nxtbloc

Autoclaved Aerated Concrete Blocks

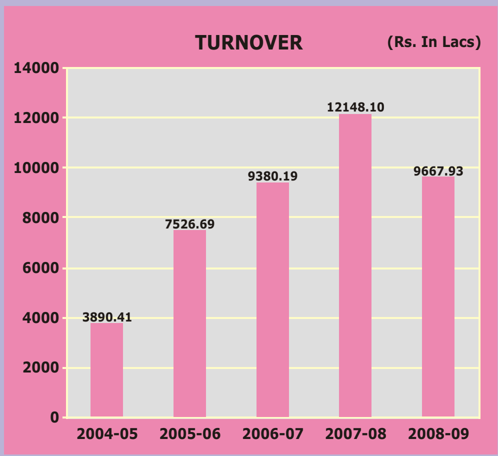
Our New Venture

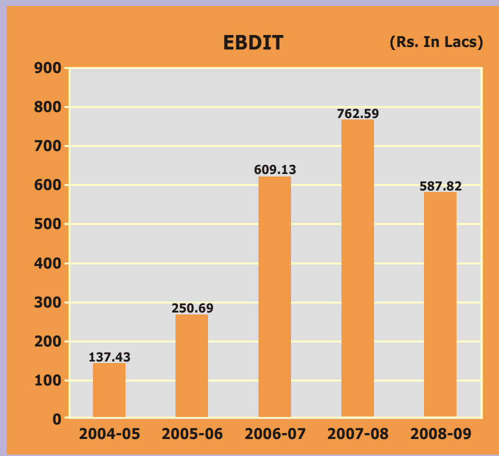
Higher in Technology Better in Quality

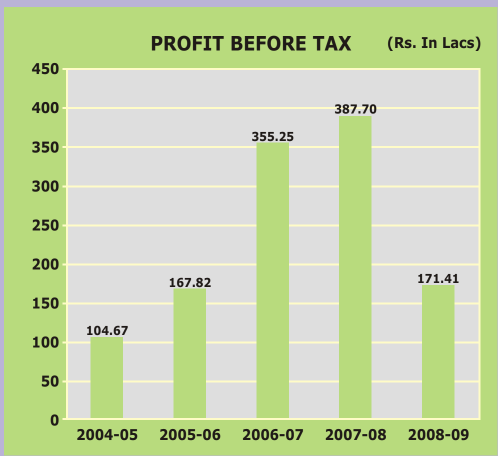
19th ANNUAL REPORT 2008-09

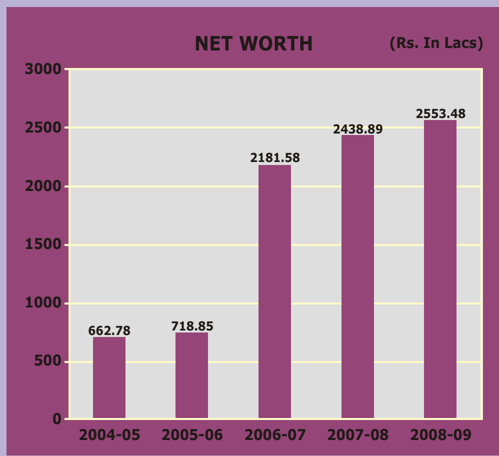
MOHIT

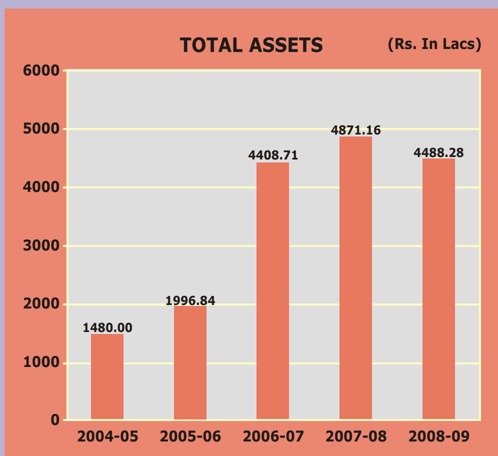
INDUSTRIES LTD.


TURNOVER
(Rs. In Lacs)
14000
12000
10000
8000
6000
4000
2000
0
3890.41
7526.69
9380.19
12148.10
9667.93
2004-05
2005-06
2006-07
2007-08
2008-09


EBDIT
(Rs. In Lacs)
900
800
700
600
500
400
300
200
100
0
137.43
250.69
609.13
762.59
587.82
2004-05
2005-06
2006-07
2007-08
2008-09


PROFIT BEFORE TAX
(Rs. In Lacs)
450
400
350
300
250
200
150
100
50
0
104.67
167.82
355.25
387.70
171.41
2004-05
2005-06
2006-07
2007-08
2008-09


NET WORTH
(Rs. In Lacs)
3000
2500
2000
1500
1000
500
0
662.78
718.85
2181.58
2438.89
2553.48
2004-05
2005-06
2006-07
2007-08
2008-09


TOTAL ASSETS
(Rs. In Lacs)
6000
5000
4000
3000
2000
1000
0
1480.00
1996.84
4408.71
4871.16
4488.28
2004-05
2005-06
2006-07
2007-08
2008-09

ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS :	**Shri Sitaram N. Saboo**	*Chairmen & Managing Director*
	Shri Narayan S. Saboo	*Jt. Managing Director*
	Shri Naresh S. Saboo	
	Shri Jayesh R. Gandhi	
	Miss Ayushi Jain	
	Shri Sachin Kumar Jain	

AUDITORS : **RKM & Co.**
Chartered Accountant
401, Trivedh Chambers,
Ring Road, Surat.

BANKERS : Stat Bank of Travancore

REGISTERED OFFICE : A/601, B, International trade center,
Majura gate, Ring Road,
Surat - 395002, Gujarat

PLANT :

1. Village : Kudsad
   Olpad
   Surat (Gujarat)
2. Village : Masat (Silvasa)
   Union Terriotory of Dadra & Nagar Haveli
3. AAC Blocks Division
   Village : Gowade, Tal. Palghar
   Dist. Thane (Maharashtra)

CONTENTS	**PAGE**

NOTICE

NOTICE is hereby given that **NINETEENTH ANNUAL GENERAL MEETING** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Tuesday, 29th day of September, 2009 at 10:00 A.M. at registered office of the company to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2009 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To appoint Mr. Narayan Saboo as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Naresh Saboo as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

   "**RESOLVED THAT** pursuant to Section 252, 255, 257 and other applicable provisions of the Companies Act, 1956, Ms. Ayushi Sudhir Jain be and is hereby appointed as a director liable to retire by rotation."

For and On behalf of the Board of Directors

Place : Surat
Date : 27-07-2009

SITARAM SABOO
CHAIRMAN

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Any instrument appointing a proxy or proxies should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item 5 is appended hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 21ST September, 2009 to Monday, 28th September, 2009 (both days inclusive).
5. Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available.
6. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pin code number, to the Registrar & Share Transfer Agent, Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059
7. The Shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO
SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Ms. Ayushi Sudhir Jain was appointed as an additional director of the company during the year. She is Commerce Graduate and an expert in finance and accounts. She is having more than 2years of experience in the field of accounts in large manufacturing company. She is having excellent knowledge in the accounts taxation and finance field. Her knowledge will be useful for the company and management is confident that with her presence and knowledge will take the company to newer heights. Brief Bio-Data is covered herein above so separate bio-data is not given.

Company has received a letter from the member, proposing name of Ms. Ayushi Sudhir Jain as Director of the Company under section 257 of the Companies Act, 1956.

Board of Director recommends the resolution for adoption.

No director is directly or indirectly interested in the resolution.

The proposed resolution is, therefore, recommended for your approval.

For and On behalf of the Board of Directors

Place : Surat
Date : 27-07-2009

SITARAM SABOO
CHAIRMAN

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report together with the Audited Statements of Account of the Company for the year ended 31st March, 2009 and the Auditors' report thereon.

