8 Company to undertake projects in various areas. Accordingly 'Parvati Mohite Foundation' a Section 8 Company is formed to undertake exclusively CSR activities. The Committee is in process to undertake various CSR activities through 'Parvati Mohite Foundation' Total amount Unspent aggregate of last 5 years is ₹ 47.89 Lakhs. CSR Liability for FY 2019-20 is NIL ₹ 10.00 Lakhs were transferred to Parvati Mohite Foundation during the year in FY 2019-20
6		'Parvati Mohite Foundation' a Section 8 Company is formed to undertake exclusively CSR activities The CSR Committee is in the process of identifying and undertaking the CSR projects to be undertaken by 'Parvati Mohite Foundation'.

The implementation and monitoring of CSR Policy will be in compliance with CSR objectives and Policy of the company.

**Date** : 15<sup>th</sup> September, 2020

**Place** : Vadgaon, Kolhapur

**SHIVAJI R. MOHITE**

Chairman & Managing Director  
Chairman of CSR Committee

**MR. ABHAY BHIDE**

Wholetime director  
Member of CSR Committee

### Annexure – III

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto :

**Details of contracts or arrangements or transactions not at arm's length basis:**

(1) The Company has not entered into any contract or arrangement or transaction with its related parties, which is not at arm's length during the year ended on March 31, 2020.

**(2) Details of material contracts or arrangement or transactions at arm's length basis:**

1.	<b>Name of the related party and nature of relationship</b>	Solitaire Constructions Private Limited (same promoter group company & now become subsidiary)	Chirag Sanditext Private Limited (same promoter group company)	Mahalaxmi Cotton Ginning Pressing & Oil Industries, (Partnership firm whose partners are also shareholders, directors and promoter of the Company)
2.	<b>Nature of contracts/ arrangements/ transactions</b>	1) Subscription to Shares of the company and thereby acquiring 2317500 Equity Shares Paid up Equity shares of the Company (Amt. of Investment ` 2,31,75,000/- ) ( 52 %) 2) Corporate guarantee in respect of loan of ` 9.00 Cr. taken by subsidiary. 3) Loans & advances ` 2,90,82,626/- (receivable)	Loans & advances (outstanding) ` 3,63,98,110/- (receivables)	Loans & advances(outstanding) ` 2,61,30,563/- (receivables)
3.	<b>Duration of the contracts/ arrangements/transactions</b>	NA	NA	NA
4.	<b>Salient terms of the contracts or arrangement or transactions including the value, if any, (Financial Year 2019-20)</b>	NA	NA	NA
5.	<b>Date of approval by the Board, if any</b>	1) 21 <sup>st</sup> November 2019 2) 27 <sup>th</sup> August 2019	27 <sup>th</sup> August 2020	NA
6.	<b>Amount paid as advances</b>	Outstanding ` 2,90,82,626/- (receivable)	Outstanding ` 3,63,98,110/- (receivable)	Outstanding ` 2,61,30,563/- (receivable)

On behalf of the Board

**MOHITE INDUSTRIES LIMITED**

Vadgaon, Kolhapur  
15<sup>th</sup> September, 2020

**SHIVAJI MOHITE**  
MANAGING DIRECTOR  
DIN 00425441

**MONIKA MOHITE**  
JOINT MANAGING DIRECTOR  
DIN 00425614

## Annexure – IV

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

#### The Members,

Mohite Industries Limited

R.S. NO. 347, Ambapwadi Phata, N.H. 4, Vadgaon, Kolhapur -416112

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mohite Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mohite Industries Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2020 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings  
(Not applicable during Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - (Not applicable during Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014  
(Not applicable during Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
(Not applicable during Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable during Audit Period).
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
(Not applicable during Audit Period).
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.  
(Not applicable during Audit Period)
- (vi) The Company has complied with following other laws applicable to the Company –
  - (a) The Factories Act, 1948 & the Rules Made there under.
  - (b) The Water (Prevention and Control of Pollution) Act 1974 & the Rules Made there under.
  - (c) The Air (Prevention and Control of Pollution) Act 1981 & the Rules Made there under.
  - (d) The Employees Provident Fund and Miscellaneous Provisions Act 1952.
  - (e) The Minimum Wages Act, 1948 and the Rules Made there under.
  - (f) The Payment of Wages Act, 1936 & the Rules Made there under.
  - (g) The Payment of Gratuity Act, 1972 & the Rules Made there under.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs. I specifically noted here below mentioned observation/violations

Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviation	Observations/ Remarks of the Practicing Company Secretary
(a) Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (b) SEBI circular CIR/CFD/CMD1/27/ 2019 Dt.8 <sup>th</sup> February2019 LIST/COMP/10 2019-20 Dt 9 <sup>th</sup> May 2019	The Listed entity failed to submit Annual Secretarial compliance Report for year ended on 31 <sup>st</sup> March 2019 within 60 days and also within further extended time limit for same purpose.	The Listed entity submitted the Annual Secretarial Compliance Report for year ended on 30 <sup>th</sup> June 2020
Reg . 33(3)(a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Listed Entity failed to submit quarterly and year to date standalone and consolidated financial results for period ended on 30 <sup>th</sup> June 2019 within 45 days of end of the period	The Listed entity submitted the quarterly and year to date standalone and consolidated financial results for period ended on 30 <sup>th</sup> June 2019 on 27 <sup>th</sup> August 2019. There was delay of 13 days, but entity explained that the delay was due to abnormal situation in Kolhapur region because of heavy rain in month of August 2019 and Also penalty for late submission was waived by BSE on basis of genuine and abnormal ground.  So we observed that the delay was due to abnormal situation and genuine reason.
Reg . 33(3)(a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Listed Entity failed to submit quarterly and year to date standalone and consolidated financial results for period ended on 30 <sup>th</sup> September 2019 within 45 days of end of the period to stock exchange.	It was submitted that the Board meeting for approving financial results for period ended on 30 <sup>th</sup> September 2019 was held within time i.e. on 14 <sup>th</sup> November 2019 but same was adjourned to 21 <sup>st</sup> November 2019 due to lack of quorum and on 21 <sup>st</sup> November 2019 board meeting was duly conducted and results were duly adopted and submitted to stock exchange on same day. There was delay of 7 days but delay was due to adjournment of meeting for want of quorum the listed entity also paid the imposed penalty by stock exchange for delay.
Reg. 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The listed entity has failed to submit within 30 days of publication of its financial results for half year ended on 30th September 2019, related party transaction on consolidated basis to stock exchange.	The listed entity submitted the related party transaction on consolidated basis for half year ended on 30 September 2019 on 03 <sup>rd</sup> January 2020. There was approximate delay of 10 days.

Regulation 39(4) read with Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")	the Company (being listed) is required to transfer all such unclaimed shares of the concerned shareholders to an "Unclaimed Suspense Account", after serving three reminders to such shareholders at their address registered with the Company/ Depositories.	There are 1500 such shares which are remained unclaimed, company is in process to comply with the provisions.
Section 135 of the Companies Act 2013 and rules thereunder.	Company incurred CSR liability aggregating of ` 47.89 lakhs during FY2014-15, 2015-16, 2016-17 and 2017-18. In FY. 2019-20 Company has transferred ` 10 Lakhs to Sec. 8 Company.	Company has formed Sec.8 company exclusively for undertaking CSR activities. But still The Parvati Mohite Foundation (the said Sec. 8 Company) has not undertaken any CSR activity. `10.00 Lakhs were transferred to Parvati Mohite Foundation during the year.

Further I note that during year under consideration company received final show cause notices from ROC regarding violations observed ( details as given below) during inspection of Books of accounts of the Company taken under section 206(5) of the Companies Act 2013 in financial year 2018-19.

**Details of Violation**

- 1) SCN under section 77 of the Companies Act 2013
- 2) SCN under section 189 (1) R/W Rule 16(1) of the Companies Act 2013
- 3) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 17
- 4) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 13
- 5) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 9

Place - Kolhapur

Date - 1<sup>st</sup> October, 2020

**MR. DILIP PANGE**

Practicing Company Secretary  
 FCS No. 6423 | CPNo. 2516  
 UDIN :F006423B000841829

To,

The Members,

Mohite Industries Limited

R. S. No. 347, Ambapwadi Phata,

N.H. 4, Vadgaon, Kolhapur - 416112

My report of above date provided in Form MR-3 is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company my responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed here provide a reasonable basis for my opinion.
3. I am not required to verify the correctness and appropriateness of financial records and books of account of the company as it is part of financial audit as per the provisions of the Companies Act, 2013.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Place - Kolhapur

Date - 1<sup>st</sup> October, 2020

**MR. DILIP PANGE**

Practicing Company Secretary

FCS No. 6423 | CPNo. 2516

UDIN : F006423B000841829

**ANNEXURE - V**

Disclosure pursuant to section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014

(I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year-

Median Remuneration (Annual) of Employees (including workers) for the financial year 2019-20. ₹ 169372/- per annum

Sr. No	Name of Director	The ratio of remuneration of each director to the median remuneration of the employees
1	Shivaji Ramchandra Mohite(CMD)	27.65
2	Monika Shivaji Mohite (Jt. MD)	13.83
3	Abhay Shamrao Bhide (WTD)	20.75
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	
1	Shivaji Ramchandra Mohite(CMD)	Not Applicable
2	Monika Shivaji Mohite (Joint MD)	Not Applicable
3	Abhay Shamrao Bhide (WTD)	Not Applicable
4	Priyanka Abhijit Patil (CFO)	Not applicable
5	Ashvini Kalekar (Company Secretary)	Not applicable
(iii)	The percentage increase in the median remuneration of employees in the financial year	
		3.94 %
(iv)	The number of permanent employees on the rolls of company;	
		397
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	
		Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year is 3.26 % while there was no increase in Managerial Remuneration during last year .

We hereby affirm that the remuneration is as per policy formed and recommended by Nomination and Remuneration Committee and adopted by the Company.

Date : 15<sup>th</sup> September, 2020

Place : Vadgaon, Kolhapur

**SHIVAJI R. MOHITE**

Chairman & Managing Director  
Chairman of CSR Committee

**MR. RANJIT DINKARRAO PATIL**

Chairman of Nomination &  
Remuneration Committee



## ANNEXURE VI

Information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### I Names of the top ten employees of the Company in terms of remuneration drawn

Sr. No.	Name of employee	Designation	Remuneration received (Amt. in Lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (in Year) Last employment	Last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub-rule (2) Rule 5	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Shivaji Ramchandra Mohite	Managing Director	48.00	Contractual	B. Com	14/09/2001	52	NA	45.6540	Monika Shivaji Mohite
2	Abhay Shamrao Bhide	Wholetime /Executive Director	36.00	Contractual	B. Tech	20/12/2008	47	Company-Nagreeka Exports Ltd., Yavluj, Tal-Panhala Dist-Kolhapur <b>Designation-Vice President</b>	NIL	NA
3	Monika Shivaji Mohite	Joint Managing Director	24.00	Contractual	M. A	01/10/2009	45	NA	23.1662	Shivaji Ramchandra Mohite
4	Shivalingappa Shivappa Magadam	General Manager	13.77	Permanent	D.T.T	02/01/2005	55	Company-Malaprabha Co-Op Spinning Mill Ltd., Savundati, Karnatak <b>Designation-Manager Production</b>	NIL	NA
5	Anil Madhukar Sawant	General Manager (Eng.)	7.60	Permanent	D.I.E.	26/03/2018	52	Company-Jamshri Ranjitsinghji Spinning & Weaving Mill Solapur. <b>Designation-Manager Engineering</b>	NIL	NA
6	Sachin Krishnath Jadhav	Sr. Manager (Finance & A/Cs)	6.34	Permanent	B.Com, M.B.A	28/05/2009	44	Company-Anshul Steels Ltd., Five Star MIDC Kolhapur <b>Designation-Accounts Officer</b>	NIL	NA
7	Kiran Maruti Mohite	Sr. Manager (Hr & Admin)	5.65	Permanent	M.S.W. (PM & L.W.)	11/07/2007	44	Company-Wagpcos Ltd., Warananagar Tal-Panhala Dist-Kolhapur <b>Designation- Labour Officer</b>	NIL	NA
8	Yashwant Diwakar Page	Sr. Manager (Comm)	5.65	Permanent	B.Com	01/02/2009	50	Company-Amit Spinning Ltd., Tamgaon Tal-Karveer Dist-Kolhapur <b>Designation- Sr.Officer Excise</b>	NIL	NA
9	Deelip Dhondiram Darekar	Manager (Production)	5.43	Permanent	D.T.M	12/10/1998	44	NA	NIL	NA
10	Manshing Pratap Otari	Manager (Engineering)	5.10	Permanent	D.I.E.	24/07/2007	49	Company- B P L Service station, Pune <b>Designation-Service Engineer</b>	NIL	NA

II No employees of the Company was drawing remuneration of ` 8,50,000/- p.m. or ` 1,02,00,000/- p.a.

III Name of employees who were employed throughout the Financial Year 2019-20 or part thereof and were paid remuneration in excess of Managing Director or Whole-time Director or Manager and holds along with his spouse and dependent children not less than 2% of equity shares of the Company. - NIL

IV None of employees are relative of any Director or Manager of the Company

**Annexure VII**  
**FORM NO. AOC.1**

**Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in Rs)**

1	Sl. No	1
2	Name of the subsidiary	Solitaire Constructions Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5	Share capital	` 4,50,00,000/-
6	Reserves & surplus	` 2,65,91,502/-
7	Total assets	` 27,17,05,113/-
8	Total Liabilities	` 20,01,13,611/-
9	Investments	-
10	Turnover	` 23,35,01,380/-
11	Profit before taxation	` 2,70,91,676/-
12	Provision for taxation	-
13	Profit after taxation	` 2,70,91,676/-
14	Proposed Dividend	-
15	% of shareholding	52
<b>Notes: The following information shall be furnished at the end of the statement:</b>		
1	Names of subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year.	NIL

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

Vadgaon, Kolhapur  
15<sup>th</sup> September, 2020

**SHIVAJ MOHITE**  
MANAGING DIRECTOR  
DIN 00425441

**MONIKA MOHITE**  
JOINT MANAGING DIRECTOR  
DIN 00425614

## ANNEXURE VIII TO THE DIRECTORS REPORT

Information under Section 134 of the Companies act, 2013 read with the Companies (Accounts) Rules 2014 and forming part of the Directors Report for the financial year ended on 31<sup>st</sup> March 2020.

### 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. Regular efforts are made for optimization of process parameters, improving the operational efficiencies and reducing water and energy consumption. While undertaking expansion, modernization and technological up gradation of production facilities, due consideration is given to energy efficient plant and equipment's with multi product capabilities.

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

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

Particulars	2019-20	2018-19
<b>A. Total Unit Generation through Own Hydro Electric Power Project</b>	2,40,00,230	2,59,99,495
Less: Transmission Loss	4,16,341	18,75,892
Net in Our Account	2,35,83,889	2,41,23,603
<b>Power &amp; Fuel Consumption</b>		
<b>Electricity :</b>		
Total Consumption during the year : (Kwh)	1,82,53,758	1,88,08,184
Total Amount ( ` )	14,02,09,086/-	10,90,52,400/-
<b>Own Generation through :</b>		
Hydro Electric Power Project (Kwh)	37,68,071	1,70,49,104
Purchased Units (Kwh)	1,46,73,825	17,59,080
Sale to MSEDCL (Kwh)	1,94,68,108	70,74,499
Banking Units	3,47,710	NIL
<b>B. Power Consumption per unit of Production of Finished Goods:</b>		
Power Units Consumed / Production	4.46	3.91

### 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:**

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

**4. Expenditure on R & D**

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

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(a) Total Foreign Exchange used and earned.

( ` In Lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Foreign Exchange Earned</b>		
Direct Export	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<b>Foreign Exchange Used</b>		
Imported Spares	17.76	31.38
Imported Machinery	NIL	84.16
<b>Total</b>	<b>17.76</b>	<b>115.54</b>
<b>Net Foreign Exchange Earned</b>	<b>-17.76</b>	<b>-115.54</b>

On behalf of the Board

**MOHITE INDUSTRIES LIMITED**

 Vadgaon, Kolhapur  
 15<sup>th</sup> September, 2020

**SHIVAJ MOHITE**  
 Managing Director Joint  
 DIN 00425441

**MONIKA MOHITE**  
 Managing Director  
 DIN00425614

## CORPORATE GOVERNANCE REPORT

### COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

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

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and business prosperity with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation.

