

SHIVAJI MOHITE
GROUP

MOHITE INDUSTRIES LTD.

30th

Annual Report

2020 - 2021





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BOARD OF DIRECTORS

Shivaji Ramchandra Mohite

Managing Director

Monika Shivaji Mohite

Joint Managing Director

Abhay Shamrao Bhide

Wholetime/Executive Director & CEO

Vijay Madanlal Nawandhar (ceased to be director w.e.f 01st Oct. 2020)

Independent Director

Shankar Hindurao Patil (ceased to be director w.e.f 01st Oct. 2020)

Independent Director

Ranjeet Dinkarrao Patil (ceased to be director w.e.f 01st Oct. 2020)

Independent Director

Nikhil Vijay Nawandhar (Appointed to be director w.e.f 24th Oct. 2020)

Independent Director

Bhushan Madhukar Deshpande (Appointed to be director w.e.f 24th Oct. 2020)

Independent Director

Annasaheb Dhondiba More (Appointed to be director w.e.f 24th Oct. 2020)

Independent Director

SPINNING UNIT & REGISTERED OFFICE

R.S.No. 347, Ambapwadi Phata,
NH - 4, Vadgaon, Tal - Hatkanangale,
Dist.- Kolhapur INDIA 416112
web – www.mohite.com
email – mohitex@bsnl.in cs@mohite.com
Phone - +91 99223 70707 96235 70707

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 30th Annual Report of the Company along with the Audited Financial Statements and Auditor's report for the year ended 31st March, 2021

1. FINANCIAL RESULTS :

(₹ in Lakhs)

Particulars	For the year ended on 31 st March 2021 (Standalone)	For the year ended on 31 st March 2020 (Standalone)	For the year ended on 31 st March 2021 (Consolidated)	For the year ended on 31 st March 2020 (Consolidated)
Income from Operations				
a) Revenue from Business Operations	6477.98	9648.80	8866.45	11983.81
b) Other Income	314.78	266.35	321.12	268.20
Total Income from Operation	6792.76	9915.15	9187.57	12252.01
Profit Before Finance costs, Depreciation & Tax	1405.84	1577.79	1852.45	1904.30
Less : Finance Costs	806.78	837.50	926.07	881.55
Profit before Depreciation & Tax	599.06	740.29	926.38	1022.90
Less : Depreciation	523.91	588.63	553.53	600.32
Profit before Tax	75.15	151.66	372.85	422.58
Less - Current Tax	7.80	24.75	47.80	24.75
Less - Previous year adjustment of Tax	-	-	-	-
Less -Deferred Tax	(29.77)	(28.72)	(29.77)	(28.72)
Profit/ (Loss) for the period from continuing operations	97.12	155.63	354.82	426.55
Other Comprehensive Income Net of Tax	-	-	-	-
Total Comprehensive Income After Tax	97.12	155.63	354.82	426.55
Amount Transferred to General Reserve	-	-	-	-
Balance of Profit Brought Forward	-	6872.59	-	6872.59
Short Provision of Income Tax	-	-	-	-
Depreciation Reversal	-	-	-	-
Balance carried to Balance Sheet	7125.35	7028.23	7397.63	7166.50
Earning per share (Basic)/ (Diluted)	0.48	0.77	1.77	2.12

PERFORMANCE REVIEW-**Standalone results -**

During the Financial year under review the Company has achieved standalone revenue of ₹ 6477.98 Lakhs and that for previous year was ₹ 9648.80 Lakhs. The net Profit (after tax) of ₹ 97.12 Lakhs during the year and that for previous year there was net profit (after tax) of ₹ 155.63 Lakhs.

Consolidated Results -

During the Financial year under review the Company has achieved consolidated revenue of ₹ 8866.45 Lakhs and that for previous year was ₹ 11983.81 Lakhs. The net Profit (after tax) of ₹ 354.82 Lakhs during the year and that for previous year there was net profit (after tax) of ₹ 426.55 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 2020-21.

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 Mrs. Monika Shivaji Mohite (DIN : 00425614), retire by rotation at the ensuing Annual General Meeting and being eligible offered herself for re-appointment and your Board recommends for her re-appointment.