Financial Results:

(Rs. In Lakhs)

Particulars	31.03.2009	31.03.2008
Sales & other income	**9729.68**	12197.20
Profits before depreciation, interest and Tax	**587.82**	802.5
Less: Depreciation	**195.68**	200.80
Interest	**220.74**	214.00
Profit before Tax	**171.40**	387.70
Less: Provision for tax	**61.46**	135.02
Profit after tax	**109.94**	252.70

Current Year Operation:

As plan last year, Your company has started implementation of AAC Blocks. Project has been appraised by GITCO and loan portion of the project has been senctioned by State Bank of Travancore.

Dividend:

The directors have not recommended any final dividend.

Directors:

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of the Company, Mr. Narayan Saboo and Mr. Naresh Saboo are directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his appointment.

Audit Committee:

The Audit Committee of the Board presently comprises of Ms. Ayushi Jain , Mr. Sitaram Saboo, and Mr. Sachin Jain. The Committee met three times during the year.

Director's Responsibility Statement:

Pursuant to the provisions of Section, 217(2AA) of the Companies Act, 1956 your Directors confirm:

(a) that applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;

(b) that the accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the company for the year ended on that date.

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

(d) that the annual accounts have been prepared on a going concern basis.

Particulars under Section 217(2A) of the Companies Act, 1956 :

There were no employees who were in receipt of remuneration exceeding the ceiling limit prescribed under the Companies (Particulars of Employees) Rules, 1975 calling for furnishing their particulars.

Conservation of Energy, Technology, Absorption and Foreign Exchange Earning and outgo:

A. Conservation of Energy, Technology and Absorption :

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption is given in the Annexure forming part of this report.

B. Foreign Exchange Earnings and Outgo :

The detail of Foreign Exchange Earning / Outgo is given in Annexure forming part of this report.

Auditors' Report

Observations made in the Auditors' Report read with relevant notes in Notes to Accounts, call for comments under Section 217(3) of the Companies Act, 1956 regarding not made provision for Long term Employee Benefits. Board is of the opinion that Company doesn't have high nos. of men power plus turnover is also very nominal compared to the size of the company hence company has practice to not to provide for long term employee benefits.

Auditors :

M/s. RKM & Co. Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting. They being eligible for reappointment, the Board recommends their reappointment.

Corporate Governance :

A report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this Report. Clause 49 has been revised recently and the same would be implemented as per Schedule in the current year.

Fixed Deposits :

The Company has not accepted any Fixed deposits under section 58-A of the Companies Act, 1956.

Acknowledgement :

The Directors would like to thank all the clients of the Company for the unstinted support received from them during the year.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and On behalf of the Board of Directors

Place : Surat
Date : 27-07-2009

SITARAM SABOO
CHAIRMAN

Annexure

	2008-09	2007-08
(A) Power and Fuel Consumption:		
1. Electricity		
(a) Purchased		
Units	**87.36 Lacs**	106.20 Lacs
Total Amount	**398.55 Lacs**	397.11 Lacs
Rate/Unit (Rs.)	**4.56**	3.74
(b) Own Generation		
i) Through Diesel Generator		
Units	**0.6 Lacs**	0.61 Lacs
Units per Ltr. of Diesel Oil	**3.5**	3.5
Rate/Unit (Rs.)	**10.15**	10.09
ii) Through Steam/Turbine Generator	**NIL**	NIL
2. Gas	**NIL**	NIL
3. Oil (LDO)/Diesel	**NIL**	NIL
4. Furnace Oil	**NIL**	NIL
5. Other internal generation	**NIL**	NIL

(B) Consumption per unit of Production :

Product	Grey Cloth (mtrs)		
	Electricity	**0.40**	0.40
Product	Yarn (kg.)		
	Electricity	**0.60**	0.60

TECHNOLOGY AGSORPTION, ADAPTATION AND INNOVATION :

The project of your company has no foreign collaboration, hence no particulars are offered for the same as the Rule 2 of the said Rules does not apply.

Foreign Exchange Earning/OUTGO

(Rs. in Lacs)

	2008-09	2007-08
Foreign exchange earned	**NIL**	NIL
Foreign Exchange Used:		
Purchase/Advance for capital Good	**116.19**	NIL
Trading Goods	**NIL**	NIL
Foreign Travel	**NIL**	NIL

CORPORATE GOVERNANCE REPORT

(A) Company's Philosophy on Code of Corporate Governance

Mohit Industries Limited has consistently adopted code of good Corporate Governance. The Company always secures rights of its shareholders and shares not only profit but information too on the performance of the Company and act as a trustee of its shareholders. The Company always discloses detailed information on various issues concerning the Company's business and financial performance to its shareholders. The company has achieved philosophy of Corporate Governance by business excellence by transparency, increasing long-term shareholder value and interest of all its stakeholders.

(B) Board of Directors

(i) Board Composition

The Board of Directors of the Company comprises an optimum combination of Executive and Non Executive Directors headed by a Executive Chairman. The Independent Directors do not have any pecuniary relationships or transactions either with the promoters/management that may affect their judgement in any manner. The Directors are experienced in business and corporate management. The Board meets at least once in a quarter to review, amongst other business, the quarterly performance and financial results of the Company. Directors attending the meeting actively participate in the deliberations at these meetings.

The constitution of the Board is as given below:

Sr. No.	Name of the Directors	Category	No. of other Directorships #	Committee Membership # # Member	Committee Membership # # Chairman
1	Mr. Sitaram N. Saboo	Chairman Executive	0	3	0
2	Mr. Naraya N. Saboo	Executive Director	2	0	0
3	Mr. Naresh S. Saboo	Non-Executive	1	0	0
4	Mr. Jayesh R. Gandhi	Non-Executive Independent	0	0	0
5	Mr.Sachin Kumar Jain	Non-Executive Independent	0	3	2
6	Mr. Gopal Sultania	Non-Executive Independent	3	0	0
7	Ms. Ayushi Sudhir Jain	Non-Executive Independent	0	3	1

\# Excludes Directoships of Private Limited Companies, Foreign Companies and Alternate Directorships.

\# # Committee of Directors include Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only and excludes Memberships in Private Limited Companies, Foreign Companies and Companies of Section 25 of the Companies Act, 1956.

Note : The expression Independent Director means director who apart from receiving director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board, may affect independence of judgement of the director.

(ii) Board Meetings and Attendance of Directors

During the financial year ended 31st March, 2009, Board of Directors met 15 times on (1) 05/04/2008, (2) 30/04/2008, (3) 23/06/2008, (4) 31/07/2008, (5) 26/08/2008, (6) 30/09/2008, (7) 10/10/2008, (8) 31/10/2008, (9) 31/01/2009, (10) 10/02/2009, (11) 13/02/2009, (12) 10/03/2009, (13) 26/03/2009, (14) 30/03/2009, (15)31/03/2009.

The maximum time gap between any two meetings was not more than four calendar months.

Attendance of Directors at the Board Meetings held during the financial year 2008-2009 and the last Annual General Meeting:

Sr. No.	Name of the Directors	Attendance at Board Meetings		Attendance at last Annual General Meeting
		No. of Meetings held during the year 2008-2009	No. of the Meetings Attended	
1	Mr. Sitaram N. Saboo	15	15	Yes
2	Mr. Narayan N. Saboo	15	15	Yes
3	Mr. Naresh S. Saboo	15	15	Yes
4	Mr. Jayesh R. Gandhi	15	7	Yes
5	Mr. Sachin Jain	15	10	No
6	Mr. Gopal Sultania	15	2	No
7	Ms. Ayushi Sudhir Jain	15	5	No

(iii) Directors seeking appointment/re-appointment:

Mr. Narayan Saboo and Mr. Naresh Saboo retire by rotation and, being eligible offers himself for re-appointment.

(C) Committees of the Board

(i) Audit Committee

The Audit Committee consists of three Directors Ms. Ayushi Jain, Mr. Sitaram Saboo and Mr. Sachin Jain. Ms. Ayushi Jain acts as a Chairman of the Audit Committee Meetings.