The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment. The Company has complied with the applicable requirements of Corporate Governance and the Disclosures as contained in this Report are in accordance with Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "the Listing Regulations").

Corporate Governance at the Mohite Industries Ltd. is a continuing process and is based on belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence.

This report put before you how Corporate Governance provisions were complied with.

#### BOARD OF DIRECTORS AND COMMITTEES -

##### i) Composition :

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The present strength of the Board of Directors is six (6) including one Woman Director. The numbers of Independent Directors on the Board are three (3), which is half of the total number of Directors as laid down under Regulation 17 of the Listing Regulations. The composition of the Board of Directors is also in conformity with the provisions of Section 149 of the Companies Act, 2013.

None of the Directors on the Board is a member in more than Ten (10) Board level committees or acts as chairman of more than Five (5) Board level committees across all the public limited companies (listed or unlisted) in which he/she is a Director. The necessary disclosures regarding Committee memberships/ chairmanships have been made by the Directors. None of the Independent Directors serves as such on the Board of more than Seven (7) listed companies. Further, the Independent Directors do not serve as Whole-Time Director on the Board of any listed company. The Independent Non-Executive Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and individually have submitted a declaration that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of Board of Directors, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

The Board of Directors is constituted as below.

Name of the Director	Designation
<b>Executive Directors-</b>	
Mr. Shivaji R. Mohite	Managing Director
Mrs. Monika S. Mohite	Joint Managing Director
Mr. Abhay S. Bhide	Wholetime/Executive Director
<b>Independent Directors</b>	
<b>The term of following three Independent nonexecutive directors going to expire on 30<sup>th</sup> September 2020 and are not eligible for reappointment as they were appointed for two consecutive terms.</b>	
Mr. Vijay M. Nawandhar	Independent Director
Mr. Ranjit D. Patil	Independent Director
Mr. Shankar H. Patil	Independent Director
Board of Directors proposed appointment of following persons as Independent Directors for approval of shareholders in forthcoming Annual General Meeting	
Mr. Nikhil Vijay Nawandhar	Independent Director
Mr. Bhushan Madhukar Deshpande	Independent Director
Mr. Annasaheb Dhondiba More	Independent Director

#### Brief Profile of the Directors –

- Mr. Shivaji R. Mohite** (DIN 00425441) aged 52 year; Promoter, Chairman & Managing Director of the Company. He is Bachelor of Commerce and has more than 23 years' experience in administration and management.
- Mrs. Monika S. Mohite** (DIN 00425614) aged 45 years, Promoter & Joint Managing Director of the Company. She has educational qualification as M. A.(English Literature) having experience of more than 17 years in administration.

3. **Mr. Abhay S. Bhide** (DIN 05307473) aged 47 years, Wholetime Director of the Company. He has educational qualification as B Tech and he has more than 22 years, vast experience in spinning industry especially cotton. Besides this he is well versed with erection and implementation of spinning project. He has got training at Ritter in Europe and USA for cotton.  
He is also a director, retires by rotation at the forthcoming Annual General Meeting of the Company pursuant to the provisions of Section 152 of the Act and being eligible, offers himself for re-appointment.
4. **Mr. Vijay M. Nawandhar** (DIN 00218197) aged 61 years, Non-Executive & Independent Director of the Company and Practicing Chartered Accountant by Profession. He is ceased to be directors as his term of appointment expires and not eligible to appointment.
5. **Ranjeet D. Patil** (DIN 02496342) aged 55 years, Non-Executive & Independent Director of the Company successful businessman in Earth Moving Business and Dozer ripper for more than 26 years and also having experience of construction of Irrigation Projects. He is ceased to be directors as his term of appointment expires and not eligible to appointment.
6. **Mr. Shankar H. Patil** (DIN 03198638) aged 59 years, Non-Executive & Independent Director of the Company and he has experience of running banking, Construction and hotel Industry in Kolhapur region since more than 26 years. He has keen interest in agriculture also. He is ceased to be directors as his term of appointment expires and not eligible to appointment.

#### **Proposed Directors**

##### **7. Mr. Nikhil Vijay Nawandhar (DIN 01291811)**

He has been practicing Chartered Accountant, Sangli since 2006. He has wide experience of taxation and audit.

##### **8. Mr. Bhushan Madhukar Deshpande (DIN 08861720)**

He completed his education i.e. Diploma in Pharmacy in 1988 and since 1989 has been running his proprietary medical shop. Presently he is serving the as Chairman of Pune Cricket Association

##### **9. Mr. Annasaheb Dhondiba More (DIN 08861721)**

He completed his education in 1979 and then after worked as an engineer in Irrigation Department Government of Maharashtra

#### **Interse Relationship among Directors –**

Mr. Shivaji R. Mohite, Chairman and Managing Director and Mrs. Monika S. Mohite Joint. Managing Director of the Company are related to each other as husband-wife. Beside this there is no inter-se relationship among the directors.

#### **Directors with Materially Significant Related Party Transactions, Pecuniary or Business Relationship with the Company:**

Except for drawing remuneration by the Managing Director and the Whole Time Director none of the Directors have any other material significant Related Party Transactions, pecuniary or business relationship with the Company. Managing Directors are from promoter group and Company has subsidiary which also from same promoter group. The related party transactions with subsidiary company in detail is given in **Annexure III** to directors report and note to the Financial Statement forming a part of the Annual Report.

In the preparation of the Financial Statements, your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS 24) has been made in the Notes to the Financial Statements.

#### **Number of Equity Shares held by Directors during the Financial Year 2019-20:**

	<b>Name of the Director</b>	<b>Designation</b>
1	Shivaji Ramchandra Mohite	9176324 Equity Shares of ` 10/- each (45.6540%)
2	Monika Shivaji Mohite	4656339 Equity Shares of ` 10/- each (23.1662%)
3	Abhay Shamrao Bhide	NIL
4	Vijaykumar Madanlal Nawandhar	42500 Equity Shares of ` 10/- each (0.2114%)
5	Ranjeet Dinkarrao Patil	NIL
6	Shankar Hindurao Patil	NIL

**A skill matrix setting out the core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are stated below:**

- a) Knowledge and insight of Company's businesses of textile manufacturing and hydroelectric power, strategic plans, major risks/threats and potential opportunities and knowledge of the industry segments in which the Company operates.
- b) Behavioral Skills comprising of, interalia, attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company, adequate commitment and maintenance of confidentiality, sales and marketing, administration, and decision making.
- c) Financial and Management skills.
- d) Technical and professional skills

- e) Knowledge of legal regulations to the extent apply and extend to the Company

The details of skills / expertise / competence possessed by Directors are given below:

Sr. No	Name of Directors	Skill/expertise/competence
1	Shivaji Ramchandra Mohite	Industry & Market expertise, people & talent understanding, Management skill, Finance & risk expertise
2	Monika Shivaji Mohite	Strategy and Business, Industry & Market expertise, people & talent understanding, Management skill
3	Abhay Shamrao Bhide	Strategy and Business, Industry & Market expertise, people & talent understanding, Technical and professional expertise, risk expertise
4	Vijaykumar Madanlal Nawandhar	Financial & professional expertise, accounting & audit expertises, governance and legal.
5	Ranjeet Dinkarrao Patil	Industry & Market expertises
6	Shankar Hindurao Patil	Industry, Market and professional expertises

## ii) Meetings of the Board of Directors

The meetings of the Board of Directors are held at the Registered Office of the Company at R.S. No.347, Ambapwadi Phata, Off NH-4, Vadgaon, Tal. Hatkanangale, Dist. Kolhapur – 416 112. During the year under review, four Board Meetings were held on 30-05-2019, 27-08-2019, 21-11-2019 (adjourned from originally arranged meeting on 14-11-2019 due to lack of quorum) and 14-02-2020. The Agenda and the Explanatory Notes for each meeting are circulated in advance to all 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, 2020 is 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 (Managing Director)	04	Yes	19	2	2
Mrs. Monika S. Mohite (Joint Managing Director)	04	Yes	19	-	-
Mr. Abhay S. Bhide (Wholetime Director)	04	Yes	01	4	-
Mr. Vijay M. Nawandhar (Non Executive & Independent Director)	04	Yes	03	5	2
Mr. Ranjeet D. Patil (Non-Executive & Independent Director)	04	Yes	01	3	1
Mr. Shankar H. Patil (Non-Executive & Independent Director)	03	Yes	03	2	-

The directorship held above is including alternate directorship and directorship in foreign companies, Section 8 Companies & Private Limited Companies. And also above directorship includes directorship in only one public and only one listed company.

### Independent Directors Meeting (Section 149(8) & Clause VII of Schedule IV of the Companies Act 2013) –

During the year under review, the Independent Directors met on 21<sup>st</sup> November, 2019, inter alia to discuss evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.

All the Independent Directors were present at the Meeting.

### Familiarization Programme –

All Independent Directors of the Company are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. Quarterly updates on relevant statutory changes covering important applicable laws are discussed at the Meetings of the Board of Directors. No new independent directors were appointed during the year and the details familiarization is disclosed on website of the Company [www.mohite.com](http://www.mohite.com). at weblink <http://www.mohite.com/pdf/new-data/Familiarisation%20Programme%20Imparted%20to%20Independent%20Director.pdf>

Independent Directors has given declaration of Independence and all they fulfill the criteria u/sec .149(6) Draft letter of appointment is available on the website of the Company [www.mohite .com](http://www.mohite.com).

## iii) BOARD COMMITTEES

The Company has currently five committees of board of directors i.e. the Audit Committee, the Nomination & Remuneration Committee, the Risk Management Committee, the Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The constitution of Risk Management Committee is not applicable to the Company but as company has this Committee from previous period so company continued with this Committee during the year. The Board is responsible for constituting, assigning and co-opting the Members of the Committee.

**(i) Audit committee –**

The Board has constituted a well-qualified Audit Committee Majority of Members of Committee are Independent Directors including Chairman.

**(a) Terms of Reference** -The Audit Committee is responsible for:

- Overseeing the Company's financial reporting process and disclosure of its financial information.
- Recommending appointment, remuneration and terms of appointment of auditors
- Reviewing and discussing with the Statutory Auditors, Internal Auditors and Cost auditor.
- Reviewing major accounting policies and practices and adoption of applicable Accounting Standards.
- Review the adequacy & effectiveness of the Company's Internal Control System.
- Oversee & review the functioning of a Vigil Mechanism
- Disclosure of contingent liabilities.
- Reviewing the risk management mechanisms of the Company.
- Reviewing and approving 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.
- Review of loan utilization and/ or advances from, investment by holding in subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

- (b) There is no change in composition of Committee during the year under consideration .Now it consist of four members out of which three are nonexecutive and independent directors and one is executive director. The Committee met 4 times during the year on 30-05-2019, 27-08-2019, 21-11-2019 (adjourned from originally arranged meeting on 14-11-2019 due to lack of quorum) and 14-02-2020. The attendance of Members of the Meeting was as follows:

Name of Member	Status	No. of Meetingsattended
Mr. Vijay M. Nawandhar	Chairman	4
Mr. Ranjit D. Patil	Member	4
Mr. Abhay S. Bhide	Member	4
Mr. Shankar H. Patil	Member	3

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, 2013 and Secretarial Standards.

All members of audit committee were present at Annual General Meeting of the Company.

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

The Nomination & Remuneration Committee comprising of three members all are non-executive- independent Directors.

**(a) Terms of reference:**

- To review, assess and recommend the appointment of senior employees and to review their remuneration packages.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors, KMPs and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

- (b) There is no change in composition of Committee during the year under consideration . The Committee met 4 times during the year on 30-05-2019, 27-08-2019, 21-11-2019 (adjourned from originally arranged meeting on 14-11-2019 due to lack of quorum) and 14-02-2020. The Composition and attendance of Members of the Meetings was as follows :

Name of Member	Status	No. of Meetingsattended
Mr. Ranjit D. Patil	Chairman	4
Mr. Vijay M. Nawandhar	Member	4
Mr. Shankar H. Patil	Member	3

**(c) Remuneration Of Directors and Evaluation Criteria-**

Relevant content of Remuneration Policy of the Company are given below

**Qualifications for appointment of Directors** (including Independent Directors)

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/skills;
- c) Their textile/hydro power industry experience;



- d) Other appropriate qualification/experience to support /meet the objectives of the Company;
- e) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and as per provisions of SEBI (LODR) Reg. 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

**Positive attributes of Directors** (including Independent Directors):

- a) Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- b) Actively update their knowledge and skills with the latest developments in the infrastructure industry, market conditions and applicable legal provisions;
- c) Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- d) To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- e) Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- f) To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- e) Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and as per provisions of SEBI (LODR) Reg. 2015 as amended from time to time.

**Independence Review Procedures**

**Annual Review**

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and as per provisions of SEBI(LODR) Reg. 2015

**Individual Director's Independence Determinations**

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and as per provisions of SEBI(LODR) Reg.2015

**Notice of Change of Independent Status**

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

**Criteria for appointment of KMP/Senior Management -**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- To adhere strictly to code of conduct

**Term -**

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (LODR) Reg. 2015, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

**Evaluation -**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

**Removal -**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and /or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

### Remuneration of Managing / Wholetime Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company in accordance with recommendation of Nomination and Remuneration Committee is authorised to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

### Remuneration to Non-executive / Independent Director –

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force and as may be decided by the Committee / Board / shareholders.

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. The payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

Quantum of sitting fees may be subject to review on a periodic basis, as required.

In addition to the sitting fees and commission, the Company may pay to any Director the reasonable expenditure incurred by him while performing his/her duty as director, for attending any boards/committee meeting, general meeting, court convened meeting, creditors meeting etc.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and provisions under SEBI (LODR) Regulation 2015, as amended from time to time.

Above mentioned qualification for director, positive attributes of directors are also applicable in case of Non-Executive /Independent Directors. Also in addition to that Non-executive directors shall be expertise and experienced personalities so as to have a diverse Board in fields like Manufacturing, finance, taxation, marketing, law, general management etc.

- d) Details of remuneration paid to the directors are as follows:

Name	Salary	Consultancy Fee	Perquisites	Contribution to PF	Total
Mr. Shivaji Mohite	46.84	--	--	--	46.84
Mrs. Monika Mohite	23.42	--	--	--	23.42
Mr. Abhay Bhide	35.15	--	--	--	35.15
Mr. Vijay Nawandhar	--	--	--	--	--
Mr. Ranjeet D. Patil	--	--	--	--	--
Mr. Shankar H. Patil	--	--	--	--	--

### (iii) Stakeholders' Relationship Committee:

- (a) Terms of reference

- Redressal of investor's complaints.
- Allotment of Shares, approval of transfer & transmission of shares, issue of duplicate Share certificates and new certificates on split/consolidation/renewal etc.
- To approve the transfer of shares lodged with the Company.
- To approve or authorise transmission/consolidation/sub-division/dematerialisation or rematerialisation of equity shares of the Company;
- Resolving the grievances of the shareholders including complaints related to transfer /transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agents;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

- (b) Composition

There is no change in Composition of committee during year under consideration. The 'Stakeholders' Relationship Committee' presently comprising two non-executive directors and one executive director. The Committee held Four meetings on 30-05-2019, 27-08-2019, 21-11-2019 (adjourned from originally arranged meeting on 14-11-2019 due to lack of quorum) and 14-02-2020. The attendance of Members at the said Meetings was as follows;

Name of Member	Status	No. of Meetings attended
Mr. Vijay M. Nawandhar	Chairman	4
Mr. Abhay S. Bhide	Member	4
Mr. Ranjeet D. Patil	Member	4

- (a) Name, Designation and Contact Details of Compliance Officer  
 Ashvini Prataprao Kalekar  
 Company Secretary  
 R. S. 347, Ambapwadi Phata,  
 P.B. No. 1, Off N. H. 4, Vadgaon, Tal. Hatkanangale, Dist - Kolhapur 416112  
 Maharashtra - MH Phone 0230-2471230

- (b) During the year no complaints were received from the investors and there were no complaints pending at end of the year. .

#### (iv) Risk Management Committee

The Company has Risk Management Committee. The composition of the Committee was not changed during the year. The Composition of the Committee as at 31<sup>st</sup> March, 2020 and the details of Members participation at the Meetings of the Committee are as under

Name of Member	Status	No. of Meetings attended
Mr. Shivaji Mohite	Chairman	4
Mr. Abhay Bhide	Member	4
Mr. Vijay Nawandhar	Member	4

During the year, four Meetings were held on 30-05-2019, 27-08-2019, 21-11-2019 (adjourned from originally arranged meeting on 14-11-2019 due to lack of quorum) and 14-02-2020.