Term of all Independent directors Mr. Vijay Madanlal Nawandhar (DIN 00218197), Mr. Ranjeet Dinkarrao Patil (DIN 02496342) and Mr. Shankar Hindurao Patil (DIN 03198638) was expired on 30th September 2020 and in terms of provisions of section 149(11) as they all were appointed for two consecutive terms and therefore were not eligible for reappointment. Hence they all three were ceased to be director with effect from 01st October 2020. In annual general meeting of the Company held on Saturday 24th October 2020, as per recommendation of the Board the members approved the appointment of Mr. Annasaheb Dhondiba More, (DIN 08861721), Mr. Bhushan Madhukar Deshpande (DIN 08861720) & Mr. Nikhil Vijay Nawandhar (DIN01291811) as an independent directors

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. Those are as follows

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

The composition of committees and changes therein during the year, 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 5 times during the year i.e. 04.05.2020, 03.09.2020, 15.09.2020, 13.11.2020 and 13.02.2021. The details regarding attendance of directors is given in the Report on Corporate Governance.

The gap in meeting held on 04.05.2020 and on 03.09.2020 was of 121 days, which is more than maximum allowed gap between two consecutive boards meeting i.e. 120 days. The violation is due to inadvertence and besides this violation all meetings were 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 2020-21, 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 2020-21 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

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2020-21 is uploaded on the website of the Company www.mohite.com and the same is available at <http://www.mohite.com/pdf/Annual%20Report/extract-annual-return-MGT-9-2021.pdf>

12. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2021 was ₹ 20.0997 Crore comprising of 20099700 equity shares of ₹ 10/- each. During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Equity Shares of your Company are presently listed on BSE Ltd. only. The Company has duly paid the listing fees to BSE Ltd. for the Financial Year 2021-22.

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 sustainability 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 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 2020-21 and also for current FY 2021-22 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 in previous years 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. The company had contributed ₹10.00 lakhs to 'Tata Memorial Center' in FY 2019-2020 through PARVATI MOHITE FOUNDATION. Other than that the company has not undertaken then after any CSR activity

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

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 II**, which is attached hereto and forms a part of the Directors' Report. There are no material significant related parties 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://www.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

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

During the financial year under consideration, in wake of COVID 19 pandemic and lockdown situation in many states and union territories across country, the operations of the company were totally closed/ stopped for near about 6 months i.e. from 22nd March 2020 to 22nd September 2020. As operations were totally closed it badly impacts on financial and operational position of the company. 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 2020-21. Details of violation and comments of the board thereon are as below-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviation	Comments of Board of directors
1	<p>(a) Regulation 27(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p> <p>(b) SEBI circular no SEBI/HO/CFD /CMD1/CIR/P/2020/38 Dt.19th March 2020</p> <p>Reg. 27(2) requires that the listed entity shall submit a quarterly compliance report on corporate governance to the recognised stock exchange within fifteen days from close of the quarter. And circular extended the date for quarter ended of 31st March 2020 up to 15th May 2020 due to COVID 19 pandemic.</p>	<p>The listed entity delayed the submission of a quarterly compliance report on corporate governance for quarter ended on 31st March 2020 to the recognised stock exchange. The delay was of 45 days.</p>	<p>Due to COVID 19 pandemic and lockdown the Companies operations were totally closed during period from 22nd March 2020 to 22nd September 2020. That's why access to office was difficult and consequently compliance of various rules and regulations were also hindered. The company submitted the compliance report on corporate governance for quarter ended on 31st March 2020 on 30th June 2020 i.e. with delay of 45 days</p>
2	<p>a) Reg. 33(3)(a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</p> <p>b) SEBI circular no SEBI/HO/CFD/ CMD1/CIR/P/2020/38 Dt. 19th March 2020</p> <p>c) SEBI circular no SEBI/HO/CFD/ CMD1/CIR/P/2020/106 Dt. 24th May 2020</p> <p>Reg. 33 requires that Audited Financial statements to be submitted within 60 days of end of the quarter and year ended on 31st March 2020 while both circulars read together due date extended up to 31st July 2020</p>	<p>The listed entity delayed the submission of a quarterly and yearly audited financial statement for period ended on 31st March 2020 to the recognised stock exchange. The delay was of 32 days.</p>	<p>Due to COVID 19 pandemic and lockdown the Companies operations were totally closed during period from 22nd March 2020 to 22nd September 2020. That's why access to office was difficult and consequently compliance of various rules and regulations were also hindered.</p> <p>The company submitted the quarterly and yearly audited financial statement for period ended on 31st March 2020 on 03rd September 2020 with delay of 32days.</p> <p>The penalty of ₹188800/- was levied for delay in submission of Financial results for period ended on 31st March 2020. And also accounts of promoters are freezed for non-payment of penalty.</p> <p>The Company replied that delay was due to abnormal situation arose due to COVID 19 pandemic, as company totally scaled down its</p>