Three Audit Committee Meetings were held during the financial year 2008-2009 on 16/08/2008, 10/02/2009 and 30/03/2009. The Compositions of the Audit Committee and the attendance of each director at these meetings were as follows:

Sr. No.	Members of Audit Committee	No. of Meetings Attended
1	Mr. Sitaram Saboo	3
2	Mr. Sachin Jain	3
3	Ms. Ayushi Jain	2

The terms of reverence of the Audit Committee are in line with Clause 49 II (C) & (D) of the Stock Exchange Listing Agreement and Section 292A of the Companies Act, 1956. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company. The Committee has full access to financial information and also verified utilization of funds collected through Rights Issue. The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing with the management the financial statements and adequacy of internal control systems.

The Committee discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Audit Committee also discussed major issues related to risk management and compliances.

(ii) Remuneration Committee

The Remuneration Committee has been constituted to recommend / review the remuneration package of the Executive Directors, based on performance and defined criteria.

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

Mr. Sachin Jain is the Chairman and Mr. Sitaram Saboo & Ms. Ayushi Jain are the members of the Remuneration Committee.

The Remuneration Committee met once on 30/03/2009 during the Financial Year ended March 31, 2009 in which all the members were present.

Details of remuneration paid to the Directors during the year 2008-2009 are as follows :

Sr. No.	Name of the Directors	Sitting Fees(Rs.)	Salary and Perquisites (Rs.)	Commission (Rs.)	Total Remuneration (Rs.)
1	Mr. Sitaram N. Saboo	0	3,24,000	0	3,24,000
2	Mr. Narayan Saboo	0	2,10,000	0	2,10,000
3	Mr. Naresh Saboo	0	2,40,000	0	2,40,000

(iii) Shareholders/Investors Grievance Committee:

The Company has a Shareholders/Investors Grievance Committee of the Board comprising Mr. Sachin Jain, Mr. Sitaram Saboo and Ms. Ayushi Jain as members. The various issues addressed in connection with shareholders' and Investors' services and complains are :

(a) Share Transfers :

i) Approve and register transfer and transmission of shares, in cases where applicable.

ii) Sub-division/ consolidation of Share Certificates.

iii) Issue of duplicate share certificates in lieu of lost share certificates.

iv) Affix common seal on share certificates and maintain safe custody of common seal.

(b) Shareholders'/Investors' complaints pertaining to :

i) Non-receipt of Shares after transfer.

ii) Non-receipt of Annual Report.

iii) Other matters related to or arising out of Sharholders/Investors services.

The minutes of the Committee are placed before the Board. The quorum of the Committee is two members. The Committee meets regularly as prescribed under the Clause 49 of the listing agreement, to effect Share Transfers and for other related matters as referred in Point (a) to (b) above.

During the financial year ended 31st March 2009, all the complaints, received by the Company, were resolved to the satisfaction of the Shareholders/Investors.

There are no pending share transfers as on 31st March, 2009 except for those cases which are constrained by dispute or legal proceedings.

(D) General Body Meetings :

Year	Day and Date	Venue	Time
2006	29.09.2006	Meeting Hall, Super Yarn Market,Zampa Bazar, Surat	11.00 A.M.
2007	29.09.2007	A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat 395 002	04.00 P.M.
2008	30.09.2008	---Do—	10.00 A. M.

No Special Resolution is being put through postal ballot in the ensuing AGM as there is no such business, which statutorily requires voting through postal ballot.

(E) Disclosures:

(i) Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large. However the transactions detailed in Note No. 13 of Schedule 'S' to the accounts may be considered as related party transactions.

(ii) Disclosure of Accounting Treatment :

Company has not followed the treatment different from that prescribed in an Accounting Standard in the preparation of financial statements.

(iii) Risk Management :

The company has appointed insurance and other management consultants to assess risk and keep track to minimize the risk.

(iv) Proceeds from Right Issue :

Necessary periodical statements duly certified where ever required were placed before the Audit Committee.

(v) Compliances by the Company:

The Company has generally complied with the requirements of the Listing Agreement with the Stock Exchange as well as the regulations and guidelines prescribed by SEBI.

(F) Means of Communication :

(i) The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Stock Exchange, Mumbai immediately after the conclusion of the respective meeting.

(ii) The Management Discussion and Analysis Report forms a part of this Annual Report.

(G) General Shareholders' Information :

(i)	Date, time and venue of Annual General Meeting of Shareholders	29.09.2009 10:00 A.M. A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat.
(ii)	Financial Calendar (tentative and subject to change)	Financial reporting for quarter ended June 30, 2009 : By July 31, 2009 September 30, 2009 : By October 31, 2009 December 31, 2009 : By January 31, 2010 March 31, 2010 : By April 30, 2010 Annual General Meeting for year ended 31st March 2010 By September 30, 2010.
(iii)	Dates of book closures	From 21st September, 2009 to 28th September, 2009 (both days inclusive)
(iv)	Listing on stock exchanges	The Company's shares are listed and traded on The Bombay Stock Exchange, Mumbai.
(v)	Stock Exchange Code	531453

(vii) Stock Market price data

Monthly high and low at the Stock Exchange, Mumbai for financial year ended 31st March,2009

Month	High Rs.	Low Rs.
April, 2008	20.00	15.35
May, 2008	25.20	17.50
June, 2008	18.45	13.40
July, 2008	16.70	11.75
August, 2008	16.45	13.25
September, 2008	15.00	8.15
October, 2008	11.10	5.51
November, 2008	9.59	5.50
December, 2008	8.88	6.00
January, 2009	7.94	4.66
February, 2009	6.40	4.99
March, 2009	6.12	4.00

(viii) Registrar and Share Agents :

Adroit Corporate Services Pvt. Ltd.

19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059

Tel No.: (022) 2859 4060, 2859 6060 Fax No.: (022) 2850 3748 Email ID:adroits@vsnl.net

(ix) Share Transfer System :

All transfers received are processed and approved by the Share Transfer Committee, which considers transfers and other related matters. The Share Transfer committee of the Company meets as often as required.

(x) Distribution of Shareholding as on March 31, 2009

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 500	1983	71.49	417266	3.58
501 - 1000	366	13.19	317266	2.72
1001 - 5000	293	10.56	691283	5.93
5001 - 10000	51	1.84	368370	3.16
10001 & above	81	2.92	9863390	84.61
Total	**2774**	**100.00**	**11657575**	**100.00**

(xi) Categories of shareholding as on March 31, 2009

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	12	0.43	6199155	53.18
Banks, Financial Institutions, Insurance Companies	0	0	0	0
Private Corporate Bodies	135	4.87	1141363	9.79
NRI	19	0.68	95668	0.82
Indian Public	2608	94.02	4221389	36.21
Total	**2774**	**100.00**	**11657575**	**100.00**

(xii) Dematerialization of shares and liquidity About 98% of the Equity Shares have already been dematerialized upto 31st March, 2009 Mohit Industies Limited are listed at Mumbai Stock Exchange and being traded occasionally.

(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

There are no GDR / ADR / Warrant or any Convertible Instruments pernding conversion or any other instrument likely to impact the equity share capital of the Company.

(xiv) Plant Location

Kim Unit : Plot No. 5 & 6, Village Kudsad, Taluka Olpad, District Surat

Silvassa Unit : Plot No. 2, Moje Masat, Survey No. 301/1, Dadra Nagar Haveli

(xv) Address for Correspondence :

Mohit Industies Limited

A/601 B, International Trade Cernter, Majura Gate, Ring Road, Surat 395 002, Gujarat, India

Tel No : (0261) 2463261-62-63 Fax : (0261) 463264 Email : mohit_ind_ltd@yahoo.co. in

C.S. CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Mohit Industries Limited

I have examined the compliance of conditions of Corporate Governance by Mohit Industies Limited (the Company) for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

Dhiren R. Dave
Company Secretary
M. No. FCS 4889
C.P. No. 2496

Place : Surat
Date : 20-08-2009

AUDITORS' REPORT

To,
The Members of
MOHIT INDUSTRIES LTD., SURAT

We have audited the attached Balance Sheet of MOHIT INDUSTRIES LTD., as at 31st March, 2009 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2004 ('the Order') issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph above, we report that:-

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.

c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ***except for Accounting Standard-15 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans.***

e) On the basis of the written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (G) of sub-section (1) of section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and ***subject to Note No. 1(E) of Schedule 'T' of Statement of Accounting Policies and Notes on Accounts in respect of provision of Long Term Employee Benefits & Defined Benefit Plan,*** give a true and fair view in conformity with the accounting principles generally accepted in India:-

   1) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2009,

   2) In case of the Profit & Loss account, of the profit of the company for the year ended on that date.