The committee reviewed the Company's risk management practices which include review of risks to the achievement of key business objectives covering growth, profitability, and actions taken to mitigate the risk.

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. The Company has laid down Risk management policy.

#### v) Corporate Social Responsibility Committee

In order to comply with provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee. The composition of the Committee was not changed during the year. The Composition of the Committee as at 31<sup>st</sup> March, 2020 and the details of Members participation at the Meetings of the Committee are as under:

Name of Member	Status	No. of Meetings attended
Mr. Shivaji Mohite	Chairman	2
Mr. Vijay M. Nawandhar	Member	2
Mr. Abhay Bhide	Member	2

During the year, two Meetings were held on 27-08-2019 & 14-02-2020..

Terms of reference of the Committee inter alia, include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy as specified in Schedule VII to the Companies Act, 2013;
- to finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution/ implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- Monitor the Corporate Social Responsibility Policy, Review it, the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board report.

## OTHER INFORMATION

### (i) Risk Management Framework:

The Company has in place mechanism to provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff/workers and business assets and ensure financial sustainability. The Board of Directors, Audit Committee, Risk Management Committee, staff & employees all are part of this framework. It involves recognition, assessment, analysis, evaluation of the risk.

### (ii) Code of Conduct:

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company to provide them guidance and help to recognize and deal with ethical issues, provide mechanisms to report unethical

conduct and foster a culture of honesty and accountability. The code governs the actions and working relationships of board members, officers and all other employees of the Company in dealing with fellow employees, guests, competitors, vendors, and suppliers, governmental & other agencies. It is the commitment to honest & ethical personal conduct, transparency, compliance of Law, health & safety etc.

Mr. Shivaji R. Mohite the Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

As per provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted Code of Fair disclosure for Prevention of Insider Trading which contains practices and procedures for fair disclosure of unpublished price sensitive information and regulating, monitoring and reporting of trading by insiders to be adopted by the Company and seeks to ensure timely, fair and adequate disclosure of price sensitive information to the investor & to enable them to take informed investment decisions with regard to the Company's Securities.

The procedure is prescribed to ensure that such information is not misused for any personal advantage.

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

<b>To the Shareholders of Mohite Industries Ltd.</b>		
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. As per Regulation 17 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We hereby confirm and declare that the Boards Members and Senior Management have affirmed compliance with the Code of Conduct.		
Vadgaon Kolhapur 15 <sup>th</sup> September, 2020	<b>Mr. Shivaji Mohite</b> Managing Director	<b>Mr. Abhay Bhide</b> Wholetime Director

### (iii) General Body Meeting

The last three Annual General Meetings of the Company were held at registered office of the Company at R. S. No.347, Ambapwadi Phata, Off N.H.4, P.B. No 1, Vadgaon, Tal. Hatkanangale, Dist. - Kolhapur as under:

Financial Year	Date	Time
2018-2019	30 <sup>th</sup> September 2019	10.30 a.m.
2017-2018	25 <sup>th</sup> September 2018	10.30 a.m.
2016-2017	27 <sup>th</sup> September 2017	10.30 a.m.

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

#### Annual General Meeting held on 30<sup>th</sup> September, 2019

- i) Re-appointment Mr. Shivaji R. Mohite as Chairman & Director of the Company
- ii) Re-appointment Mrs. Monika S Mohite as Joint Managing Director of the Company
- iii) To seek approval for Material Related Party Transactions to be entered into with SOLITAIRE CONSTRUCTIONS PRIVATE LIMITED, a subsidiary of the Company

#### Annual General Meeting held on 25<sup>th</sup> September, 2018

Reappointment of Mr. Abhay S. Bhide (DIN: 05307473) as Wholetime Director of the Company for period of five years

#### Annual General Meeting held on 27<sup>th</sup> September, 2017

No any special resolution was passed

**No Extra-ordinary General Meetings were held during the last 3 (three) Financial Years**

**No Special Resolution was passed through Postal Ballot in last 3 (three) Financial Years**

### (iv) Other Disclosures:

- (a) During the year, there was no any transaction of material nature entered into with any related party that may have potential conflict with the interests of listed entity. The policy on dealing with Related Party Transactions is available on Company's website [www.mohite.com](http://www.mohite.com)
- (b) Details of compliance with mandatory requirements –

During the financial year under consideration some violations of provisions of the Listing Regulation 2015 was occurred, compliance of those provisions was done latter. Details of those violations are mentioned as below

Sr. No.	Details of Non compliances /Violation and consecutive penalties	Corrective action taken
1	Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - The Listed entity failed to submit Annual Secretarial compliance Report for year ended on 31 <sup>st</sup> March 2019 within 60 days and also within further extended time limit for same purpose.	The Listed entity submitted the Annual Secretarial Compliance Report for year ended on 30 <sup>th</sup> June 2020
2	Reg . 33(3)(a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a) Delay in submission of quarterly and year to date standalone and consolidated financial results for period ended on 30 <sup>th</sup> June 2019 (i.e. within 45 days of end of the period) b) Delay in submission of quarterly and year to date standalone and consolidated financial results for period ended on 30 <sup>th</sup> September 2019 (i.e. within 45 days of end of the period )	a) delay was due to abnormal situation in Kolhapur region because of heavy rain on month of August 2019 and also penalty for late submission was waived by BSE on basis of genuine and abnormal ground b) Delay was due to adjournment of meeting. The Boards meeting for approving financial results for period ended on 30 <sup>th</sup> September 2019 was held within time i.e. on 14 <sup>th</sup> November 2019 but same was adjourned to 21 <sup>st</sup> November 2019 due to lack of quorum and on 21 <sup>st</sup> November 2019 board meeting was duly conducted and results were duly adopted and submitted to stock exchange on same day. Penalty of ` 41300/- for delay was paid
3	Reg. 23 (9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Delay in submission of Related Party Transaction during half year ended on 30 <sup>th</sup> September 2019	The related party transaction on consolidated basis for half year ended on 30 <sup>th</sup> September 2019 on 03 <sup>rd</sup> January 2020. There was approximate delay of 10 days
4	Regulation 39(4) read with Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company (being listed) is required to transfer all such unclaimed shares of the concerned shareholders to an "Unclaimed Suspense Account", after serving three reminders to such shareholders at their address registered with the Company/ Depositories.	There are 1500 such shares which are remained unclaimed, company is in process to comply with the provisions
5	Show cause notices were issued under sec 206(5) of the Companies Act 2013 1) SCN under section 77 of the Companies Act 2013 2) SCN under section 189(1) R/W Rule 16(1) of the Companies Act 2013 3) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 17 4) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 13 5) SCN Under Section 129 of The Companies Act 2013 R/W Accounting Standard 9	Company going to approach with compounding application
6	Section 135 of the Companies Act 2013 and rules thereunder. There is unspent CSR amount of ` 47.89 lakhs. The Company is failed to spend that much amount on CSR activities. Also company fails to transfer the same to Unspent Corporate Social responsibility A/c within a period of 30 days from the end of financial year	The Company has formed Sec.8 company i.e. Parvati Mohite Foundation, object of which is to exclusively undertake CSR activities. The Company is in process to undertake the CSR project. ` 10.00 Lakhs were transferred to Parvati Mohite Foundation during the year.

Other than above there were no instances of non-compliance of any matter related to the capital markets, by the Company, no penalties imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market and also the Company has complied with all the mandatory requirements of the Listing Regulations.

### (c) Vigil Mechanism/Whistle Blower Policy-

The Company has to adopt Vigil Mechanism Policy/Whistle Blower Policy under Section 177(9) of the Companies act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and as under Provisions of Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 to provide mechanism for reporting genuine concerns or

grievance and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place and also safeguards against victimization of directors or employees or any other person who avail the mechanism. Vigil Mechanism/Whistle Blower Policy is also available on the website of the Company [www.mohite.com](http://www.mohite.com)

**(d) Disclosure of Accounting Treatment:**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**(e) CEO / CFO Certification:**

As required under Regulation 17(8) of the Listing Regulations, a certificate from Mr. Shivaji Mohite, Managing Director and Abhay Bhide, Wholetime Director of the Company, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs, was placed before the board.

**(f) Public, Rights and Other Issues:**

There were no Public, Rights and Other Issues during the Financial Year 2019-20

**(g) Compliance Certificate on Corporate Governance:**

As per Regulation 34 of the Listing Regulations, the Certificate issued by M/s Prashant Hirawadekar & Associates, Chartered Accountant, Kolhapur regarding compliance with the conditions of Corporate Governance for the Financial Year 2019-20 is annexed to this Corporate Governance Report.

**(h) Means of communication:**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in The Financial Express (English Newspaper) and other local language newspaper like Sakal (Marathi). The results are simultaneously posted on the website of the Company at <http://www.mohite.com/>. Also the Company's Website contains updated information as to financial results, public announcement, shareholding patterns, Annual Reports etc.

Company also registered with SCORES (SEBI Complaints Redressal System).

**(i)** the policy for determining 'material' subsidiaries' is disclosed on website of the company [www.mohite.com](http://www.mohite.com)

**(j)** the policy dealing with related party transactions is disclosed on website of the company [www.mohite.com](http://www.mohite.com)

**(k)** Management discussion & Analysis forms integral part of this Annual Report.

**(l)** Compliance as to requirement of corporate governance report and discretionary requirements as specified in Part E of Schedule II – The Company has complied with all requirement of sub-para (2) to (10) of Part C of Schedule V of the Listing Regulation 2015. Also Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulation 2015 and necessary disclosures thereto are made in this report.

The discretionary requirements as specified in Part E of Schedule II complied with by company are-

Modified opinion in Audit Report : The Company's financial statement for the year ended on 31<sup>st</sup> March, 2020 does not contain any modified opinion.

## GENERAL SHAREHOLDERS' INFORMATION

**(i) Annual General Meeting:**

The Annual General Meeting of the Company will be convened on Saturday, 24<sup>th</sup> October, 2020 at 11.00 a.m. at the registered office of the Company located at 'R. S. No. 347, Ambapwadi Phata, Off. NH-4, P. B. No.1, Vdgaon, Tal. Hatkanangale, Dist. Kolhapur – 416112.

**(ii) Financial Calendar:**

Financial Year: The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year.

Event	Period
i) Quarterly results June 30 <sup>th</sup> , 2020	Second Week of September 2020
ii) Annual General Meeting	30 <sup>th</sup> September, 2020
iii) Quarterly results September 30 <sup>th</sup> , 2020	Second Week of November, 2020
iv) Quarterly results December 31 <sup>st</sup> , 2020	Second Week of February, 2021
v) Annual results March 2019-2020	Fourth Week of May, 2021

**(iii) Book Closure:**

The Register of member will remain closed from the Sunday, 18<sup>th</sup> October, 2020 to Saturday, 24<sup>th</sup> October, 2020 (both days inclusive)

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

The shares of the Company are listed on the BSE Ltd. Listing fees for the year 2019-20 has paid to the BSE Ltd. The Company has paid custodial fees for the year 2019-2020 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them on March 31, 2019. The listing fees of BSE Ltd and custodial fees of NSDL and CDSL for year 2020-21 are still not paid by the Company.

**(v) Stock Code:**

BSE – 532140

ISIN No. INE154B01015

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

L40108MH1990PLC058774

**(vii) Stock market price data for the year 2019-20**

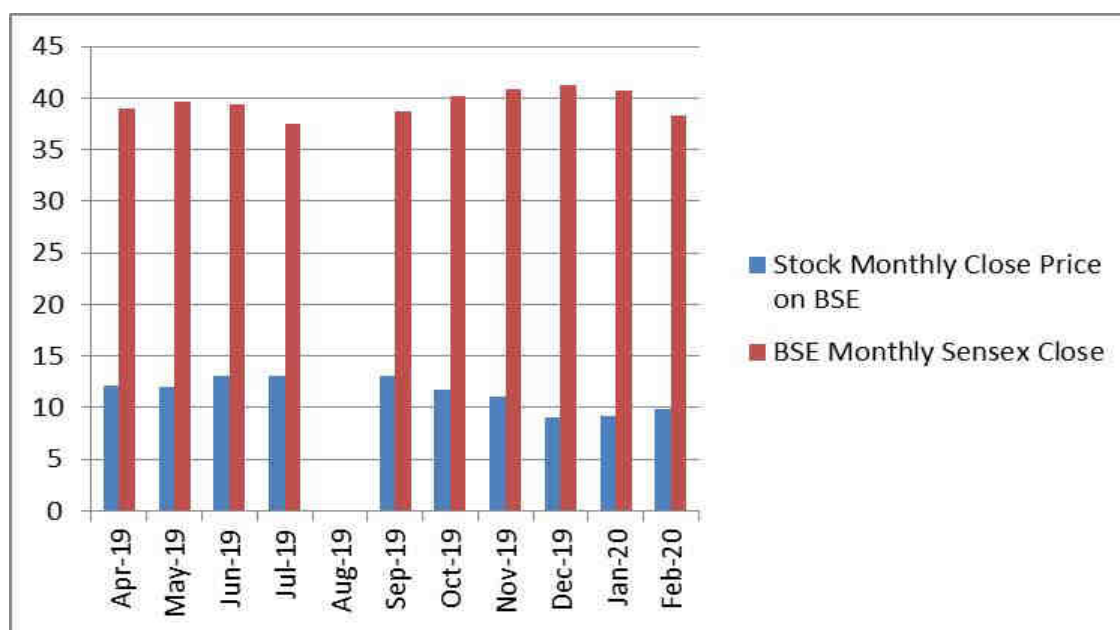
The opening/closing, high / low market price of the shares during the financial year 2019-20 at the BSE Ltd is given as below

Month	Open Price `	High Price `	Low Price `	Close Price `	No. of Shares Traded
Apr-19	12.20	12.2	12.20	12.20	1
May-19	12.15	12.15	12.00	12.00	520
Jun-19	12.00	13.15	11.40	13.15	249
Jul-19	13.15	13.15	13.15	13.15	207
Aug-19*	-	-	-	-	-
Sep-19	12.50	13.70	12.50	13.02	444
Oct-19	12.37	12.37	11.80	11.80	484
Nov-19	11.60	11.60	11.10	11.10	863
Dec-19	10.55	10.55	8.74	9.12	527
Jan-20	8.67	9.31	8.45	9.18	2672
Feb-20	9.45	9.90	9.45	9.90	70
Mar-20*	-	-	-	-	-

\*Trading prices are not available

**viii) Company's Share Performance compared to BSE Sensex for F.Y. 2019-20**

Month	Stock Monthly Close Price on BSE	BSE Monthly Sensex Close
Apr-19	12.20	39031.55
May-19	12.00	39714.20
Jun-19	13.15	39394.64
Jul-19	13.15	37481.12
Aug-19	-	37332.79
Sep-19	13.02	38667.33
Oct-19	11.80	40129.05
Nov-19	11.10	40793.81
Dec-19	9.12	41253.74
Jan-20	9.18	40723.49
Feb-20	9.90	38297.29
Mar-20	-	29468.49



For BSE Sensex base is 1000

\* Trading prices for Month of Aug-19 & Mar-20 are not available

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

Link Intime India Pvt. Ltd.,

C-101, 1<sup>st</sup> Floor, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai MH 400083

Phone :- 022-25963838

Tel. No. 022-49186270 (for Investor) 022-49186000

Fax No. - 022-49186060

Email - rnt.helpdesk@linkintime.co.in

**(x) Share Transfer System:**

As per notification issued by the Securities and Exchange Board of India (SEBI), the trading in Company's equity shares on the stock exchanges is permitted only in dematerialised form for all classes of investors. All transactions in connection with transfer, transmission, etc. during the year under review were processed by the Registrar and Share Transfer Agents of the Company to expedite the process of share transfer, the powers for processing of share transfer have been delegated to the Registrar and Share Transfer Agent of the Company.

The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.