			operation since end of March 2020 (i.e. declaration of lockdown) till 22 nd Sept. 2020. Access to books of accounts, preparation, finalization and audit of financial statements was so difficult that's why delay in submission occurred. And the Company has paid the penalty before date of this report
3	a) Regulation 17 (2) of SEBI LODR Regulation 2015 provides that -The board of directors shall meet at least four time a year, with a maximum gap of one hundred and twenty days between any two meetings”.	It is observed that the gap between Board meeting held in 04-05-2020 and 03-09-2020 is of 121 days.(i.e. exceeds 120 days)	During lockdown preparation of accounting statements and audit thereof was so difficult and 03 rd Sept. 2020 was only earliest possible date on which accounts were ready for consideration and adoption hence, board meeting was held on 03 rd Sept. 2020. Violation was not due to negligence or intentional one but due to abnormal situation arose. The Company has submitted its clarification to BSE.
4	Section 135 of the Companies Act 2013 and rules thereunder.	Company incurred CSR liability aggregating of ₹ 47.89 lakhs during FY 2014-15, 2015-16, 2016-17 and 2017-18. Still end of the FY 2019-2020 Company has failed to spend all the amount of liability on CSR activities. Also company fails to transfer the same to such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year	The company from FY 2018-19 not covered under applicable criteria for CSR. The 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. During year 2019-2020 ₹10.00 lakhs were transferred to 'Parvati Mohite Foundation and Parvati Mohite Foundation donate that amount to 'TATA MEMORIAL CENTRE' The Company will spent remaining CSR funds in this year on CSR activities.

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 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.

But during year under consideration BSE Ltd imposed penalty for delay in compliance of the provisions of SEBI (LODR) Regulation 2015, penalty details are given in point no 20 to this report.

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 behaviour, 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

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 III** 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 2021-22.

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. 2020-21. 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 F. Y. 2021-22.

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:-

- Report on Corporate Governance
- Management Discussion and Analysis Report
- 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-IV & V** to this Report.

Remuneration from subsidiary

During year under consideration 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 7th 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 2021-22 at a remuneration of ₹ 60000/- (Rupees Sixty 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 2021-22 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 a subsidiary namely Solitaire Constructions Private Limited, belongs to same promoter group as that of your company and from financial year under consideration the subsidiary has become a material subsidiary company as defined under Regulation 16 of the Listing Regulations. Accordingly, the corporate governance requirements as applicable with respect to material unlisted subsidiary have been complied with.

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at 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.

The company doesn't have associates or joint venture companies. The board of directors decided to sale out entire investment in subsidiary to purchaser who are promoter and member of promoter group of the company for consideration as set out below.

32. DIVESTMENT IN SUBSIDIARY

The board of directors decided to sale out entire investment in subsidiary to purchaser, who are promoter and member of promoter group of the company for consideration as set out below.

Sr. No	Purchaser	No. of Shares	Consideration (₹)
1.	Shivaji Ramchandra Mohite	1305000	1,56,60,000/-
2	Monika Shivaji Mohite	585000	70,20,000/-
3	Dhruv Shivaji Mohite	450000	54,00,000/-

The Company holds 52% shares in its subsidiary viz. Solitaire Constructions Private Limited. Presently subsidiary has no any project and in future subsidiary company will earn only from maintenance activity and there is no possibility that subsidiary will receive any construction project. Also your company's financial liquidity badly affected due to pandemic lockdown in overall market, hence in order to meet financial need for business operations of the company management come out with this proposal. There are less chances of improvement in the performance of subsidiary in future.

In view of the above, it was decided by the Board of Directors of the Company to sell, transfer or otherwise disposes of the entire holding of the Company in its subsidiary and proposed resolution seeking approval will be placed before shareholder in forthcoming Annual General Meeting.

33. CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company as of and for the year ended March 31, 2021 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.

34. 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 VII".

35. 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.

36. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board as required under Section 143(12) of the Act and the rules made thereunder.

37. 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 - 27th August, 2021

SHIVAJI MOHITE
MANAGING DIRECTOR
DIN 00425441

MONIKA MOHITE
JOINT MANAGING DIRECTOR
DIN 00425614