   3) In case of the cash flow statement, of the cash flows of the company for the year ended on that date.

For RKM & CO.
Chartered Accountants

(RAMESH KUMAR MALPANI)
Partner
M. No. 33840

Place : Surat
Date : 27-07-2009

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The company has not disposed off substantial part of fixed assets during the year.

ii. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.

(b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on such physical verification.

Iii. (a) The company has granted advances in the nature of loans to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties to whom such advances have been granted are two. The maximum amount involved during the year was Rs. 3.27 Crores and the year end balance was Rs. 2.73 crores.

(b) In our opinion and as explained to us, the rate of interest and other terms and conditions on which the advances in the nature of loans have been granted to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, are, prima facie, not prejudicial to the interest of the company.

(c) As explained to us, the payment of principal and interest, wherever applicable, in respect of advances so given are regular

(d) As explained to us, there are no overdue amounts of principal or interest in respect of advances so given.

(e) The company has not taken loans from companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, provisions of clause 4 (iii) (e) to (g) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchases of inventories and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.

v. (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered into during the financial year at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

vi. The company has not accepted any deposit from public.

vii. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.

viii. As explained to us, the company is maintaining accounts and records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956. However, no such accounts/records were verified by us.

ix. (a) As explained to us, laws of Employee State Insurance are not applicable to the company. In respect of other undisputed statutory dues including provident fund, incometax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, the company has generally been regular in depositing the same with appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

X The company has no accumulated losses at the end of financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

Xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders during the year.

xii. In our opinion, and according to the information and explanations given to us and based on information available, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.

xiv. The company has maintained proper records regarding transactions and contracts for trading of shares and has done timely entries in such records. According to the informations and explanations given to us, all the investments are in the company's own name ***except investment in Government Securities (Kisan Vikas Patra) which are held in the name of directors on behalf of the company.***

xv. The company has given guarantee to State Bank of Travancore in respect of loan taken by Mohit Overseas Limited, in which the company is one of the main promoters. According to information and explanations given to us, we are of the opinion that the terms and conditions of guarantee so given are not, prima facie, prejudicial to the interest of the company.

xvi. In our opinion, the term loans have been applied for the purposes for which they were raised.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that the no funds raised on short-term basis have been used for long-term investment.

xviii. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies act, 1956.

xix. The company has not issued debentures during the year. Hence, the provisions of Clause 4(xix) of the Order are not applicable to the company.

xx. The company has not made any public issue during the year. Hence, the provisions of Clause 4(xx) of the Order are not applicable to the company.

xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For RKM & CO.
Chartered Accountants

(RAMESH KUMAR MALPANI)
Partner
M. No. 33840

Place : Surat
Date : 27-07-2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	PARTICULARS	SCHEDULE	**CURRENT YEAR (Rs.)**	PREVIOUS YEAR (Rs.)
I.	**SOURCES OF FUNDS**			
	1. Share Holders Fund :			
	- Share Capital	A	**116,575,750.00**	116,575,750.00
	- Reserve & Surplus	B	**139,547,877.11**	128,553,339.63
	Sub Total		**256,123,627.11**	245,129,089.63
	2. Loan Funds			
	- Secured Loans	C	**177,919,617.03**	227,921,881.95
	Sub Total		**177,919,617.03**	227,921,881.95
	3. Deferred Tax Liability		**15,560,611.00**	15,304,560.00
	Total		**449,603,855.14**	488,355,531.58
II.	**APPLICATION OF FUNDS**			
	1. Fixed Assets	D		
	- Gross Block		**304,358,938.45**	288,822,225.45
	- Less:- Depreciation		**112,701,683.45**	93,333,054.45
			191,657,255.00	195,489,171.00
	- Add: Capital Work In Progress		**2,678,434.00**	1,300,000.00
			194,335,689.00	196,789,171.00
	2. Investment	E	**39,332,958.14**	38,781,458.32
	3. Current Assets, Loans And Advances			
	Inventories	F	**39,562,935.00**	43,884,645.00
	Sundry Debtors	G	**96,450,461.76**	137,067,085.26
	Cash & Bank Balances	H	**15,758,403.92**	5,748,017.08
	Loans & Advances	I	**108,912,225.46**	118,472,048.70
	Sub Total		**260,684,026.14**	305,171,796.04
	Less:- Current Liabilities & Provisions	J		
	Current Liabilities		**39,915,566.14**	41,006,989.78
	Provisions		**5,609,650.00**	12,619,500.00
	Sub Total		**45,525,216.14**	53,626,489.78
	Net Current Assets		**215,158,810.00**	251,545,306.26
	4. Misc. Expenditure :	K		
	(To the extent not written off or adjusted)		**776,398.00**	1,239,596.00
	Total		**449,603,855.14**	488,355,531.58
	STATEMENT OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S		

As per our Audit Report of even date

For RKM & CO.
Chartered Accountants

(RAMESH KUMAR MALPANI)
Partner

Place : Surat
Date : 27-07-2009

FOR AND ON BEHALF OF BOARD

SITARAM SABOO *Director*

NARAYAN SABOO *Director*

NARESH SABOO *Director*

Place : Surat
Date : 27-07-2009

PROFIT AND LOSS ACCOUNT FOR THE ENDED 31ST MARCH, 2009

	PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
I.	**INCOME**			
	- Income From Operations	L	**966,792,522.00**	1,214,809,713.00
	- Other Income	M	**6,175,199.75**	4,909,290.74
	Total Rs.		**972,967,721.75**	1,219,719,003.74
I.	**EXPENDITURE**			
	Operating Expenses	N	**885,418,832.00**	1,110,228,361.86
	Administrative Expenses	O	**18,144,920.36**	15,187,066.29
	Selling & Distribution Expense	P	**7,515,677.00**	10,232,629.00
	Repairs & Maintenance		**2,410,065.00**	2,902,989.00
	Financial Charges	Q	**22,305,455.91**	21,653,561.02
	Depreciation		**19,568,629.00**	20,084,657.00
	Loss On Sale Of Assets/investment		**-**	196,157.00
	Misc. Expenditure W/off	R	**463,198.00**	463,198.00
	Total Rs.		**955,826,777.27**	1,180,948,619.17
III.	**PROFIT/LOSS (I-II)**		**17,140,944.48**	38,770,384.57
	Provision For Tax			
	For Current Year		**5,529,150.00**	12,550,000.00
	For Deferred Tax		**256,051.00**	791,071.00
	Income Tax Of Earlier Years		**280,706.00**	91,883.00
	Provision For Fringe Benefit Tax		**80,500.00**	69,500.00
	Profit After Tax		**10,994,537.48**	25,267,930.57
	Balance B/f. From Previous Year		**39,946,739.63**	14,678,809.06
	Amount Available For Appropriation		**50,941,277.11**	39,946,739.63
	-> Interim Dividend Paid/proposed		**-**	-
	-> Tax On Interim Dividend		**-**	-
	-> Transfer To General Reserve		**-**	-
	Balance Carried To Balance Sheet		**50,941,277.11**	39,946,739.63
	Average Outstanding Shares During The Year		**11,657,575.00**	11,657,575.00
	Face Value Of Shares		**10.00**	10.00
	Basic Earnings Per Share		**0.94**	2.17
	Diluted Earnings Per Share		**0.94**	2.17
	STATEMENT OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S		