**Distribution of Shareholding as on March 31, 2020**

Sr. No.	Shares Range	Shareholders	%	Number	%
1	Up to 500	748	70.5660	132383	0.6586
2	501 To 1000	128	12.0755	101791	0.5064
3	1001 To 2000	55	5.1887	85674	0.4262
4	2001 To 3000	29	2.7358	70420	0.3504
5	3001 To 4000	13	1.2264	45719	0.2275
6	4001 To 5000	23	2.1698	111248	0.5535
7	5001 To 10000	19	1.6981	133013	0.6618
8	10001 & above	46	4.3396	19419452	96.6156
	<b>Total</b>	<b>1060</b>	<b>100.0000</b>	<b>20099700</b>	<b>100.0000</b>

**(xi) Categories of Shareholders as on March 31, 2020**

Sr. No.	Category	No of Shares held	% as to Total Issued & Paid up Shares
1	Clearing Member	60	0.0003
2	Directors	13875163	69.0316
3	Hindu Undivided Family	615090	3.0602
4	Non Resident Indians	3050	0.0152
5	Other Bodies Corporate	4228681	21.0386
6	Public	1216113	06.0504
7	Relatives of Director	159493	0.7935
8	Trusts	2050	0.0102
	<b>Total</b>	<b>20099700</b>	<b>100</b>

**(xii) Dematerialization of shares:**

As on March 31, 2020, 90.48% of the Company's total paid up capital representing 18185379 shares was held in dematerialized form and the balance 9.52% representing 1914321 shares were held in physical form.

**(xiii) Convertible Instruments:**

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during financial year ended 31<sup>st</sup> March, 2020.

**(xiv) Plant location :**

Manufacturing facilities of the Company are located at :

- Spinning Unit - R.S.No. 347, Ambapwadi Phata, Off. N.H.4 , PB.NO.1, Vadgaon, Tal. Hatkanangale, Dist. Kolhapur-416 112.
- Radhanagari Hydro Electric Power Project, Gat.No. 222, at Fejiwade, Tal- Radhanagari Dist-Kolhapur.

**(xv) Auditors' Certificate on Compliance of Conditions of Corporate Governance**

The certificate is attached as annexure to the Report.

**(xvi) Address for correspondence:**

Shareholders correspondence as to share transfer, share transmission, change request and other such queries should be directed to Company's Registrar and Transfer Agent whose address is given below:

Link Intime India Pvt. Ltd.

C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai Mumbai City MH 400083

Tel.No. - 022 49186270 (for Investor) 022 49186000

Email - rnt.helpdesk@ linkintime.co.in, bonds.helpdesk@ linkintime.co.in

Shareholders can also send their queries to below mentioned address

Compliance Officer

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 email- cs@ mohite.com

**(xvii) Disclosure With Respect To Unclaimed Suspense Account**

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company has to transfer to the 'Unclaimed Securities Suspense Account' the unclaimed equity shares which were issued in physical form from time to time. The details of unclaimed shares to be transferred to unclaimed Suspense Account pursuant to the provisions as prescribed under Clause F of Schedule V of Listing Regulations are as under:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2019	3	1500

Company is in process of transferring those shares to 'Unclaimed Securities Suspense Account'

- (xviii) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, given below:**

Sr. No	Particulars	Financial year 2019-20
1.	Statutory audit	1,30,000/-
2.	Tax Audit	20,000/-
3	Other expenses reimbursed	-

- (xix) **Certificate from Practicing Company Secretary:**

A certificate from Practicing Company Secretary stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority is also annexed here with.

- (xx) The Company has not raised any funds through preferential allotment or qualified institutions Placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2019-20

- (xxi) **Recommendation by Committee:**

The Board has accepted all recommendations made by its committees during the financial year ended on 31<sup>st</sup> March, 2020.

On behalf of the Board

**MOHITE INDUSTRIES LIMITED**

Vadgaon, Kolhapur  
15<sup>th</sup> September, 2020

**SHIVAJI MOHITE**  
MANAGING DIRECTOR  
DIN 00425441

**MONIKA MOHITE**  
JOINT MANAGING DIRECTOR  
DIN 00425614

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

(In terms of Regulation 34(3) and Schedule V(E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of  
Mohite Industries Limited**

I have examined the compliance of conditions of Corporate Governance by MOHITE INDUSTRIES LIMITED ("the Company"), for the year ended on March 31, 2020, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for period 01<sup>st</sup> April, 2019 to 31<sup>st</sup> March 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the 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 my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in above Listing Regulations, as applicable.

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

For **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants, Kolhapur.

Place - Vadgaon  
Date - 03<sup>rd</sup> September 2020

**Prashant Subhash Hirawdekar**  
Proprietor  
M. No. 133498

## COMPLIANCE CERTIFICATE BY CEO / CFO

### The Board of Directors,

Mohite Industries Limited  
Vadgaon, Kolhapur

We Shivaji Mohite, Chairman & Managing Director and Abhay Shamrao Bhide, Wholetime Director of the Mohite Industries Limited, to the best of our knowledge and belief, certify that-

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us by others particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian AS .
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
  - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

Vadgaon, Kolhapur  
15<sup>th</sup> September, 2020

**Shivaji Mohite**  
Managing Director

**Abhay Bhide**  
Wholetime Director

## CERTIFICATE FROM PRACTISING COMPANY SECRETARY

[Pursuant to clause 10(i) of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I hereby certify that none of the Directors on the Board of the Mohite Industries Limited (CIN : L40108MH1990 PLC058774) ("the Company"), have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) / Ministry of Corporate Affairs or any such Statutory Authority.

**Place** - Kolhapur

**Date** - 1<sup>st</sup> October, 2020

**MR. DILIP PANGE**

Practicing Company Secretary

FCS No. 6423 | CP No. 2516

UDIN : F006423B000841829

## MANAGEMENT DISCUSSION & ANALYSIS

The management of Mohite Industries Limited presents the analysis of business performance of the Company for the year 2019-20 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 depending upon the economic and climatic conditions, government policies, taxation and other laws and other incidental factors.

### COVID-19 Update

At present, the global economic environment is highly unpredictable as the duration and the impact of unprecedented COVID -19 pandemic is difficult to ascertain. After the COVID-19 outbreak in mid-March 2020 in India, our operations were disrupted and factory have been closed since 22<sup>nd</sup> March, 2020 on declaration of the nationwide lockdown, still due to labour problem company has not resumed its operations. Your Company is attempting to overcome the difficulties arising in restoring its operations and scheduling to resume its operations on 21<sup>st</sup> September 2020.

### 1. INDUSTRY STRUCTURE & DEVELOPMENTS

The Company enters the Financial Year 2020-21 with high degree of uncertainty. During the year under report, the prices of yarn were on the higher side in the domestic market compared to the last financial year.

As the company is producing special quality yarn i.e. Compact and Slub yarn, it could fetch a good price for these quality of yarn during the year under report.

### 2. OPPORTUNITIES AND THREATS

On the backdrop of badly affected industrial health due to Covid epidemic, the management see no opportunity to further stand in the market or improve the productivity. On the contrary, if the current situation does not improve right away the management will be forced to close the operation temporarily. However, if the situation goes in favour & looking to the drop down in the cotton price, there is an opportunity for the management to come back on the feet.

### 3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Segment-wise performance is given in Note No. 1(II) (13) to financial statements.

### 4. MANAGEMENT PERCEPTION OF RISKS & CONCERNS

Taking into Account the drastic situation arose due to Covid 19 pandemic, the market is worsen very much, Hence the management has foreseen a huge risk in restarting and continuing the mill operation.

### 5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company remain committed to improve the effectiveness of internal control systems for business processes with regard to its operations, financial reporting and compliance within the applicable laws and regulations. The Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. For the Financial Year 2019-20, your Company has got its internal financial controls over financial reporting evaluated from the Internal Auditors of the Company and the report has reaffirmed the effectiveness of such internal controls.

### 6. HUMAN RESOURCES DEVELOPMENT & INDUSTRIAL RELATIONS :

The Company would like to place on record, sincere appreciation for the contribution and support of all its employees towards the performance of the Company. Your Company is happy to have a management team comprising of professionals and experienced one.. There have been no material developments in Human Resources during the Financial Year 2019-20. The Company continues to remain focused and sensitive to the role of human resources in optimizing results in all its areas of working and its industrial relations also continue to be cordial.

### 7. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS :

- a) Production of our Company of 100% cotton yarn was 4077.52 MT during the year 2019-20 as against production of 4696.44 MT during the year 2018-19. Sale of Cotton Yarn & Fabric was ` 8337.89 Lakhs during the year 2019-20 as compared to sales of ` 9846.66 Lakhs during the year 2018-19. Sale of Cotton Waste was ` 108.96 Lakhs during the year 2019-20 as compared to sale of ` 83.87 Lakhs during the year 2018-19.
- b) Job Work of 100 % cotton yarn was 19.33 MT during the year 2019-20 as against Job Work of 110.61 MT during the year 2018-19. Job Work Income was ` 104.73 Lakhs in the year 2019-20 as compared to Job Work Income of ` 18.65 Lakhs in the year 2018-19.
- c) Generation of Hydro Power was 2,40,00,230 Kwh units during the year 2019-20 and transmitted to Textile Division (Intersegment) 37,68,071 Kwh as against generation of 1,70,49,104 Kwh units during the year 2018-19. Banking Unit is 3,47,710 Kwh and Balance Units Sale to MSEDCL during the 2019-20 is 1,94,68,108 Kwh Units as against units sale of 70,74,499 Kwh Units for the year 2018-19.
- d) Production of Yarn during the year 2019-20 was decreased by 13.18 % and Sales of Yarn and Fabric during the year 2019-20 were decreased by 15.32 % as compared to previous year.

e) The Direct Export & Merchant Export of Yarn was ` 83.27 Lakhs during the year 2019-20 as compared to Direct Export & Merchant Export of Yarn and Fabric of ` 1372.94 Lakhs during the year 2018-19.

**f) RAW MATERIAL**

Total raw material (Cotton + Yarn + Waste) cost for the year 2019-20 was ` 5663.50 Lakhs compared to ` 6870.70 Lakhs for the previous year. Cost of material consumed to sales ratio (Cotton + Yarn + Waste) for the period ended 31.03.20 is 57.65% as compared to 69.19 % for the previous year.

**g) POWER AND FUEL**

The cost of power was ` 1402.09 Lakhs for the year 2019-20 as compared to ` 1090.52 Lakhs for the year 2018-19. Cost of power is ` 25.65 per kg of the production for the year 2019-20 as compared to power cost of ` 22.69 per kg of production for the previous year.

**h) SALARY AND WAGES (EMPLOYEES BENEFIT COSTS)**

The salary and wages & other employee benefits cost was ` 1070.74 Lakhs for the year 2019-20 as compared to ` 1097.32 Lakhs for the year 2018-19. The Company has taken step to fully provide for the gratuity liability.

**i) INTEREST AND FINANCE COST**

The interest & finance cost was ` 837.35 Lakhs for the year 2019-20 compared to ` 1048.56 Lakhs for the year 2018-19.

**j) PROFITABILITY**

The Company earned Profit before Depreciation, Interest and Tax of ` 1577.65 Lakhs in the current year as against ` 1977.88 Lakhs in the previous year. The Company earned Profit before Depreciation and Tax of ` 740.30 Lakhs in the current year as compared to ` 929.32 Lakhs in the previous year.

The Company earned Profit before Tax (after interest and depreciation) of ` 151.66 Lakhs and Profit after Tax of ` 155.63 Lakhs for the current financial year under review as against ` 201.82 Lakhs and ` -406.90 Lakhs respectively, for the previous financial year.

**k) RESOURCE MOBILISATION**

The Gross Fixed Assets (excluding capital work in progress) as at 31<sup>st</sup> March, 2020 were ` 19365.70 Lakhs as compared to ` 18693.29 Lakhs in the previous year. During the year, the Company had purchased fixed assets amounting to ` 482.03 Lakhs.

There were no debtors outstanding for more than six months in the year under review. (Previous Year Nil). Inventory level as on 31<sup>st</sup> March, 2020 was ` 4066.14 Lakhs, as against ` 4114.31 Lakhs in the previous year.

**l) DETAILS OF SIGNIFICANT CHANGES AS COMPARED TO PREVIOUS YEAR IN KEY FINANCIAL RATIOS ALONG WITH DETAILED EXPLANATION**

Ratio	2019-20	2018-19	Variation
Debtors Turnover	41.92%	35.63%	6.29%
Inventory Turnover	41%	34.40%	6.6%
Interest Coverage Ratio	1.18	1.19	0.01
Current Ratio	3.51	2.95	0.56
Debt Equity Ratio	0.87	0.92	0.05
Operating Profit Margin (%)	33.45%	30.29%	3.16%
Net Profit Margin (%)	1.57%	1.83%	0.26%

On behalf of the Board

**MOHITE INDUSTRIES LIMITED**

Place - Vadgaon, Kolhapur

Date - 15<sup>th</sup> September, 2020

**SHIVAJI MOHITE**  
MANAGING DIRECTOR  
DIN 00425441

**MONIKA MOHITE**  
JOINT MANAGING DIRECTOR  
DIN 00425614

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS

MOHITE INDUSTRIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **Mohite Industries Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the **Auditor's Responsibilities for the Audit of the Standalone Financial Statements** section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matter

**Revenue Recognition – The revenue is recognized as per Ind AS 18 – Revenue Recognition** The Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

**Pending Litigation and Claim – There are not pending litigation or claim against the company during the audit period.**

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making



judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fairview and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no any amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

For **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants, Kolhapur.

**Date** - 03<sup>rd</sup> September, 2020  
**Place** - Vadgaon, Kolhapur

**Prashant Subhash Hirawdekar**  
Proprietor  
M. No. 133498  
UDIN - 20133498AAAAEV1036

## Annexure A to the Independent Auditors' report on the standalone financial statements

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report on even date)

The annexure referred to in independent auditor's report to the members of the Company on the standalone financial statements for the year ended 31 March 2020. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular programme of physical verification of its Property Plant and Equipment, by which all Property, Plant and Equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the above programme, the Company has verified all Property, Plant and Equipment during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory, except inventory in transit, at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (iii) (a) The Company has granted unsecured loans to Chirag Sanditext Pvt Ltd companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to other body corporate, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to companies listed in the register maintained under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments, providing guarantees and securities, as applicable.
- (b) The unsecured loans granted to the companies covered in the register maintained under Section 189 of the Act are repayable on demand. The borrowers have been regular in the payment of interest.
- (c) The unsecured loans granted to the companies covered in the register maintained under Section 189 of the Act are repayable on demand and there is no amount overdue for more than ninety days in respect of such loans.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments, providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of directives issued by the Reserve Bank of India or under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' state insurance, duty of customs, Goods and Service Tax, Income Tax, Cess, Professional tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' state insurance, duty of customs, Goods and Service Tax, Income Tax, Cess, Professional tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, no undisputed amounts payable in respect income-tax, sales-tax, service tax, duty of custom, Goods and Service Tax, duty of excise, value added tax and cess
- (viii) According to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any loans or borrowings during the year from debenture holders or government.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company. In our opinion and as per information given by management term loans were applied for the purpose for which those were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants, Kolhapur.

**Date** - 03<sup>rd</sup> September, 2020  
**Place** - Vadgaon, Kolhapur

**Prashant Subhash Hirawdekar**  
Proprietor  
M. No. 133498  
UDIN - 20133498AAAAEV1036

## Annexure B to the Independent Auditors' report on the standalone financial statements

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls with reference to financial statements of Mohite Industries Limited("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants, Kolhapur.