As per our Audit Report of even date

For RKM & CO.
Chartered Accountants

(RAMESH KUMAR MALPANI)
Partner

Place : Surat
Date : 27-07-2009

FOR AND ON BEHALF OF BOARD

SITARAM SABOO *Director*

NARAYAN SABOO *Director*

NARESH SABOO *Director*

Place : Surat
Date : 27-07-2009

SCHEDULES 'A' TO 'S' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH, 2009

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'A' : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
1,60,00,000 equity shares of Rs. 10/- each (P.Y. 1,60,00,000 equity shares)	**160,000,000.00**	160,000,000.00
ISSUED		
1,21,82,900 Equity Shares of Rs. 10/- each (P.Y. 1,21,82,900 E. Shares)	**121,829,000.00**	121,829,000.00
TOTAL RS.	**121,829,000.00**	121,829,000.00
SUBSCRIBED & PAID UP CAPITAL		
1,16,57,575 E. Share of Rs. 10/- each fully paid up (P.Y. 1,16,57,575 E. Share of Rs. 10/- each)	**116,575,750.00**	116,575,750.00
	116,575,750.00	116,575,750.00
SCHEDULE 'B' : RESERVE & SURPLUS		
1) Share premium A/c.	**86,284,000.00**	86,284,000.00
2) General Reserve	**2,322,600.00**	2,322,600.00
3) Profit & Loss Account	**50,941,277.11**	39,946,739.63
	139,547,877.11	128,553,339.63
SCHEDULE 'C' : SECURED LOANS		
(A) TERM LOANS		
1) SIDBI (T/L)	**-**	1,346,141.00
2) State Bank of Travancore (TL-II)	**4,027,214.00**	6,847,152.00
3) State Bank of Travancore (TL -III)	**47,459,069.00**	67,118,329.00
4) State Bank of Travancore (TL -IV)	**-**	3,419,138.00
5) State Bank of Travancore (TL -V)	**1,273,542.00**	2,122,409.00
6) State Bank of Travancore (Corporate Loan)	**10,003,493.00**	-
7) State Bank of Travancore (TL - VI)	**8,202,514.00**	-
(B) CAR LOAN		
1) City Bank	**158,609.43**	271,816.03
(C) WORKING CAPITAL LIMITS		
1) State Bank of Travancore (C.C. Limit)	**106,795,175.60**	119,720,155.92
2) Development Credit bank (Bill discounting)	**-**	27,076,741.00
	177,919,617.03	227,921,881.95

NOTES OF SCHEDULE 'C'

1) Term Loan from State Bank of Travancore are secured by mortgage on factory land and building and hyphothecation of plant and machinery, equipment etc. pertaining to texturising unit at silvassa.

2) Term Loan from State Bank of Travancore is secured by equitable mortgage of factory shed at Plot No. 5,6,14 and 15, Block No. 792 and Plot No. 1 to 5, 30 & 31 of Block No. 787, Plot No. 10 & 11, Block No. 791, village : Kudsad, Taluka : Olpad, Dist.: Surat and hypothecation of 4 Nos. of TFO Machines and Plot No. 3 & 4 of Survey No. 301/2/1 and Plot No. 2, Survey No. 301/1 Village Masat, Near Silvassa, Dadra & Nagar Haveli, Union Terrotary and Flat No. 802 & 902, Sofittel Tower, Parle Point, Surat; Office Premises at 601-B, International Trade Centre, Majura Gate, Ring Road, Surat; and Water Jet Loom, Texturising Machineries purchased after 31-03-2005 and all the Machinery at Kim division of the company. Term Loan is also secured by guarantee given by Directors and sister concerns of the company

3) Cash credit facilities from State Bank of Travancore is secured by the hypothecation of stocks and Book Debts pertaining to both Kim and Silvassa divisions of the company.

4) Citi Bank Car Loan is secured by hypothecation of Motor Car.

SCHEDULE 'D' : FIXED ASSETS

Particulars	Rate of Depn	As on 01/04/08	Gross Block Addition	Deduction	**As on 31/03/09**	As on 01/04/08	Provided during the year	Deduction	**As on 31/03/09**	**As on 31/03/09**	As on 31/03/08
Land & Land Devlp.	--	8303419.00	3139280.00	0.00	**11442699.00**	0.00	0.00	0.00	**0.00**	**11442699.00**	8303419.00
Factory Building	3.34%	48981053.65	2904785.00	0.00	**51885838.65**	7120679.65	1679250.00	0.00	**8799929.65**	**43085909.00**	41860374.00
Office Building	1.63%	3379800.00	0.00	0.00	**3379800.00**	59297.00	55091.00	0.00	**114388.00**	**3265412.00**	3320503.00
Plant & Machinery	10.34%	143796719.00	10323100.00	1900000.00	**152219819.00**	73552430.00	9664116.00	200000.00	**83016546.00**	**69203273.00**	70244289.00
Water Jet Looms	10.34%	69022665.00	656250.00	0.00	**69678915.00**	8841764.00	7185009.00	0.00	**16026773.00**	**53652142.00**	60180901.00
Electric Inst.	4.75%	9025977.80	112307.00	0.00	**9138284.80**	2030006.80	429438.00	0.00	**2459444.80**	**6678840.00**	6995971.00
Office & Fact. Eqp.	4.75%	1448120.00	84131.00	0.00	**1532251.00**	399234.00	69909.00	0.00	**469143.00**	**1063108.00**	1048886.00
Vehicle	9.50%	1844661.00	33000.00	0.00	**1877661.00**	651043.00	169754.00	0.00	**820797.00**	**1056864.00**	1193618.00
Furniture	6.33%	1785417.00	0.00	0.00	**1785417.00**	294924.00	110206.00	0.00	**405130.00**	**1380287.00**	1490493.00
Diesel Tank	4.75%	161435.00	0.00	0.00	**161435.00**	71956.00	7668.00	0.00	**79624.00**	**81811.00**	89479.00
Computer	16.21%	1072958.00	183860.00	0.00	**1256818.00**	311720.00	198188.00	0.00	**509908.00**	**746910.00**	761238.00
Total		**288822225.45**	**17436713.00**	**1900000.00**	**304358938.45**	**93333054.45**	**19568629.00**	**200000.00**	**112701683.45**	**191657255.00**	**195489171.00**
Previous Year		277401183.45	12041264.00	620222.00	288822225.45	73522462.45	20084657.00	274065.00	93333053.75	195489171.00	203878721.00

SCHEDULE 'E' : INVESTMENTS (AT COST)

	LONG TERM INVESTMENT	NUMBER	FACE VALUE	**BOOK VALUE AS AT 31-03-2009**	BOOK VALUE AS AT 31-03-2008
1)	Government Securities (Unquoted)				
	Kisan Vikas Patra			**300,000.00**	300,000.00
2)	INVESTMENTS IN EQUITY SHARES				
	A) Qouted Shares:				
	a) Fairdeal Filament ltd.	11407	10	**197,607.50**	197,607.50
	b) Trigyn Technology Ltd.	10750	10	**371,902.64**	608,894.82
	c) Sumeet Industries Ltd.	334000	10	**5,010,000.00**	-
	B) Unqouted and Fully Paid Up:				
	a) Mohit Yarns Ltd.	663000	10	**15,723,000.00**	15,723,000.00
	b) Mohit Overseas Ltd.	394000	10	**3,799,000.00**	3,799,000.00
	c) Sasmi Co-op. Soc.			**7,200.00**	7,200.00
	C) Shares Application Money with :				
	a) Mohit Overseas Ltd.			**6,250,000.00**	6,250,000.00
	b) Devika Fibres Pvt. Ltd.			**-**	1,800,000.00
	c) Mohit Apparel Pvt. Ltd.			**-**	1,832,000.00
	d) Mohit Yarns Ltd.			**1,000.00**	670,000.00

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
3) INVESTMENTS IN IMMOVABLE PROPERTY		
Flat at Soffitel Tower	**7,673,248.00**	7,593,756.00
	39,332,958.14	38,781,458.32
Aggregate Book value of Quoted Investments	**5,579,510.14**	806,502.32
Aggregate Book value of Un-Quoted Investments	**33,753,448.00**	37,974,956.00
Aggregate market value of Quoted Investments	**2,257,377.77**	493,771.30
SCHEDULE 'F' : INVENTORIES		
(As taken valued & certified by a Director)		
1) Raw Materials & work in progress	**27,491,832.00**	26,685,777.00
2) Finished Goods	**8,921,912.00**	12,377,328.00
3) Oil & lubricant	**972,120.00**	1,307,100.00
4) Packing Material	**1,908,571.00**	3,004,850.00
5) Stores & Spares	**268,500.00**	509,590.00
TOTAL RS.	**39,562,935.00**	43,884,645.00
SCHEDULE 'G' : SUNDRY DEBTORS		
(Unsecured but considered good by Directors)		
1) Debts outstanding for a period Exceedings Six Months	**10,784,409.00**	5,703,959.00
2) Others	**85,666,052.76**	131,363,126.26
TOTAL RS.	**96,450,461.76**	137,067,085.26
SCHEDULE 'H' : CASH AND BANK BALANCE		
a) Cash on hand	**2,483,947.35**	2,184,099.35
b) HDFC Bank	**454,367.34**	117,028.00
c) ICICI Bank	**6,000.00**	6,000.00
d) Balance with Surat People's Co.Op. Bank	**8,158.73**	8,596.73
e) Balance with Bank of Baroda, Parsi Sheri	**45,478.00**	26,545.00
f) F.D. With State Bank of Travancore	**2,724,182.00**	3,243,590.00
g) F.D. with Surat People's Co.Op. Bank	**-**	55,693.00
h) Development Credit Bank	**10,030,908.50**	106,465.00
i) State Bank of Travancore (CA)	**5,320.00**	-
i) State Bank of Travancore (SBT CC)	**42.00**	-
	15,758,403.92	5,748,017.08
SCHEDULE 'I' : LOANS AND ADVANCES		
(Unsecured but considered good by Directors)		
a) Loans Given	**8,208,006.00**	11,950,899.00
b) Deposits	**3,152,989.00**	2,748,292.00
c) Advance Given for Capital Goods	**32,473,243.00**	21,507,890.00
d) Advance Recoverable in cash or in kind or for value to be recd.	**65,077,987.46**	82,264,967.70
	108,912,225.46	118,472,048.70

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'J' : CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
1) Advance from customers	**1,296,185.65**	670,350.15
2) Sundry Creditors for Goods	**16,944,522.00**	15,529,533.00
3) Sundry Creditors for Exps.	**17,401,741.49**	21,243,914.81
4) Sundry Creditors for Others	**4,273,117.00**	3,563,191.82
TOTAL RS.	**39,915,566.14**	41,006,989.78
B) PROVISIONS		
Provision for Tax	**5,529,150.00**	12,550,000.00
Provision for F.B.T.	**80,500.00**	69,500.00
TOTAL RS.	**5,609,650.00**	12,619,500.00
SCHEDULE 'K' : MISC. EXPENDITURE		
Preliminery Expenses	**776,398.00**	1,239,596.00
TOTAL RS.	**776,398.00**	1,239,596.00
SCHEDULE 'L' : INCOME FROM OPERATIONS		
Job Charges Received	**784,627.00**	-
Manufacturing Sale	**969,802,191.00**	1,197,636,724.00
Factory Sales	**598,688.00**	18,217,332.00
Interest Received from Debtors	**8,998,572.00**	6,584,113.00
Other Operating Income	**-**	3,099,969.00
	980,184,078.00	1,225,538,138.00
Less :- Discount Allowed	**7,489,838.00**	8,235,360.00
Cartage	**5,901,718.00**	2,493,065.00
	966,792,522.00	1,214,809,713.00
SCHEDULE 'M' : OTHER INCOME		
Dividend Received	**15,054.75**	2,568.00
Misc. Balance W/off	**40,932.66**	-
Interest	**4,152,591.32**	880,391.73
Service Charges	**77,625.00**	83,458.00
Rent Received	**360,000.00**	370,000.00
Profit on trading of Shares/Derivatives	**1,332,686.51**	3,140,376.28
Profit on sale of Assets/Investments	**178,490.51**	93,663.73
Other Income	**17,819.00**	338,833.00
	6,175,199.75	4,909,290.74

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'N' OPERATING EXPENSES		
Raw Material Consumed	**774,211,174.00**	976,356,320.00
Stores & Spares consumed	**7,997,960.00**	7,478,029.86
Wages	**17,141,497.00**	16,827,281.00
Octroi	**-**	1,108,557.00
Power & Fuel charges	**40,609,948.00**	40,322,379.00
Job Charges	**576,084.00**	140,217.00
Carriage Inward	**1,909,896.00**	2,194,180.00
Oil & Lubricant Consumed	**19,892,692.00**	24,006,328.00
Packing Material Consumed	**19,517,074.00**	24,903,643.00
Other Factory Cost	**107,091.00**	24,200.00
	881,963,416.00	1,093,361,134.86
Add: Opening Stock of Finished Goods & Trading Goods	**12,377,328.00**	29,244,555.00
	894,340,744.00	1,122,605,689.86
Less: Closing Stock of Finished Goods & Trading Goods	**8,921,912.00**	12,377,328.00
	885,418,832.00	1,110,228,361.86
SCHEDULE 'O' ADMINISTRATIVE EXPENSES		
Salary & Bonus	**11,223,268.00**	9,046,304.00
Staff Welfare	**215,311.00**	185,343.00
Travelling & Conveyance Exps.	**475,533.00**	279,526.00
Postage & Telegram & Telephone	**499,287.00**	563,049.00
Printing & Stationery	**277,017.00**	321,929.00
Auditors & Remunaration	**214,312.00**	168,540.00
Directors Remunarations	**774,000.00**	110,000.00
Legal & Professional Expenses	**858,157.00**	823,806.00
Electric Exps.	**300,102.00**	181,555.00
Insurance Exps.	**240,670.00**	297,176.00
Vehicle Expenses	**473,446.53**	480,779.26
Annual Listing Fee	**30,300.00**	30,600.00
Charity & Donation	**26,000.00**	19,231.00
Rates & Taxes	**109,380.00**	58,990.67
Office & General Exps.	**480,243.00**	744,655.40
Computer Exps.	**310,529.00**	475,316.00
Professional Tax	**2,400.00**	12,180.00
Provident Fund Contribution	**334,406.00**	300,843.00
Cost Audit fees	**12,000.00**	10,000.00
Demat Expenses	**64,988.83**	43,914.00
Membership fees	**6,735.00**	34,735.00
Misc. balance W/off	**-**	8,306.96
Rent Expenses	**124,700.00**	114,000.00
Security Service Charges	**1,092,135.00**	876,287.00
	18,144,920.36	15,187,066.29

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'P' : SELLING & DISTRIBUTION EXPENSES		
Brokerage & Commission	**7,404,446.00**	9,507,499.00
Advertisement	**106,478.00**	52,293.00
Bad Debts	**-**	562,537.00
Sales Tax Exps.	**4,753.00**	110,300.00
	7,515,677.00	10,232,629.00
SCHEDULE 'Q' : FINANCIAL CHARGES		
Interest Paid	**22,074,615.40**	21,401,735.03
Bank Charges	**230,840.51**	251,825.99
	22,305,455.91	21,653,561.02
SCHEDULE 'R' MISC. EXPENDITIRE WRITTEN OFF		
Preliminary Exps.	**463,198.00**	463,198.00
	463,198.00	463,198.00

SCHEDULE 'S' : STATEMENT OF ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The finacial statements have been prepared under the Historical Cost Convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. INVENTORIES

Closing stocks are valued at lower of cost or estimated realisable value. Cost of inventories comprise Cost of Purchase, Cost of Conversion and other costs incurred in bringing them to their respective present location and condition.

C. INVESTMENTS

Long Term Investments are stated at cost. Current Investments are carried at lower of Cost or Net realisable Value. The fall in market value of investment is considered as Temporary fall and thus no provision for dimunition in value of investment is provided for.

D. DEPRECIATION

I) Depreciation on fixed assets has been charged on straight line method (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956.

II) Depreciation on addition has been provided from the date of putting the assets into use.

E. EMPOLYEE BENEFITS

All the Short Term Employee Benefits are accounted for on the basis of services rendered by the employees of the company. Contribution to Provident Fund are charged to Profit & Loss Account as when the contribution is made. No provision has been made for Long Term Employee Benefits and Defined Benefit Plans as in opinion of the management no such liabilities has accrued as at the end of the accounting year.

F. FIXED ASSETS

Fixed Assets are stated at Cost, Less Accumulated Depreciation. All Costs, including Financing Cost are included in Total cost and accordingly capitalised in Fixed Assets. Capital Work In Progress includes Capital Items not installed or Building construction not completed and Advances given to Creditors for Fixed Assets.