**Prashant Subhash Hirawdekar**  
Proprietor  
M. No. 133498  
UDIN - 20133498AAAAEV1036

**Date** - 03<sup>rd</sup> September, 2020  
**Place** - Vadgaon, Kolhapur

**MOHITE INDUSTRIES LTD**  
**Standalone Balance Sheet** as at 31<sup>st</sup> March, 2020 ( Amount In ₹ )

No	PARTICULARS	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>A</b>	<b>ASSETS -</b>			
<b>1</b>	<b>Non-Current Assets</b>			
(a)	Property Plant and Equipments	2(a)	698,458,177	709,118,568
(b)	Capital work-in-progress	2(b)	-	42,361,643
(c)	Financial Assets :			
(i)	Investments	3(a)	24,760,100	1,585,100
(ii)	Loans- Security Deposit	3(b)	10,406,116	10,462,837
	<b>Total non-current Assets</b>		<b>733,624,393</b>	<b>763,528,148</b>
<b>2</b>	<b>Current Assets</b>			
(a)	Inventories	4	406,613,750	401,227,000
(b)	Financial Assets :			
(i)	Trade Receivables	5	415,640,785	415,550,609
(ii)	Cash and Cash equivalents	6	49,672	187,765
(iii)	Bank Balance other than (ii)above	6	7,467,475	6,969,604
(iv)	Loans & Advances	7	200,887,326	199,338,432
	<b>Total Current Assets</b>		<b>1,030,659,008</b>	<b>1,023,273,410</b>
	<b>Total Assets</b>		<b>1,764,283,400</b>	<b>1,786,801,558</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
(a)	Equity Share Capital	8	200,997,000	200,997,000
(b)	Other Equity	9	702,822,730	687,258,983
	<b>Total Equity</b>		<b>903,819,730</b>	<b>888,255,983</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Long-Term borrowings	10	545,500,095	527,364,300
(b)	Deferred Tax Liabilities (Net)	11	21,639,502	24,511,963
	<b>Total Non- Current Liabilities</b>		<b>567,139,597</b>	<b>551,876,263</b>
<b>3</b>	<b>Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Short-Term Borrowings	12	167,069,200	218,526,668
(ii)	Trade Payables	13		
	a) Due to Medium & Small Enterprises		8,722,421	6,598,230
	b) Due to other than Medium & Small Enterprises		10,006,579	28,265,104
(iii)	Other Financial Liabilities	14	76,719,324	72,818,520
(b)	Other Current Liabilities	15	30,806,550	20,460,790
(c)	Provision		-	-
	<b>Total Current Liabilities</b>		<b>293,324,074</b>	<b>346,669,312</b>
	<b>Total Equity and Liabilities</b>		<b>1,764,283,400</b>	<b>1,786,801,558</b>
	Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date attached

for **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants

**Prashant S Hirawdekar**  
Proprietor  
Mem. No. 133498  
UDIN – 20133498AAAAEV1036

Place : Kolhapur  
Date : 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of  
**MOHITE INDUSTRIES LTD.**

• **Shivaji Mohite** • **Monika Mohite**  
MD DIN 00425441 Jt. MD DIN 00425614

• **Abhay Bhide** • **Ashvini Kalekar** • **Priyanka Patil**  
Whole time Director Company Secretary CFO  
DIN 05307473

**MOHITE INDUSTRIES LTD**
**Standalone Profit & Loss** for the year ended on 31<sup>st</sup> March, 2020 (Amount In ₹)

No	PARTICULARS	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>1</b>	<b>Income</b>			
	Net Revenue From Operation	16	964,879,830	1,164,648,188
	Revenue from Operations	17	25,682,711	336,729
	Other Income	18	952,536	1,103,135
	<b>Total Revenue :</b>		<b>991,515,077</b>	<b>1,166,088,052</b>
<b>2</b>	<b>Expenses</b>			
	Cost of Material Consumed	19	566,349,949	687,070,328
	Changes in inventories of Finished Goods	20	(10,067,000)	16,441,000
	Work in Progress and Stock-in -trade			
	Employee Benefit Expenses	21	102,887,055	105,410,727
	Finance Costs	22	83,750,159	105,958,776
	Depreciation and Amortisation Expenses	23	58,863,390	72,749,999
	Operating and Other Expenses	24	174,565,238	158,275,296
	<b>Total Expenses :</b>		<b>976,348,791</b>	<b>1,145,906,126</b>
<b>3</b>	<b>Profit Before Exceptional and Extraordinary Item and tax (1-2)</b>		15,166,286	20,181,926
4	Exceptional Items		-	-
<b>5</b>	<b>Profit Before Tax (3-4)</b>		<b>15,166,286</b>	<b>20,181,926</b>
6	Tax Expenses			
	(i) Current Tax		2,475,000	4,250,000
	(ii) Deferred Tax		(2,872,461)	(5,381,125)
<b>7</b>	<b>Profit/(Loss) for the period from continuing operations (5-6)</b>		<b>15,563,747</b>	<b>21,313,051</b>
8	Other Comprehensive Income that will not be reclassified to Profit or Loss		-	-
	(i) Re-measurements gains/(Losses) on defined benefit plans			
	(ii) Income Tax effect on above			
	<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>9</b>	<b>Total Comprehensive Income for the Period (7+ 8)</b>		<b>15,563,747</b>	<b>21,313,051</b>
10	Paid-Up Equity Share Capital (face value of ` 10 each fully paid up )		200,997,000	200,997,000
11	Earning per equity share (EPS) (Face value of ` 10 each)			
	(i) Basic (in ` ) (not annualised)		0.77	1.06
	(ii) Diluted ( in ` ) (not annualised)		0.77	1.06

As per our report of even date attached

 for **PRASHANT HIRAWDEKAR & ASSOCIATES**

Chartered Accountants

**Prashant S Hirawdekar**

Proprietor

Mem. No. 133498

UDIN – 20133498AAAAEV1036

Place : Kolhapur

 Date : 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of

**MOHITE INDUSTRIES LTD.**
**• Shivaji Mohite**      **• Monika Mohite**  
 MD DIN 00425441      Jt. MD DIN 00425614

**• Abhay Bhide**      **• Ashvini Kalekar**      **• Priyanka Patil**  
 Whole time Director      Company Secretary      CFO  
 DIN 05307473

**MOHITE INDUSTRIES LTD**
**Standalone Cash Flow Statement** for the year ended on 31<sup>st</sup> March, 2020 (Amount In ₹)

No	Particulars	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>A.</b>	<b>Cash flow from Operating Activities</b>			
	<b>Net Profit before Tax</b>		<b>15,166,286</b>	<b>20,181,926</b>
	Adjustments for :			
	Depreciation		58,863,390	72,749,999
	Interest & Finance Charges		83,750,159	105,958,776
	Extraordinary Items		-	-
	Profit on Sale of Land		-	-
	Dividend Received		-	-
	<b>Operating profit before working capital changes</b>		<b>157,779,835</b>	<b>198,890,701</b>
	Adjustments for :			
	(Increase) / Decrease in :			
	Trade & Other Receivables		(1,582,349)	6,831,918
	Inventories		(5,386,750)	10,204,000
	Increase / (Decrease) in :			
	Trade Payables & Other Liabilities		(13,620,681)	4,406,149
	<b>Cash generation from operations</b>		<b>137,190,055</b>	<b>220,332,768</b>
	Less: Taxes Paid		4,550,000	2,565,530
	<b>Net Cash flow from Operating Activities</b>		<b>141,740,055</b>	<b>222,898,298</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>			
	Purchase of Fixed Assets		(48,203,000)	(59,271,462)
	Investment in Shares		23,175,000	225,000
	Proceeds from Sale of Fixed Assets		-	-
	Dividend Received		-	-
	<b>Net Cash flow from Investing Activities before extraordinary items</b>		<b>(25,028,000)</b>	<b>(59,046,462)</b>
	Less: Extraordinary Items			
	Performance guarantee payment & expenditure incurred during current year		-	-
	<b>Net Cash flow from Investing Activities after extraordinary items</b>		<b>(25,028,000)</b>	<b>(59,046,462)</b>
<b>C.</b>	<b>Cash flow from Financing Activities</b>			
	Proceeds from Long Term Borrowings (Net)		12,386,566	9,115,631
	Proceeds from Short Term Borrowings (Net)		(51,457,468)	(57,374,970)
	Proceeds from Unsecured Borrowings		5,749,229	(1,357,691)
	Interest & Finance Charges		(83,750,159)	(105,958,776)
	<b>Net Cash flow from Financing Activities</b>		<b>(117,071,832)</b>	<b>(155,575,807)</b>
	Net Increase / (Decrease) in Cash & Cash Equivalents		(359,778)	8,276,030
	Cash & Bank Balances as on 31/03/2019		7,157,369	15,208,399
	Cash & Bank Balances as on 31/03/2020		7,517,147	7,157,369

As per our report of even date attached

 for **PRASHANT HIRAWDEKAR & ASSOCIATES**

Chartered Accountants

**Prashant S Hirawdekar**

Proprietor

Mem. No. 133498

For and on behalf of the Board of Directors of

**MOHITE INDUSTRIES LTD.**
**• Shivaji Mohite** • **Monika Mohite**  
 MD DIN 00425441 Jt. MD DIN 00425614

**• Abhay Bhide** • **Ashvini Kalekar** • **Priyanka Patil**  
 Whole time Director Company Secretary CFO  
 DIN 05307473

Place : Kolhapur

 Date : 03<sup>rd</sup> September 2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

### NOTE NO. 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### I. Basis of Preparation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act, 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.

The financial statements for the year ended 31<sup>st</sup> March 2020 (including comparatives) are duly adopted by the Board on 3<sup>rd</sup> Sept., 2020 for consideration and approval by shareholders.

##### II. Summary of accounting policies :

###### 1. Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

###### 2. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable and net of returns, trade allowances and rebates and amounts collected on behalf of third parties. It excludes excise duty Value Added Tax, Sales Tax, Service Tax and GST.

###### i) Sale of Products:

Revenue from sale of products is recognised when significant risks and rewards of ownership pass to the customers, as per the terms of the contract and when the economic benefits associated with the transactions will flow to the Company.

###### ii) Interest Income:

Interest incomes are recognized using the time proportion method based on the rates implicit in the transaction. Interest income is included in other income in the statement of profit and loss.

###### 3. Property, plant and equipment

i) Freehold land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation/amortization and impairment, if any.

Cost includes:

- a) Purchase Price
- b) Taxes and Duties
- c) Labour cost and
- d) Directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes excise duty, value added tax, service tax, and GST to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

###### ii) Component Accounting:

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognized when replaced.

###### iii) Other cost:

All other repairs and maintenance cost are charged to the statement of profit and loss during the reporting period in which they are incurred. Profit or Losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other income/ (loss).

###### iv) Depreciation and amortization:

- a) Depreciation is recognized on a straight-line basis, over the useful life of the buildings and other equipment as prescribed under Schedule II of the Companies Act, 2013.
- b) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset as evaluated on technical assessment on straight line method, in accordance with Part A of schedule II to the Companies Act,2013
- c) On tangible fixed assets added/disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

v) **Ind AS Transition:**

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Plant, property and equipment under the erstwhile GAAP as the deemed cost for the purpose of transition to Ind AS. Capital-work-in progress, plant and equipment is stated at cost less accumulated impairment losses, if any.

4) **Impairment:**

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

5). **Financial Assets classification and subsequent measurement of Financial Assets :**

i. **Trade receivables**

The Company follows 'simplified approach' for recognition of impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

ii. **Derecognition of financial assets**

A financial asset is derecognised only when;

- a) The Company has transferred the rights to receive cash flows from the financial asset or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

There are no such de-recognitions.

6) **Financial Liabilities:**

i. **Classification, subsequent measurement and de-recognition of financial liabilities**

a. **Classification**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost. The Company's financial liabilities include borrowings & trade and other payables.

b. **Subsequent measurement**

Financial liabilities are measured subsequently at amortized cost using the effective interest method. All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

7) **Inventories**

Inventories are valued at lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is ascertained on weighted average basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India.

i. **Raw materials**

Raw materials are valued at cost of purchase, net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use.

ii. **Work-in-process and Finished Goods**

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials.

iii. **Stores and spares**

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

8) **Income Taxes**

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

## 9) Post-employment benefits and short-term employee benefits

### i. Short term obligations:

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognised up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

### ii. Other long term employee benefits obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### iii. Post-employment obligation:

The Company operates the following post-employment schemes:

#### a) Defined contribution plan such as Gratuity & provident fund

##### Gratuity obligation:

The company has created The Employees Group Gratuity fund which has taken gratuity cum life insurance policy from LIC of India. Premium on said policy is calculated by LIC & Conveyed to us on the basic of Project unit credit Method. The same is accounted for in books of accounts.

##### Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary. The provident fund contributions are made to EPFO.

##### Bonus Payable:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 10) Provisions and contingent liabilities

### i. Provisions:

A Provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

### ii. Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Following are the Contingent Liabilities which are not accounting for in books of account.

Particulars	2019-20	2018-19
1. Claims not acknowledged as debts in respect of matters in appeals.	-	-
2. Commitments		
a) Estimated amount of contracts remaining to be executed	-	-
b) Other Commitments :		
Guarantee given by banks, counter guaranteed by the Company	199.63	199.63
c) Other Significant Commitments	-	-

## 11) Earnings per share:

The company presents the basic and diluted EPS data. Basic and diluted EPS is computed by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of shares outstanding during the period.

**Earnings Per Share:**

Particulars	2019-20	2018-19
Net Profit after Taxation	15,563,747	21,313,051
Average No. of Equity Shares Outstanding	200,997,00	200,997,00
Basic and Diluted Earnings per Share (EPS) in `	0.77	1.06

**12) Cash and Cash equivalents and Cash Flow Statement:**

Statement of cash flow is prepared segregating the cash flow into operating, investing and financing activities. Cash Flow from Operating activity is reported using indirect method adjusting the net profit for the effects of

- Changes during the period in inventories and operating receivables/ payables transactions of non-cash nature.
- Non-cash items such as depreciation, provision, deferred tax unrealized foreign currency gains and losses and undistributed profits of associates.
- All other items for which cash effects are investing and financing cash flows.

**13) Segment reporting:**

Segment have been identified on the basis of Accounting Standard on Segment Reporting AS -17

**Segment Segment-wise information for the year ended March 31, 2020.**

Particulars	2019-20	2018-19
<b>1. Segment Revenue</b>		
a) Textiles	8,552.66	9949.19
b) Hydro Power	1,096.14	1697.29
Total :	9,648.80	11,646.48
Less : Inter segment revenue	253.10	1201.85
Add : Other/Construction Segment	-	-
<b>Net sales /income from operations :</b>	<b>9,395.70</b>	<b>10,444.63</b>
<b>2. Segment Results - Profit/(Loss) before tax &amp; interest</b>		
from each segment		
a) Textiles	333.23	119.26
b) Hydro Power	655.78	1131.11
Total :	989.01	1,250.37
<b>Other/Construction Segment</b>	-	-
i) Interest	837.35	1,048.56
ii) Other un-allocable expenditure net of un-allocable income	-	-
<b>Profit Before Tax :</b>	<b>151.66</b>	<b>201.81</b>
<b>3. Segment Assets</b>		
a) Textiles	9,679.88	10,615.14
b) Hydro	7,962.95	7,295.38
c) Unallocable/ Construction		
<b>Total Assets</b>	<b>17,642.83</b>	<b>17,910.52</b>
<b>4. Segment Liabilities</b>		
a) Textiles	8,582.61	9,029.33
b) Hydro	26.00	9.93
c) Unallocable/ Construction		
<b>Total Liabilities</b>	<b>8,608.61</b>	<b>9,039.26</b>

**14) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs.

**15) Related party disclosure as per Ind AS 24**

Following are the related parties as per Accounting Standard 18

Name of the Party	Relation	Nature of Transaction	2019-20	2018-19
Shivaji Ramchandra Mohite	CMD	Remuneration	46,83,871	48,16,800
Monika Shivaji Mohite	Jt. MD	Remuneration	23,41,935	24,16,800
AbhayShamrao Bhide	Director & CEO	Remuneration	35,15,067	34,50,392

Apart from above no significant transactions took place with related parties during the year. There are no write offs/write backs of any amount of any of the related party during the year .

III) Significant management judgment in applying accounting policies and estimation of uncertainty While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**(1) Significant management judgment**

The following are significant management judgments in applying the accounting policies of the Company that have significant effect on the financial statements.

**(2) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

**(3) Estimation of uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different.

**a. Impairment of non-financial assets**

In assessing impairment, management has estimated economic usefulness of the assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use of an interest rate to discount them. Estimation of uncertainty relates to assumptions about economically future operating cash flows and the determination of a suitable discount rate.