G. CAPITAL ISSUE EXPENDITURE/PRELIMINARY EXPENSES

a) Expenditure incurred in connection with issue of capital has been capitalised and is amortised over a period of 5 years.

b) Preliminary expenses are amortised over a period of 5 years.

H. VALUE ADDED TAX (VAT) :-

VAT credit received on purchases is reduced from respective item of purchases. VAT paid on Sales is credited to Vat Credit Account and differential amount is paid. Thus, the company has followed exclusive method of accounting whereby purchases, sales and stock is shown exclusive of VAT and accounted for in separate VAT Account.

I. FOREIGN CURRENCY TRANSACTION

The Foreign Currency Transaction of the company includes purchases of Raw material and Fixed Assets which are valued at the Rate prevailing at the time of the transaction.

J. DEFERRED TAX LIABILITY

	Defferred Tax (Assets)/Liability as at 01-04-2008	Current Year Charge/(credit)	Defferred Tax (Assets)/Liability **as at 31-03-2009**
Deferred Tax Liability			
Tax effect on excess of net block over written down value as per the provisions of the I.T. Act, 1961	15,304,560.00	256,051.00	**15,560,611.00**
	15,304,560.00	256,051.00	**15,560,611.00**

Deferred tax resulting from 'timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable cetainty that the assets will be realised in future.

K. Contingent liabilities are not provided for, but are disclosed by way of notes on accounts.

2. a) Contingent liability not provided for in respect of guarantee given to State Bank of Travancore for loans/credit facilities taken by associate company namely Mohit Overseas Ltd., Rs. 1,47,00,000/- (P.Y. Rs. 1,47,00,000/-). To secure this gurantee and loan so taken by Mohit Overseas Ltd., the bank has extended the first charge on entire fixed assets of the Kim unit of the company. Also, the company has procured Machines under EPCG (Export Promotion Capital Goods Scheme) as per which the company has saved total Excise Duty value of Rs.1,87,16,312/- (P.Y. Rs 14676070) against its Export Obligation of USD 31,61,524 (P.Y. USD 2935214) to be fulfilled within eight year from purchase of Machinery.

b) Contingent liability not provided in respect of Notional Mark to Market loss of Rs. 11.62 Million on outstanding Foreign Exchange Swap Contract entered by the company with ICICI Bank Ltd. The management is of view that actual liability accrues only at time of maturity of contract in September'09 and final amount of profit or loss can be ascertained at that time only.

c) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (P.Y. Rs. NIL) against which advance paid is Rs. NIL (P.Y. Rs. NIL).

3. REMUNERATION TO AUDITORS

	31/03/2009	31/03/2008
Audit Fees (Including Tax Audit Fees)	**194,000.00**	150,000.00
Service Tax	**20,312.00**	18,540.00
TOTAL	**214,312.00**	168,540.00

4. REMUNERATION TO DIRECTORS

Executive Directors	**774,000.00**	110,000.00

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956

Net Profit Before Taxation	**17,140,944.48**	38,770,384.57
Add:- Loss on Sale of Assets/Investments	**-**	196,157.00
Managerial Remuneration	**774,000.00**	110,000.00
	17,914,944.48	39,076,541.57
Less:- Profit on Sale of Assets/Investments	**178,490.51**	93,663.73
Profit on Trading of Shares/Derivates	**1,332,686.51**	3,140,376.28
	16,403,767.46	35,842,501.56
Maximum Remuneration Allowable (Sec. 198)	**1,804,414.42**	3,942,675.17
Remuneration Paid According to Resolution	**774,000.00**	110,000.00

5. LICENSED AND INSTALLED CAPACITY

ITEM	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Art Silk Cloth	MTRS.	N.A.	9500000 (9500000)	8213451.50 (8120037.25)
Texturised Yarn	KGS.	N.A.	15817000 (14617000)	10245064.694** (13227818.276)**

** Includes wastage yarn of 53019.790 Kgs. (P.Y. 52100.680 Kgs.)

Installed capacity is certified by the directors and relied on by the auditors accordingly.

6. PARTICULARS OF OPENING & CLOSING STOCKS OF STOCK-IN-TRADE & FINISHED GOODS

ITEM	UNIT	OPENING STAOCK		CLOSING STAOCK	
		QTY.	AMT.	QTY.	AMT.
ART SILK CLOTH	MTRS.	568744.26 (1095598.45)	8458996.00 (21113495.00)	325012.00* (568744.26)	5117013.00 (8458996.00)
TEXTURISED YARN	KGS.	51305.191 (114015.572)	3918332.00 (8131060.00)	52617.220** (51305.191)	3804899.00 (3918332.00)

* There is shortage of 6661.90 Mtrs. in Finished Stock.

** Out of Production 120736.110 Kgs. was transferred to Cloth Division.

7. PARTICULARS IN RESPECT OF PURCHASE & SALES OF FINISHED GOODS & GOODS IN TRADE

ITEM	UNIT	PURCHASE		SALES	
		QTY.	AMT.	QTY.	AMT.
ART SILK CLOTH	MTRS.	0 [0]	0 [0]	8450521.86 (8645747.00)	143044611.00 (145875236.00)
TEXTURISED YARN	KGS.	0 [0]	0 [0]	10123016.555 (13017563.407)	813366024.00 (1051761488.00)

8. CONSUMPTION OF RAW MATERIALS

Item	Unit	Opening Stock QTY	Opening Stock Amt.	Purchase/Tranf Qty.	Purchase/Tranf Amt	Resale Qty.	Resale Amt	Consumption Qty.	Consumption Amt	Closing Stok Qty.	Closing Stok Amt
YARN	KGS.	338530.635	26685777.00	10925954.064	775017229.00	0	0	10919753	774211174.00	344731.609	27491832
FOR MFG.		(353601.520)	27592020.00	(13699293.539)	975450077.00	[0]	[0]	(13714364)	(976356320.00)	(338530.635)	(26685777)

9) a) Value of imports on C.I.F. (Advance) Rs. 11619645 (P.Y. RS. NIL)
b) Expenditure in Foreign Currency NIL (P.Y. RS. NIL)
c) Amount remitted in Foreign currency on dividend A/c. NIL (P.Y. RS. NIL)

10) a) Exports on F.O.B. NIL (P.Y. RS. NIL)
b) Earnings in Foreign Currency NIL (P.Y. RS. NIL)

11) Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.

12) Advances include a sum of Rs. 272.16 lacs (P.Y. Rs. 213.45 lacs) due from a company in which directors of this companyare directors and which is a company under the same management under section 370(1B) of the Companies Act, 1956.

13) RELATED PARTY RELATIONSHIP AND TRANSACTION

NAME OF RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	AMT. (RS. IN LACS)
Mohit Overseas Ltd.	Key Mnagement Personal & Relatives & Their Concerns	Advances Given	272.16
		Investments (Shares)	37.99
		Investments (Share Application)	62.50
		Guarantee Given	147.00
		Rent Received	1.20
		Sales	53.99
		Sundry Debtors	55.09
		Interest Received	26.13
Mohit Yarns Ltd.	Key Management Personal & Relatives & Their Concerns	Investments (Shares)	157.23
		Rent Received	1.20
		Sundry Debtors	1.20
Mask Investments Ltd.	Key Management Personal & Relatives & Their Concerns	Rent Received	1.20
		Sundry Debtors	1.20
Naresh Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	2.40
Narayan Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	2.10
		Creditors for Expenses	1.10
Sitaram Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	3.24
		Creditors for Expenses	0.02

14) The company operates in Texturising Division and Power Loom Division both covered in Textile Segment and thus predominant source of Risk and Return of the company is associated with Textile segment and hence no Segment Reporting is given as per AS-17 issued by the Institute of Chartered Accountants of India. Further, AAC Blocks Division has not yet become operational and does not have any Revenue and also the Assets of division are not 10% of aggregate assets of the company.

15) Previous year figures have been regrouped wherever thought necessary to make them comparable with figures of current year.

16) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(I) REGISTRATION DETAILS

Registration No.	:	15074			
State Code	:	04			
Balance Sheet Date		31/03/2009			

(II) CAPITAL RAISED DURING THE YEAR (AMT. RS. IN ' 000)

Share Issue	:	NIL	Right Issue (Including Securities Premium)	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

(III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN '000)

Total Liabilities	449604	**Total Assets**	449604
Sources of Funds			
Paid up Capital	116576	Reserve & Surplus	139548
Secured Loans	177920	Unsecured Loans	0
Deferred Tax Laibility	15561		
Application of Funds			
Net Fixed Assets	194336	Investments	39333
Net Current Assets	215159	Misc. Exps.	776

(VI) PERFORMANCE OF COMPANY (AMT. RS. IN '000)

Turnover	972968	Total Exps.	955827
Profit Before Tax	17141	Profit After Tax	10995
Earning per share (Rs.)	0.94	Dividend Per Share	NIL

(V) GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY (As per Monetary Terms)

Item Code No. (ITC Code)	54076009
Product Description	MAN MADE FABRICS ON POWER LOOMS/WATER JET LOOMS
Item Code No. (ITC Code)	54023300
Product Description	TEXTURISED YARN

As per our Audit Report of even date

For RKM & CO.
Chartered Accountants

(RAMESH KUMAR MALPANI)
Partner

Place : Surat
Date : 27-07-2009

FOR AND ON BEHALF OF BOARD

SITARAM SABOO *Director*

NARAYAN SABOO *Director*

NARESH SABOO *Director*

Place : Surat
Date : 27-07-2009

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2009

PARTICULARS		2008-2009	2007-2008
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax and extra-ordinary items	**17,140,944.48**	38,770,384.57
	ADJUSTMENTS FOR:		
	1 Depreciation	**19,568,629.00**	20,084,657.00
	2 Preliminary & Public Issue Exp. W/off	**463,198.00**	463,198.00
	3 Interest Paid/Payable	**22,074,615.40**	21,401,735.03
	4 Loss on Sale of Fixed Assets	**-**	196,157.00
	5 Interest, Dividend & Rent Received	**(4,527,646.07)**	(1,252,959.73)
	7 Profit on sale of shares	**(178,490.51)**	(93,663.73)
	8 (Profit)/Loss on derivative transactions	**(1,332,686.51)**	(3,140,376.28)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**53,208,563.79**	76,429,131.86
	ADJUSTMENTS FOR:		
	1 Trade & Other Receivable		
	a) Debtors	**40,616,623.50**	(25,327,717.32)
	b) Loans & Advances	**(28,056,926.54)**	(58,331,847.46)
	2 Inventories	**4,321,710.00**	17,951,930.00
	3 Trade Payables	**(1,091,423.64)**	9,043,207.53
	CASH GENERATED FROM OPERATIONS	**68,998,547.11**	19,764,704.61
	1 Interest Paid	**(22,074,615.40)**	(21,401,735.03)
	2 Direct Taxes Paid	**873,748.95**	(13,364,795.00)
	NET CASH FROM OPERATING ACTIVITIES	**47,797,680.66**	(15,001,825.42)
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	1 Purchase of Fixed Assets	**(18,815,147.00)**	(11,221,765.00)
	2 Sale/Credit for Fixed Assets	**1,900,000.00**	150,000.00
	3 Investments made during the year	**(5,089,492.00)**	(12,134,258.32)
	4 Investments Sold during the year	**4,516,482.69**	-
	5 Profit (Loss) on sale/speculative trading of shares	**1,332,686.51**	3,140,376.28
	6 Loans & Deposits	**24,417,895.83**	13,975,334.78
	7 Interest, Dividend & Rent Recd.	**4,527,646.07**	1,252,959.73
	8 Profit on Sale of Shares/Fixed Assets	**-**	93,663.73
	NET CASH USED IN INVESTMENT ACTIVITIES	**12,790,072.10**	(4,743,688.80)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	1 Decrease in Cash Credit/W.C. Facilities from Banks	**(40,001,721.32)**	47,134,763.56
	2 Repayment of Finance/Lease Liabilities	**(10,000,543.60)**	(27,413,268.97)
	NET CASH FROM FINANCING ACTIVITIES	**(50,002,264.92)**	19,721,494.59
	NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	**10,585,487.84**	(24,019.63)
	CASH AND CASH EQUIVALENTS (OPENING)	**2,448,734.08**	2,472,753.71
	CASH AND CASH EQUIVALENTS (CLOSING)	**13,034,221.92**	2,448,734.08

As per our Audit Report of even date

For RKM & CO.
Chartered Accountants

(RAMESH KUMAR MALPANI)
Partner

Place : Surat
Date : 27-07-2009

FOR AND ON BEHALF OF BOARD

SITARAM SABOO *Director*

NARAYAN SABOO *Director*

NARESH SABOO *Director*

Place : Surat
Date : 27-07-2009

FINANCIAL HIGHLIGHTS

(Rs.in Lacs)

Year Ended March 31	2005	2006	2007	2008	2009
Turnover	3890.41	7526.69	9380.19	12148.10	9667.93
Earning Before Depreciation, Interest and Tax (EBDIT)	137.43	250.69	605.10	762.59	587.82
Depreciation	77.66	84.33	126.01	200.85	195.69
Profit Before Tax	104.67	167.82	355.25	387.70	171.41
Equity Dividend %	12%	12%	10%	0%	0%
Dividend Payout	50.16	57.46	116.58	0.00	0.00
Equity Share Capital	478.86	478.86	1165.76	1165.76	1165.76
Reserves & Surplus	183.92	245.99	1032.85	1285.53	1395.48
Net Worth	662.78	718.85	2181.58	2438.89	2553.48
Total Assets	1480.00	1996.84	4408.71	4871.16	4488.28
Total Outside Liabilities	817.22	1277.99	2227.13	2432.27	1934.80
KEY INDICATORS					
EBDIT / Gross Turnover %	3.53	3.33	6.49	6.28	5.51
Net Profit Before Tax %	2.69	2.24	3.79	3.19	1.77
Earning Per Share	1.36	2.42	2.19	2.17	0.94
Book Value per Share (Rs.)	13.84	15.01	18.71	20.92	21.90
Debt : Equity Ratio	1.23	1.78	1.02	1.00	0.76
Current Ratio	1.82	1.52	1.89	1.52	1.71

MOHIT
INDUSTRIES LTD.

A/601 B, International Trade Centre,
Majura Gate, Ring Road, Surat - 395002
Phone No. : (0261) 2463261, 2463262, 2463263
Fax : (0261) 2463264
Email : contact@mohitindustries.com
Website : www.mohitindustries.com

MOHIT INDUSTRIES LIMITED

Regd. Office : A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat 395 002, Gujarat

ATTENDANCE SLIP

Name of the attending Member : ______________________
(In Block Letters)

Folio No. : ______________________

Name of the Proxy : ______________________
(To be filled in if the Proxy attends instead of the Member)

No. of Shares held : ______________________

I hereby record my presence at the Annual General Meeting of the Company at the Registered office of the Company at A/601 B, International Trade Centre, Majura Gate, Surat 395 002, Gujarat on Tuesday, the 29th day of September, 2009.

____
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

NOTE : Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance after the same has been duly signed.

– – – – – – – – – – – – TERE HEAR – – – – – – – – – – – –

MOHIT INDUSTIES LIMITED

Regd. Office : A/601 B, International Trade Centre, Majura Gate, Ring Road,Surat 395 002, Gujarat

Proxy Form

I/We ______________________

of ______________________ being a Member/Members of the abovenamed Company,

hereby appoint ______________________ or failing him ______________________

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, the 29th day of September 2009 and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this ____________ day of ____________ 2009

Folio No. : ____________ No. of Shares : ____________

Affix
1 Re.
Revenue
Stamp

Signature ______________________

N.B : Proxy forms must reach the Company's Registered Office not less than 48 hours before the meeting.

BOOK-POST
PRINTED MATTER

To,

If undelivered, please return to :

MOHIT INDUSTRIES LIMITED
Registered Office :
A/601 B, International Trade Centre, Majura Gate,
Ring Road, Surat - 395002. Gujarat