**b. Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including Intangible Assets.

**c. Inventories**

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

**d. Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

As per our report of even date attached

for **PRASHANT HIRAWDEKAR & ASSOCIATES**

Chartered Accountants

**Prashant S Hirawdekar**

Proprietor

Mem. No. 133498

**Place :** Kolhapur

**Date :** 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of  
**MOHITE INDUSTRIES LTD.**

• **Shivaji Mohite** • **Monika Mohite**  
MD DIN 00425441 Jt. MD DIN 00425614

• **Abhay Bhide** • **Ashvini Kalekar** • **Priyanka Patil**  
Whole time Director Company Secretary CFO  
DIN 05307473

**Note 2 (a)**  
**Property, Plant and Equipment (PPE)**

No	Particulars	GROSS BLOCK			DEPRECIATION		Net Block		
		as on 01.04.2019	Additions	Disposals	as on 31.03.2020	as on 01.04.2019	for the year	as at 31.3.2020	as at 31.3.2019
<b>1) TANGIBLE ASSETS</b>									
(a)	Land	4,655,353	-	-	4,655,353	-	-	4,655,353	4,655,353
(b)	Kagal MIDC Land	13,883,400	-	-	13,883,400	-	-	13,883,400	13,883,400
(c)	Factory Building	32,132,701	-	-	32,132,701	661,777	535,545	30,935,379	31,470,924
(d)	Plant & Machinery	355,587,799	-	-	355,587,799	132,087,293	4,663,684	218,836,822	223,500,506
(e)	Electrical Installation	1,350,649,510	47,477,714	-	1,398,127,224	940,701,453	51,206,172	406,219,599	409,948,056
(f)	Office Equipment	46,791,384	611,143	-	47,402,527	34,700,411	1,019,932	11,682,184	12,090,97
(g)	Laboratory Equipments (Imported)	9,877,029	114,143	-	9,991,172	8,401,534	300,298	1,289,340	1,475,495
(h)	Vehicles	10,025,557	-	-	10,025,557	9,485,522	51,303	488,732	540,035
(i)	Furniture & Fixtures	50,696,596	-	-	50,696,596	40,824,426	937,856	8,934,313	9,872,170
(j)	D. G. Sets - Imported	10,880,169	-	-	10,880,169	9,251,748	143,542	1,484,878	1,628,421
(k)	Equipments Below ₹ 5000	3,187,661	-	-	3,187,661	3,134,427	5,057	48,177	53,234
	<b>TOTAL</b>	<b>1,888,367,158</b>	<b>48,203,000</b>	<b>-</b>	<b>1,936,570,158</b>	<b>1,179,248,592</b>	<b>58,863,390</b>	<b>698,458,177</b>	<b>709,118,566</b>

**Note 2 (a)**  
**Property, Plant and Equipment (PPE)**

No	Particulars	GROSS BLOCK			DEPRECIATION		Net Block		
		as on 01.04.2018	Additions	Disposals	as on 31.03.2019	as on 01.04.2018	for the year	as at 31.3.2019	as at 31.3.2018
<b>1) TANGIBLE ASSETS</b>									
(a)	Land	4,655,353	-	-	4,655,353	-	-	4,655,353	4,655,353
(b)	Kagal MIDC Land	13,883,400	-	-	13,883,400	-	-	13,883,400	13,883,400
(c)	Factory Building	30,716,403	1,416,298	-	32,132,701	126,232	535,545	31,470,924	30,590,171
(d)	Plant & Machinery	355,587,799	-	-	355,587,799	124,391,992	7,695,301	223,500,506	231,195,807
(e)	Electrical Installation	1,333,873,065	16,776,445	-	1,350,649,510	885,632,775	55,068,678	409,948,057	448,240,290
(f)	Office Equipment	46,500,193	291,191	-	46,791,384	31,858,013	2,842,398	12,090,973	14,642,180
(g)	Laboratory Equipments (Imported)	9,427,601	449,428	-	9,877,029	8,188,599	212,935	1,475,495	1,239,002
(h)	Vehicles	10,025,557	-	-	10,025,557	9,480,881	4,641	540,035	544,676
(i)	Furniture & Fixtures	50,696,596	-	-	50,696,596	35,156,943	5,667,483	9,872,170	15,539,652
(j)	D. G. Sets - Imported	10,765,245	114,924	-	10,880,169	8,634,879	616,869	1,628,421	2,130,366
(k)	Equipments Below ₹ 5000	3,187,661	-	-	3,187,661	3,028,278	106,149	53,234	159,383
	<b>TOTAL</b>	<b>1,869,318,873</b>	<b>19,048,286</b>	<b>-</b>	<b>1,888,367,159</b>	<b>1,106,498,592</b>	<b>72,749,999</b>	<b>709,118,568</b>	<b>762,820,280</b>

**Note 2 (b)**  
Capital Work in Progress

Particulars	GROSS BLOCK			DEPRECIATION		Net Block	
	as on 01.04.2019	Additions	Disposals	as on 01.04.2019	for the year	as at 31.3.2020	as at 31.3.2019
<b>2) CAPITAL WORK IN PROGRESS</b>							
(a) P & M Capital WIP - Textile	42,270,558	-	42,270,558	-	-	-	42,270,558
(b) P & M Capital WIP - Hydro	91,085	-	91,085	-	-	-	91,085
<b>TOTAL</b>	<b>42,361,643</b>	<b>-</b>	<b>42,361,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,361,643</b>

**Note 2 (b)**  
Capital Work in Progress

Particulars	GROSS BLOCK			DEPRECIATION		Net Block	
	as on 01.04.2018	Additions	Disposals	as on 01.04.2018	for the year	as at 31.3.2019	as at 31.3.2018
<b>2) CAPITAL WORK IN PROGRESS</b>							
(a) P & M Capital WIP - Textile	2,047,382	40,223,176	-	-	-	42,270,558	2,047,382
(b) P & M Capital WIP - Hydro	91,085	-	91,085	-	-	91,085	91,085
<b>TOTAL</b>	<b>2,138,467</b>	<b>40,223,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,361,643</b>	<b>2,138,467</b>

(Amount In ₹)

Particulars	Current Year ended on 31/03/2020	Previous Year ended on 31/03/2019
<b>Note No. 3 (a)</b>		
<b>(i) Investments</b>		
<b>Investment in Quoted Shares</b>	-	-
<b>Investment in Unquoted Shares</b>		
Share of Parshwanath Co-op Bank Ltd. 7404 Equity Shares of ` 25/- each (at cost)	185,100	185,100
Kallappana Awade Ichalkaranji J.Co.Bank Ltd 1000 Equity Shares of ` 500/- each (at cost)	500,000	500,000
Mahalaxmi Co.op.Bank Ltd. 175000 Equity Shares of ` 1 each (at Cost)	175,000	175,000
Rajarambapu Sah.Bank Ltd. 50000 Equity Shares of ` 10/- each (at Cost)	500,000	500,000
Solitaire Constructions Pvt Ltd. 2340000 Shares of ` 10 Each (at cost)	23,400,000	225,000
<b>TOTAL :</b>	<b>24,760,100</b>	<b>1,585,100</b>

<b>Note No.3 (b)</b>		
<b>(ii) Long Term - Security Deposit</b>		
Telephone/ MSEB/ Water Deposit	10,406,116	10,462,837
<b>TOTAL :</b>	<b>10,406,116</b>	<b>10,462,837</b>

<b>Note No.4</b>		
<b>Current Assets -</b>		
<b>(a) Inventories</b>		
(i) Raw Material	139,405,750	143,604,000
(ii) Finished Goods	161,182,000	159,910,000
(iii) Stock in Process	69,060,000	65,215,000
(iv) Stores, Spares & Packing Material	12,083,000	12,565,000
(v) Waste	24,883,000	19,933,000
<b>TOTAL :</b>	<b>406,613,750</b>	<b>401,227,000</b>

<b>Note No. 5</b>		
<b>(b) Financial Assets</b>		
(i) Trade Receivables	415,640,785	415,550,609
Due to Micro & Small Enterprises		
Due to other than Micro & Small Enterprises		
Other Debts -	-	-
<b>TOTAL :</b>	<b>415,640,785</b>	<b>415,550,609</b>

<b>Note No. 6</b>		
(ii) Cash and Cash Equivalents	49,672	187,765
(iii) Bank Balance other than (ii) above		
(i) In Current Account	177,977	617,354
(ii) In Fixed Deposits & Recurring Deposits	7,289,498	6,352,250
<b>TOTAL :</b>	<b>7,517,147</b>	<b>7,157,369</b>
(iii) Other Bank Balance - Dividend Warrant Accounts (Earmarked balances with banks- Dividend Warrant Accounts)		
<b>TOTAL :</b>	<b>7,517,147</b>	<b>7,157,369</b>



**Note No. 7**

<b>(iv) Loans- Short - Term Loans &amp; Advances</b>		
Staff Advance	192,100	383,574
Prepaid expenses	4,911,595	5,292,958
Advance Income tax/TDS/MAT	384,917	38,418,134
Advances Recoverable/MVAT/REC	195,398,714	153,441,721
Cenvat/Duty Drawback/PLA	-	1,802,045
<b>TOTAL :</b>	<b>200,887,326</b>	<b>199,338,432</b>

**EQUITY AND LIABILITIES**
**Note No. 8**

<b>EQUITY</b>		
<b>(a) Equity Share Capital Authorised</b>	<b>260,000,000</b>	<b>260,000,000</b>
26000000 Equity Shares of ` 10/- each (Previous Year 26000000 Equity Shares of ` 10/- each)		
<b>Issued, Subscribed &amp; Paid Up</b>	<b>200,997,000</b>	<b>200,997,000</b>
20099700 Equity Shares of ` 10/- each fully paid up (Previous Year 20099700 Equity Shares of ` 10/- each)		
<b>TOTAL :</b>	<b>200,997,000</b>	<b>200,997,000</b>

**Note -**

- a) Equity Shareholders List holding more than 5% of equity shares along with the number of equity shares held is as given below

Name of Shareholder	31.03.2020		31.03.2019	
	%	No. of Shares	%	No. of Shares
<b>Shivaji Ramchandra Mohite</b>	<b>45.65</b>	<b>9,176,324</b>	<b>45.65</b>	<b>9,176,324</b>
<b>Monika Shivaji Mohite</b>	<b>23.17</b>	<b>4,656,339</b>	<b>23.17</b>	<b>4,656,339</b>

- b) The Company has only one class of equity share of par value ` 10/- Each holder of the equity shares is entitled to one vote per share.
- c) During the previous Five years, the company has not issued bonus shares/bought back shares/ issued shares for consideration other than cash

**Note No.09**

<b>(b) Other Equity</b>		
General Reserve	687,258,983	665,945,932
Add: Current Year	-	-
<b>Sub Total :</b>	<b>687,258,983</b>	<b>665,945,932</b>
Add : Net Profit for the Current Year	15,563,747	21,313,051
Less : Short Provision of Income Tax	-	-
<b>TOTAL :</b>	<b>702,822,730</b>	<b>687,258,983</b>

**LIABILITIES**
**Non Current Liabilities**
**Note No. 10**

<b>(a) Financial Liabilities :</b>		
<b>(i) Long Term Borrowings</b>		
a) Term Loan from Banks/Financial Institutions	537,860,103	525,473,537
b) Other Loans from Banks	-	-
<b>Sub Total:</b>	<b>537,860,103</b>	<b>525,473,537</b>
<b>(ii) Unsecured Loans from Directors</b>	7,639,992	1,890,763
<b>Sub Total :</b>	<b>7,639,992</b>	<b>1,890,763</b>
<b>TOTAL :</b>	<b>545,500,095</b>	<b>527,364,300</b>

**Notes :**

- LIC loan against policy is availed against assignment of Key Man Insurance Policies
- LIC loan against property is secured by exclusive first charge on personal property of directors located at Plot 250B/1A/4, E Ward, Nagala Park, Kolhapur
- Daimler Finance Vehicle Loan is secured by hypothecation of respective vehicle against which loan is sanctioned.

**Note No. 11**

(C) Deferred Tax Liabilities (Net)	21,639,502	24,511,963
<b>TOTAL :</b>	<b>21,639,502</b>	<b>24,511,963</b>

**Current Liabilities**
**Note No. 12**

<b>Financial Liabilities</b>		
Short Term Borrowings from Banks		
i. Bank of Baroda	167,069,200	218,526,668
ii. IDBI Bank Ltd.	-	-
iii. State Bank of India	-	-
<b>TOTAL :</b>	<b>167,069,200</b>	<b>218,526,668</b>

**Notes :**

Working Capital Facilities in (i) to (iii) are secured by First Charge on Entire stock of Raw Material, Stock in Process, finished Goods, Consumables, Stores and spare, book debts on pari passu with other bank (present & future)

**Note No.13**

<b>(iii) Trade Payable</b>		
Due to Mirco & Small Enterprises	8,722,421	6,598,230
Due to other than Micro & Small Enterprises	10,006,579	28,265,104
<b>TOTAL :</b>	<b>18,729,000</b>	<b>34,863,334</b>

**Note No. 14**

<b>(iii) Other Financial Liabilities</b>		
Current Maturities of Long Term Loans	76,719,324	72,818,520
Advance from Customers	-	-
Unpaid /Unclaimed Dividend	-	-
<b>TOTAL :</b>	<b>76,719,324</b>	<b>72,818,520</b>

**Note No.15**

<b>(b) Other Current Liabilities</b>		
Security Deposit payable	5,268,924	991,803
Provision for Income Tax	19,630,671	17,155,671
Statutory Liabilities	1,322,039	496,122
Provison for Expenses	4,584,916	1,817,194
<b>TOTAL :</b>	<b>30,806,550</b>	<b>20,460,790</b>

**Note No.16**

<b>Net Revenue From Operations</b>		
Export Sales	-	137,293,509
Domestic Sales	833,788,836	840,761,277
Cotton Waste Sales	10,896,065	8,387,368
Jobwork Income	10,472,788	1,865,266
Fabric Sale (other)	108,086	6,611,464
Hydro Power Units & REC	109,614,055	169,729,304
<b>TOTAL :</b>	<b>964,879,830</b>	<b>1,164,648,188</b>

**Note No.17**

<b>Other Operating Income</b>		
Exchange Gain	63,580	-
Electricity Charges Refund Received	412,487	-
Electricity Subsidy Received	25,129,146	135,681
Other Income	77,498	201,048
<b>TOTAL :</b>	<b>25,682,711</b>	<b>336,729</b>

**Note No.18**

<b>Other Income</b>		
Income from non-current investments		
a) Dividend Received	-	-
b) Interest Received	952,536	1,103,135
<b>TOTAL :</b>	<b>952,536</b>	<b>1,103,135</b>

**Note No.19**

<b>Cost of Materials Consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock	143,604,000	146,157,000
Add: Purchases	539,465,025	662,680,760
Less Closing Stock	139,405,750	143,604,000
<b>TOTAL :</b>	<b>543,663,275</b>	<b>665,233,760</b>
<b>Packing Material</b>		
Opening Stock	1,877,000	1,400,000
Add: Purchases	9,666,284	13,979,024
Less Closing Stock	2,970,000	1,877,000
<b>TOTAL :</b>	<b>8,573,284</b>	<b>13,502,024</b>
<b>Stores &amp; Spares Consumed</b>		
Opening Stock	10,688,000	2,375,000
Add: Purchases	12,538,390	16,647,544
Less Closing Stock	9,113,000	10,688,000
<b>TOTAL :</b>	<b>14,113,390</b>	<b>8,334,544</b>
<b>Total Cost of Material Consumed :</b>	<b>566,349,949</b>	<b>687,070,328</b>

**Note No.20**

<b>Changes in Inventories of Finished Goods, Work-in-process and Stock-in-Trade</b>		
<u>Opening Stock</u>		
Finished goods	159,910,000	166,440,000
Stock in Process	65,215,000	70,014,000
Waste	19,933,000	25,045,000
<b>Total :</b>	<b>245,058,000</b>	<b>261,499,000</b>
<u>Closing Stock</u>		
Finished goods	161,182,000	159,910,000
Stock in Process	69,060,000	65,215,000
Waste	24,883,000	19,933,000
<b>Total :</b>	<b>255,125,000</b>	<b>245,058,000</b>
<b>Increase/(Decrease) in Stock :</b>	<b>(10,067,000)</b>	<b>16,441,000</b>

**Note No.21**

<b>Employee Benefits Expenses</b>		
Salary, Wages, Stipend & Bonus	94,350,861	88,967,134
Providend fund & ESI Contribution	6,811,355	15,214,371
Staff /Lavour Welfare Expenses	1,724,839	1,229,222
<b>TOTAL :</b>	<b>102,887,055</b>	<b>105,410,727</b>

**Note No.22**

<b>Cost of Finance</b>		
Interest	82,565,133	104,717,981
Bank Charges & Other Charges	1,185,026	1,240,795
<b>TOTAL :</b>	<b>83,750,159</b>	<b>105,958,776</b>

**Note No. 23**

Depreciation and amortization Expenses	58,863,390	72,749,999
<b>TOTAL :</b>	<b>58,863,390</b>	<b>72,749,999</b>

**Note No.24**

<b>Manufacturing and Other Expenses</b>		
<b>A) Manufacturing Expenses</b>		
Power & Fuel	140,209,086	109,052,400
Freight, Clearing & Forwarding	21,376	2,475
Repairs & Maintenance	752,192	3,983,933
Mixing, Unloading, Procurement Expenses	6,339,647	8,007,800
Factory General Expenses	453,256	675,765
Transaction/Scheduling/Application/Wheeling. Water Charges	5,854,931	14,184,189
<b>Total A :</b>	<b>153,630,488</b>	<b>135,906,562</b>
<b>B) Other Expenses</b>		
Audit Fees	130,000	70,000
Advertisements	219,120	149,200
Clearing & Forwarding	207,276	101,315
Commission on Sales	363,855	441,890
Insurance	2,427,534	1,681,098
Legal and Professional Fees	4,450,772	5,735,237
Printing & Stationery	213,809	178,176
Postage, Telegram & Telephone	237,336	350,069
Travelling and Conveyance	2,626,958	3,853,112
Security Expenses	4,186,765	4,321,597
CSR Activity	1,000,000	-
Rent, Rates Taxes & Repairs	2,787,160	2,483,375
REC Issuance Fees	-	504,615
Miscellaneous Expenses	2,084,165	2,499,050
<b>Total B :</b>	<b>20,934,750</b>	<b>22,368,734</b>
<b>TOTAL (A + B) :</b>	<b>174,565,238</b>	<b>158,275,296</b>

## INDEPENDENT AUDITORS' REPORT

To The Board of Directors of  
Mohite Industries Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of **Mohite Industries Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matter

**Revenue Recognition – The revenue is recognized as per Ind AS 18 – Revenue Recognition** The Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

#### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditor referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

(a) We did not audit the financial statements of a subsidiary; whose financial statements reflect total assets of 2717 lakhs as at 31 March 2020, total revenues of 2337 lakhs and net cash flows amounting to 8694 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of subsidiary as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2020 from being appointed as a director interms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group,
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2020.

FOR **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants, Kolhapur.

**Prashant Subhash Hirawdekar**  
Proprietor  
M. No. 133498  
UDIN - 20133498AAAAEV1036

**Date** - 03<sup>rd</sup> September, 2020  
**Place** - Vadgaon, Kolhapur

## **Annexure A to the Independent Auditor's Report of even date on the consolidated financial statement Mohite Industries Limited for the year ended 31 March 2020**

### **Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A-f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Mohite Industries Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, insufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

### Opinion

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

FOR **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants, Kolhapur.

**Prashant Subhash Hirawdekar**  
Proprietor  
M. No. 133498  
UDIN – 20133498AAAAEV1036

**Date** - 03<sup>rd</sup> September, 2020  
**Place** - Vadgaon, Kolhapur

**MOHITE INDUSTRIES LTD**  
**Consolidated Balance Sheet** as at 31<sup>st</sup> March, 2020 (Amount In ₹)

No	PARTICULARS	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>A</b>	<b>ASSETS -</b>			
1	Non-Current Assets			
(a)	Property Plant and Equipments	2(a)	716,514,425	709,118,568
(b)	Capital work-in-progress	2(b)	30,055,000	43,996,561
(c)	Intangible Asset		-	326,728
(d)	Financial Assets :			
(i)	Investments	3(a)	3,110,100	1,360,100
(ii)	Loans- Security Deposit	3(b)	10,406,116	10,462,837
	<b>Total non-current Assets</b>		<b>760,085,641</b>	<b>765,264,794</b>
2	Current Assets			
(a)	Inventories	4	406,613,750	401,227,000
(b)	Financial Assets :			
(i)	Trade Receivables	5	533,325,225	415,550,609
(ii)	Cash and Cash equivalents	6	355,892	738,859
(iii)	Bank Balance other than (ii)above	6	78,061,543	7,899,354
(iv)	Loans & Advances	7	234,146,463	199,925,610
(c)	Minority Interest		-	115,624
	<b>Total Current Assets</b>		<b>1,252,502,873</b>	<b>1,025,457,056</b>
	<b>Total Assets</b>		<b>2,012,588,514</b>	<b>1,790,721,850</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
(a)	Equity Share Capital	8	200,997,000	200,997,000
(b)	Other Equity	9	716,650,311	687,230,635
	<b>Total Equity</b>		<b>917,647,311</b>	<b>888,227,635</b>
2	<b>MINORITY INTEREST</b>		<b>34,363,920</b>	<b>-</b>
3	<b>Non-Current Liabilities</b>			
(a)	Financial Liabilities :			
(i)	Long-Term borrowings	10	666,545,541	532,164,300
(b)	Deferred Tax Liabilities (Net)	11	21,639,502	24,511,963
	<b>Total Non- Current Liabilities</b>		<b>688,185,043</b>	<b>556,676,263</b>
4	<b>Current Liabilities</b>			
(a)	Financial Liabilities :			
(i)	Short-Term Borrowings	12	218,904,019	218,526,668
(ii)	Trade Payables :	13		
	a)Due to Medium & Small Enterprises		8,722,422	6,598,230
	b)Due to other than Medium & Small Enterprises		29,540,607	28,265,104
(iii)	Other Financial Liabilities	14	76,719,324	72,818,520
(b)	Other Current Liabilities	15	38,505,868	19,609,430
(c)	Provision		-	-
	<b>Total Current Liabilities</b>		<b>372,392,240</b>	<b>345,817,952</b>
	<b>Total Equity and Liabilities</b>		<b>2,012,588,514</b>	<b>1,790,721,850</b>
	Significant Accounting Policies and notes to accounts	1		

As per our report of even date attached

for **PRASHANT HIRAWDEKAR & ASSOCIATES**

Chartered Accountants

**Prashant S Hirawdekar**

Proprietor

Mem. No. 133498

UDIN - 20133498AAAAEV1036

Place : Kolhapur

Date : 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of

**MOHITE INDUSTRIES LTD.**

• **Shivaji Mohite** • **Monika Mohite**  
 MD DIN 00425441 Jt. MD DIN 00425614

• **Abhay Bhide** • **Ashvini Kalekar** • **Priyanka Patil**  
 Whole time Director Company Secretary CFO  
 DIN 05307473

**MOHITE INDUSTRIES LTD**  
**Consolidated Profit & Loss** for the year ended on 31<sup>st</sup> March, 2020 (Amount In ₹)

No	PARTICULARS	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>1</b>	<b>Income</b>			
	Net Revenue From Operation	16	1,198,381,210	1,164,648,188
	Revenue from Operations	17	25,682,711	336,729
	Other Income	18	1,136,825	1,103,135
	<b>Total Revenue :</b>		<b>1,225,200,746</b>	<b>1,166,088,052</b>
<b>2</b>	<b>Expenses</b>			
	Cost of Material Consumed	19	566,349,949	687,070,328
	Changes in inventories of Finished Goods	20	(10,067,000)	16,441,000
	Work in Progress and Stock-in-trade			
	Employee Benefit Expenses	21	112,575,873	105,410,727
	Finance Costs	22	88,155,170	105,958,776
	Depreciation and Amortisation Expenses	23	60,031,948	72,749,999
	Operating and Other Expenses	24	365,896,844	158,303,644
	<b>Total Expenses :</b>		<b>1,182,942,784</b>	<b>1,145,934,474</b>
<b>3</b>	<b>Profit Before Exceptional and Extraordinary Item and tax (1-2)</b>		<b>42,257,962</b>	<b>20,153,578</b>
4	Exceptional Items		-	-
<b>5</b>	<b>Profit Before Tax (3-4)</b>		<b>42,257,962</b>	<b>20,153,578</b>
6	Tax Expenses			
	(i) Current Tax		2,475,000	4,250,000
	(ii) Deferred Tax		(2,872,461)	(5,381,125)
<b>7</b>	<b>Profit/(Loss) for the period from continuing operations (5-6)</b>		<b>42,655,423</b>	<b>21,284,703</b>
8	Other Comprehensive Income that will not be reclassified to Profit or Loss			
	(i) Re-measurements gains/(Losses) on defined benefit plans			
	(ii) Income Tax effect on above			
	<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>9</b>	<b>Total Comprehensive Income for the Period (7+ 8)</b>		<b>42,655,423</b>	<b>21,284,703</b>
10	Paid-Up Equity Shares Capital (face value of ` 10 each fully paid up )		200,997,000	200,997,000
11	Earning per equity share (EPS) (Face value of ` 10 each)			
	(i) Basic (in ` ) (not annualised)		2.12	1.06
	(ii) Diluted ( in ` ) (not annualised)		2.12	1.06

As per our report of even date attached

for **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants

**Prashant S Hirawdekar**  
Proprietor  
Mem. No. 133498  
UDIN - 20133498AAAAEV1036

Place : Kolhapur  
Date : 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of  
**MOHITE INDUSTRIES LTD.**

• **Shivaji Mohite** • **Monika Mohite**  
MD DIN 00425441 Jt. MD DIN 00425614

• **Abhay Bhide** • **Ashvini Kalekar** • **Priyanka Patil**  
Whole time Director Company Secretary CFO  
DIN 05307473

**MOHITE INDUSTRIES LTD**
**Consolidated Cash Flow Statement** for the year ended on 31<sup>st</sup> March, 2020 (Amount In ₹)

No	Particulars	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>A.</b>	<b>Cash flow from Operating Activities</b>			
	<b>Net Profit before Tax</b>		<b>42,257,962</b>	<b>20,153,578</b>
	Adjustments for :			
	Depreciation		60,031,948	72,749,999
	Interest & Finance Charges		88,155,170	105,958,776
	Extraordinary Items		-	-
	Profit on Sale of Land		-	-
	Dividend Received		-	-
	<b>Operating profit before working capital changes</b>		<b>190,445,080</b>	<b>198,862,353</b>
	Adjustments for :			
	(Increase) / Decrease in :			
	Trade & Other Receivables		(151,938,748)	6,831,918
	Inventories		(5,386,750)	10,204,000
	Increase / (Decrease) in :			
	Trade Payables & Other Liabilities		37,586,039	(851,360)
	<b>Cash generation from operations</b>		<b>70,705,621</b>	<b>215,046,911</b>
	Less: Taxes Paid		4,152,539	2,565,530
	<b>Net Cash flow from Operating Activities</b>		<b>74,858,160</b>	<b>217,612,441</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>			
	Purchase of Fixed Assets		(53,486,245)	(60,906,380)
	Investment in Shares		1,750,000	-
	Proceeds from Sale of Fixed Assets		-	-
	Dividend Received		-	-
	<b>Net Cash flow from Investing Activities before extraordinary items</b>		<b>(51,736,245)</b>	<b>(60,906,380)</b>
	Less: Extraordinary Items			
	Performance guarantee payment & expenditure incurred during current year (refer note 24B(vii))		-	-
	<b>Net Cash flow from Investing Activities after extraordinary items</b>		<b>(51,736,245)</b>	<b>(60,906,380)</b>
<b>C.</b>	<b>Cash flow from Financing Activities</b>			
	Proceeds from Long Term Borrowings (Net)		102,944,741	9,115,631
	Proceeds from Short Term Borrowings (Net)		377,351	(29,994,499)
	Proceeds from Unsecured Borrowings		31,436,500	3,442,309
	Interest & Finance Charges		(88,155,170)	(105,958,776)
	<b>Net Cash flow from Financing Activities</b>		<b>46,603,422</b>	<b>(123,395,336)</b>
	Net Increase / (Decrease) in Cash & Cash Equivalents		69,725,337	33,310,725
	Cash & Bank Balances as on 31/03/2019		8,638,213	15,208,399
	Cash & Bank Balances as on 31/03/2020		78,417,435	8,638,213

As per our report of even date attached

 for **PRASHANT HIRAWDEKAR & ASSOCIATES**

Chartered Accountants

**Prashant S Hirawdekar**

Proprietor

Mem. No. 133498

Place : Kolhapur

 Date : 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of

**MOHITE INDUSTRIES LTD.**
**• Shivaji Mohite**      • **Monika Mohite**  
 MD DIN 00425441      Jt. MD DIN 00425614

**• Abhay Bhide**      • **Ashvini Kalekar**      • **Priyanka Patil**  
 Whole time Director      Company Secretary      CFO  
 DIN 05307473

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**
**NOTE 1**
**1. Company Overview and General Information :**

Mohite Industries Limited is a public limited listed company incorporated under the Companies Act, 1956 (now replaced by the Companies Act, 2013). The Company is engaged in manufacturing and sale of Cotton Yarn and Generation of Electricity through Hydro Power Project. The registered office of the Company is located at R.S. No. 347, Off NH-4, Ambapwadi Phata, Vadgaon, Tal Hatkanangale Dist Kolhapur (M.S) 416112. India and its CIN No. is L40108MH1990PLC058774.

The Consolidated Financial Statements were approved by the Board of Directors of the Company in their meeting held on 03<sup>rd</sup> Sept., 2020. The consolidated financial statements at 31<sup>st</sup> March, 2020 represent the financial position of the Company ("Parent Company") and its Subsidiary. Details of Subsidiary which is consolidated as follows :

Name of Subsidiary	County of Incorporation	Ownership Interest
Solitaire Constructions Private Limited.	India	52%

**2. Basis of Preparation and Presentation :**

The Consolidated financial statements have been prepared in accordance with and to comply in all material aspects with Indian Accounting Standards (Ind AS) as notified under the relevant provisions of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Act, as applicable.

The Consolidated financial statements have been prepared on accrual and going concern basis under historical cost convention except for the items that have been measured at fair value as required by relevant Ind AS.

**3. Basis of Consolidated**

The Financial Statements of the parent company and its subsidiaries have been consolidated on a line by line basis by addition together the book value of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits and losses, if any, in accordance with Ind AS 110 – "Consolidated Financial Statements".

**4. Summary of Significant Accounting Policies :**

The Accounting Policies of the Parent Company and its Subsidiaries are similar. Other significant Accounting Policies of the Consolidated Financial Statements are as given in the Standalone Financial Statements.

As per our report of even date attached

for **PRASHANT HIRAWDEKAR & ASSOCIATES**  
Chartered Accountants

**Prashant S Hirawdekar**  
Proprietor  
Mem. No. 133498

**Place :** Kolhapur  
**Date :** 03<sup>rd</sup> September 2020

For and on behalf of the Board of Directors of  
**MOHITE INDUSTRIES LTD.**

• **Shivaji Mohite** • **Monika Mohite**  
MD DIN 00425441 Jt. MD DIN 00425614

• **Abhay Bhide** • **Ashvini Kalekar** • **Priyanka Patil**  
Whole time Director Company Secretary CFO  
DIN 05307473

**Note 2 (a)**  
**Property, Plant and Equipment (PPE)**

No	Particulars	GROSS BLOCK			DEPRECIATION		Net Block		
		as on 01.04.2019	Additions	Disposals	as on 31.03.2020	as on 01.04.2019	for the year	As at 31.3.2020	as at 31.3.2019
<b>1) TANGIBLE ASSETS</b>									
(a)	Land	4,655,353	-	-	4,655,353.00	-	-	4,655,353	4,655,353
(b)	Kagal MIDC Land	13,883,400	-	-	13,883,400	-	-	13,883,400	13,883,400
	Fiat	32,132,701	-	-	32,132,701	661,777	535,545	30,935,379	31,470,924
(c)	Factory Building	355,587,799	1,451,326	-	357,039,125	132,087,293	5,046,503	219,905,329	223,500,506
(d)	Plant & Machinery	1,350,649,510	58,512,958	-	1,409,162,468	940,701,453	51,434,448	417,026,567	409,948,056
(e)	Electrical Installation	46,791,384	5,486,205	-	52,277,589	34,700,411	1,405,663	16,171,515	12,090,973
(f)	Office Equipment	9,877,029	859,098	-	10,736,127	8,401,5341	418,185	1,916,408	1,475,495
(g)	Laboratory Equipments (Imported)	10,025,557	-	-	10,025,557	9,485,522	51,303	488,732	540,035
(h)	Vehicles	50,696,596	1,118,219	-	51,814,815	40,824,426	991,701	9,998,687	9,872,170
(i)	Furniture & Fixtures	10,880,169	-	-	10,880,169	9,251,748	143,542	1,484,878	1,628,421
(j)	D. G. Sets - Imported	3,187,661	-	-	3,187,661	3,134,427	5,057	48,177	53,234
(k)	Equipments Below ₹ 5000	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>1,888,367,158</b>	<b>67,427,806</b>	<b>-</b>	<b>1,955,794,964</b>	<b>1,179,248,592</b>	<b>60,031,948</b>	<b>1,239,280,540</b>	<b>709,118,566</b>

**Note 2 (a)**  
**Property, Plant and Equipment (PPE)**

No	Particulars	GROSS BLOCK			DEPRECIATION		Net Block		
		as on 01.04.2018	Additions	Disposals	as on 31.03.2019	as on 01.04.2018	for the year	As at 31.3.2019	as at 31.3.2018
<b>1) TANGIBLE ASSETS</b>									
(a)	Land	4,655,353	-	-	4,655,353	-	-	4,655,353	4,655,353
(b)	Kagal MIDC Land	13,883,400	-	-	13,883,400	-	-	13,883,400	13,883,400
	Fiat	30,716,403	1,416,298	-	32,132,701	126,232	535,545	31,470,924	30,590,171
(c)	Factory Building	355,587,799	-	-	355,587,799	124,391,992	7,695,301	223,500,506	231,195,807
(d)	Plant & Machinery	1,333,873,065	16,776,445	-	1,350,649,510	885,632,775	55,068,678	409,948,057	448,240,290
(e)	Electrical Installation	46,500,193	291,191	-	46,791,384	31,858,013	2,842,398	12,090,973	14,642,180
(f)	Office Equipment	9,427,601	449,428	-	9,877,029	8,188,599	212,935	1,475,495	1,239,002
(g)	Laboratory Equipments (Imported)	10,025,557	-	-	10,025,557	9,480,881	4,641	540,035	544,676
(h)	Vehicles	50,696,596	-	-	50,696,596	35,156,943	5,667,483	9,872,170	15,539,652
(i)	Furniture & Fixtures	10,765,245	114,924	-	10,880,169	8,634,879	616,869	1,628,421	2,130,366
(j)	D. G. Sets - Imported	3,187,661	-	-	3,187,661	3,028,278	106,149	53,234	159,383
(k)	Equipments Below ₹ 5000	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>1,869,318,873</b>	<b>19,048,286</b>	<b>-</b>	<b>1,888,367,159</b>	<b>1,106,498,592</b>	<b>72,749,999</b>	<b>1,179,248,591</b>	<b>762,820,280</b>

Note 2 (b)  
Capital Work in Progress (Amount in ₹)

Particulars	GROSS BLOCK			DEPRECIATION		Net Block	
	as on 01.04.2019	Additions	Disposals	as on 01.04.2019	for the year	as at 31.3.2020	as at 31.3.2019
<b>2) CAPITAL WORK IN PROGRESS</b>							
(a) P & M Capital WIP - Textile	42,270,558	-	42,270,558	-	-	-	42,270,558
(b) P & M Capital WIP - Hydro	91,085	-	91,085	-	-	-	91,085
(c) Capital WIP - Subsidiary	1,634,918	28,420,082	-	-	-	30,055,000	1,634,918
<b>TOTAL</b>	<b>43,996,561</b>	<b>28,420,082</b>	<b>42,361,643</b>	<b>-</b>	<b>-</b>	<b>30,055,000</b>	<b>43,996,561</b>

Note 2 (b)  
Capital Work in Progress (Amount in ₹)

Particulars	GROSS BLOCK			DEPRECIATION		Net Block	
	as on 01.04.2018	Additions	Disposals	as on 01.04.2018	for the year	as at 31.3.2019	as at 31.3.2018
<b>2) CAPITAL WORK IN PROGRESS</b>							
(a) P & M Capital WIP - Textile	2,047,382	40,223,176	-	-	-	42,270,558	2,047,382
(b) P & M Capital WIP - Hydro	91,085	-	-	-	-	91,085	91,085
(c) Capital WIP - Subsidiary	-	1,634,918	-	-	-	1,634,918	-
<b>TOTAL</b>	<b>2,138,467</b>	<b>41,858,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,996,561</b>	<b>2,138,467</b>

(Amount In ₹)

Particulars	Current Year ended on 31/03/2020	Previous Year ended on 31/03/2019
<b>Note No. 3 (a)</b>		
<b>(i) Investments</b>		
<b>Investment in Quoted Shares</b>	-	-
<b>Investment in Unquoted Shares</b>		
Share of Parshwanath Co-op Bank Ltd. 7404 Equity Shares of ` 25/- each (at cost)	185,100	185,100
Kallappana Awade Ichalkaranji J. Co. Bank Ltd 1000 Equity Shares of ` 500/- each (at cost)	500,000	500,000
Mahalaxmi Co.op. Bank Ltd. 675000 Equity Shares of ` 1 each (at Cost)	675,000	175,000
Rajarambapu Sah. Bank Ltd. 50000 Equity Shares of ` 10/- each (at Cost)	500,000	500,000
Urban Bank Shares	1,250,000	-
<b>TOTAL :</b>	<b>3,110,100</b>	<b>1,360,100</b>

**Note No.3 (b)**

<b>(ii) Long Term - Security Deposit</b>		
Telephone/ MSEB/ Water Deposit	10,406,116	10,462,837
<b>TOTAL :</b>	<b>10,406,116</b>	<b>10,462,837</b>

**Note No.4**

<b>Current Assets -</b>		
<b>(a) Inventories</b>		
(i) Raw Material	139,405,750	143,604,000
(ii) Finished Goods	161,182,000	159,910,000
(iii) Stock in Process	69,060,000	65,215,000
(iv) Stores, Spares & Packing Material	12,083,000	12,565,000
(v) Waste	24,883,000	19,933,000
<b>TOTAL :</b>	<b>406,613,750</b>	<b>401,227,000</b>

**Note No. 5**

<b>(b) Financial Assets</b>		
(i) Trade Receivables	533,325,225	415,550,609
Due to Micro & Small Enterprises		
Due to other than Micro & Small Enterprises		
Other Debts	-	-
<b>TOTAL :</b>	<b>533,325,225</b>	<b>415,550,609</b>

**Note No. 6**

(ii) Cash and Cash Equivalents	355,892	738,859
(iii) Bank Balance other than (ii) above		
(i) In Current Account	177,977	1,547,104
(ii) In Fixed Deposits & Recurring Deposits	77,883,566	6,352,250
<b>TOTAL :</b>	<b>78,061,543</b>	<b>7,899,354</b>
(iii) Other Bank Balance - Dividend Warrant Accounts (Earmarked balances with banks- Dividend Warrant Accounts)	-	-
<b>TOTAL :</b>	<b>78,417,435</b>	<b>8,638,213</b>



**Note No. 7**

<b>(iv) Loans- Short - Term Loans &amp; Advances</b>		
Staff Advance	239,853	383,574
Prepaid expenses	4,911,595	5,292,958
Advance Income tax/TDS/MAT	18,723,942	38,418,134
Advances Recoverable/MVAT/REC	210,271,073	154,028,899
Cenvat/Duty Drawback/PLA	-	1,802,045
<b>TOTAL :</b>	<b>234,146,463</b>	<b>199,925,610</b>

**EQUITY AND LIABILITIES**
**Note No. 8**

<b>EQUITY</b>		
<b>(a) Equity Share Capital Authorised</b>	<b>260,000,000</b>	<b>260,000,000</b>
26000000 Equity Shares of ` 10/- each (Previous Year 26000000 Equity Shares of ` 10/- each)		
<b>Issued, Subscribed &amp; Paid Up</b>	<b>200,997,000</b>	<b>200,997,000</b>
20099700 Equity Shares of ` 10/- each fully paid up (Previous Year 20099700 Equity Shares of ` 10/- each)		
<b>TOTAL :</b>	<b>200,997,000</b>	<b>200,997,000</b>

**Note -**

- a) Equity Shareholders List holding more than 5% of equity shares along with the number of equity shares held is as given below

Name of Shareholder	31.03.2020		31.03.2019	
	%	No. of Shares	%	No. of Shares
<b>Shivaji Ramchandra Mohite</b>	<b>45.65</b>	<b>9,176,324</b>	<b>45.65</b>	<b>9,176,324</b>
<b>Monika Shivaji Mohite</b>	<b>23.17</b>	<b>4,656,339</b>	<b>23.17</b>	<b>4,656,339</b>

- b) The Company has only one class of equity share of par value ` 10/- Each holder of the equity shares is entitled to one vote per share.
- c) During the previous Five years, the company has not issued bonus shares / bought back shares / issued shares for consideration other than cash

**Note No.09**

<b>(b) Other Equity</b>		
General Reserve	687,258,983	665,945,932
Add: Current Year	-	-
<b>Sub Total :</b>	<b>687,258,983</b>	<b>665,945,932</b>
Add : Net Profit for the Current Year	15,563,747	21,284,703
Less : Short Provision of Income Tax		
Add:Share in Profits of Subsidiary	13827581	-
<b>TOTAL :</b>	<b>716,650,311</b>	<b>687,230,635</b>

**LIABILITIES**
**Non Current Liabilities**
**Note No. 10**

<b>(a) Financial Liabilities :</b>		
<b>(i) Long Term Borrowings</b>		
a) Term Loan from Banks/Financial Institutions	628,418,278	525,473,537
b) Car Loans from Banks	-	-
<b>Sub Total:</b>	<b>628,418,278</b>	<b>525,473,537</b>
<b>(ii) Unsecured Loans from Directors</b>	<b>38,127,263</b>	<b>6,690,763</b>
<b>Sub Total :</b>	<b>38,127,263</b>	<b>6,690,763</b>
<b>TOTAL :</b>	<b>666,545,541</b>	<b>532,164,300</b>

**Notes :**

1. LIC loan against policy is availed against assignment of Key Man Insurance Policies
2. LIC loan against property is secured by exclusive first charge on personal property of directors located at Plot 250B/1A/4, E Ward, Nagala Park, Kolhapur
3. Daimler Finance Vehicle Loan is secured by hypothecation of respective vehicle against which loan is sanctioned.

**Note No. 11**

(C) Deferred Tax Liabilities (Net)	21,639,502	24,511,963
<b>TOTAL :</b>	<b>21,639,502</b>	<b>24,511,963</b>

**Current Liabilities**
**Note No. 12**

<b>Financial Liabilities</b>		
Short Term Borrowings from Banks	51834819	
i. Bank of Baroda	167,069,200	218,526,668
ii. IDBI Bank Ltd.	-	-
iii. State Bank of India	-	-
<b>TOTAL :</b>	<b>218,904,019</b>	<b>218,526,668</b>

**Notes :**

Working Capital Facilities in (i) to (iii) are secured by First Charge on Entire stock of Raw Material, Stock in Process, finished Goods, Consumables, Stores and spare, book debts on pari passu with other bank (present & future)

**Note No.13**

<b>(iii) Trade Payable</b>		
Due to Micro & Small Enterprises	8,722,421	6,598,230
Due to other than Micro & Small Enterprises	29,540,607	28,265,104
<b>TOTAL :</b>	<b>38,263,028</b>	<b>34,863,334</b>

**Note No. 14**

<b>(iii) Other Financial Liabilities</b>		
Current Maturities of Long Term Loans	76,719,324	72,818,520
Advance from Customers	-	-
Unpaid /Unclaimed Dividend	-	-
<b>TOTAL :</b>	<b>76,719,324</b>	<b>72,818,520</b>

**Note No.15**

<b>(b) Other Current Liabilities</b>	<b>7,699,318</b>	<b>-</b>
Security Deposit payable	5,268,924	991,803
Provision for Income Tax	19,630,671	17,155,671
Statutory Liabilities	1,322,039	496,122
Provison for Expenses	4,584,916	965,834
<b>TOTAL :</b>	<b>38,505,868</b>	<b>19,609,430</b>

**Note No.16**

<b>Net Revenue From Operations</b>		
Export Sales	-	137,293,509
Domestic Sales	1,067,290,216	840,761,277
Cotton Waste Sales	10,896,065	8,387,368
Jobwork Income	10,472,788	1,865,266
Fabric Sale	108,086	6,611,464
Hydro Power Units & REC	109,614,055	169,729,304
<b>TOTAL :</b>	<b>1,198,381,210</b>	<b>1,164,648,188</b>

**Note No.17**

<b>Other Operating Income</b>		
Exchange Gain	63,580	-
Electricity Charges Refund Received	412,487	-
Electricity Subsidy Received	25,129,146	135,681
Other Income	77,498	201,048
<b>TOTAL :</b>	<b>25,682,711</b>	<b>336,729</b>

**Note No.18**

<b>Other Income</b>		
Income from non-current investments		
a) Dividend Received	-	-
b) Interest Received	952,536	1,103,135
c) Discount received	184,289	-
<b>TOTAL :</b>	<b>1,136,825</b>	<b>1,103,135</b>

**Note No.19**

<b>Cost of Materials Consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock	143,604,000	146,157,000
Add: Purchases	539,465,025	662,680,760
Less Closing Stock	139,405,750	143,604,000
<b>TOTAL :</b>	<b>543,663,275</b>	<b>665,233,760</b>
<b>Packing Material</b>		
Opening Stock	1,877,000	1,400,000
Add: Purchases	9,666,284	13,979,024
Less Closing Stock	2,970,000	1,877,000
<b>TOTAL :</b>	<b>8,573,284</b>	<b>13,502,024</b>
<b>Stores &amp; Spares Consumed</b>		
Opening Stock	10,688,000	2,375,000
Add: Purchases	12,538,390	16,647,544
Less Closing Stock	9,113,000	10,688,000
<b>TOTAL :</b>	<b>14,113,390</b>	<b>8,334,544</b>
<b>Total Cost of Material Consumed :</b>	<b>566,349,949</b>	<b>687,070,328</b>

**Note No.20**

<b>Changes in Inventories of Finished Goods, Work-in-process and Stock-in-Trade</b>		
<u>Opening Stock</u>		
Finished goods	159,910,000	166,440,000
Stock in Process	65,215,000	70,014,000
Waste	19,933,000	25,045,000
<b>Total :</b>	<b>245,058,000</b>	<b>261,499,000</b>
<u>Closing Stock</u>		
Finished goods	161,182,000	159,910,000
Stock in Process	69,060,000	65,215,000
Waste	24,883,000	19,933,000
<b>Total :</b>	<b>255,125,000</b>	<b>245,058,000</b>
<b>Increase/(Decrease) in Stock :</b>	<b>(10,067,000)</b>	<b>16,441,000</b>

**Note No.21**

<b>Employee Benefits Expenses</b>		
Salary, Wages, Stipend & Bonus	104,039,679	88,967,134
Providend fund & ESI Contribution	6,811,355	15,214,371
Staff /Lavour Welfare Expenses	1,724,839	1,229,222
<b>TOTAL :</b>	<b>112,575,873</b>	<b>105,410,727</b>

**Note No.22**

<b>Cost of Finance</b>		
Interest	86,970,144	104,717,981
Bank Charges & Other Charges	1,185,026	1,240,795
<b>TOTAL :</b>	<b>88,155,170</b>	<b>105,958,776</b>

**Note No. 23**

<b>Depreciation and amortization Expenses</b>		
<b>TOTAL :</b>	<b>60,031,948</b>	<b>72,749,999</b>

**Note No.24**

<b>Manufacturing and Other Expenses</b>		
<b>A) Manufacturing Expenses</b>		
Power & Fuel	140,209,086	109,052,400
Freight, Clearing & Forwarding	187,466	2,475
Repairs & Maintenance	1,221,666	3,983,933
Mixing, Unloading, Procurement Expenses	6,339,647	8,007,800
Factory General Expenses	453,256	675,765
Transaction/Scheduling/Application/Wheeling. Water Charges	5,854,931	14,184,189
<b>Total A :</b>	<b>154,266,052</b>	<b>135,906,562</b>
<b>B) Other Expenses</b>		
Audit Fees	140,000	70,000
Advertisements	356,170	149,200
Clearing & Forwarding	207,276	101,315
Commission on Sales	363,855	441,890
Insurance	3,004,102	1,681,098
Legal and Professional Fees	11,517,222	5,735,237
Printing & Stationery	481,195	178,176
Postage, Telegram & Telephone	253,622	350,069
Travelling and Conveyance	3,039,922	3,853,112
Security Expenses	4,186,765	4,321,597
Rent, Rates Taxes & Repairs	3,667,572	2,483,375
REC Issuance Fees	-	504,615
Miscellaneous Expenses	2,358,919	2,527,398
CSR Activity	1,000,000	-
Construction site expenses	181,054,172	-
<b>Total B :</b>	<b>211,630,792</b>	<b>22,397,082</b>
<b>TOTAL (A + B) :</b>	<b>365,896,844</b>	<b>158,303,644 -</b>

HYDRO POWER

CONSTRUCTION



TEXTILE



SHIVAJI MOHITE  
GROUP

REGISTERED OFFICE

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