

23rd Annual Report 2012-13



MOHIT®
INDUSTRIES LTD.





VISION

“ Global diversification is a vital component of the Company's strategic positioning. This diversification is unique in the building materials and yarn industry and provides many distinct advantages. ”

MISSION



- To be best in the manner in which we operate, best in the products we deliver and best in our value system and ethics.
- Grow business by providing the perfect solution to our customers' needs, focusing on operational excellence and product innovation.
- Maintain cordial relation with all our stake holders.
- Commitment to quality, consistency and improvement on a continuous basis.



VALUE

“Our success is our commitment to the values”



- 1991** : Incorporation in Name of "MOHIT FIBRES PRIVATE LIMITED"
- 1995** : Conversion into Public Company in Name of "MOHIT FIBRES LIMITED"
Annual Sale of Rs. 1314.84 Lacs
- 1996** : Initial Public offer of Rs. 322.50 Lacs
Listing of equity shares of the company in Bombay Stock Exchange Limited
During the year 1996, the company witnessed expansion and diversification with Installation of 2 Texturising machines and 36 Power looms its Kim unit.
Expansion of Weaving Capacity from 6 lacs mts. P.a to 23.76 lacs mts P.a and backward integration into texturising with capacity of 1386 MTPA.
Turnover exceeds Rs. 2700 Lacs
- 1997** : Name Change from "MOHIT FIBRES LIMITED" to "MOHIT INDUSTRIES LIMITED"
- 1998** : Expansion of Business by setting up one more units in Silvassa with with a capacity of 2980 MT per annum
- 2005** : Turnover raised to Rs. 3900 Lacs from Rs. 2700 Lacs
Profit after Tax exceeds to Rs. 65 Lacs from 10 Lacs
Company declared 12% dividend during the year
- 2006** : Right issue of Equity Shares of Rs. 1373 lacs
Remarkable achievement with 100 % growth from last year
During the year Turnover Increased to Rs. 7595 Lacs from 3900 Lacs
Profit after tax crossed to Rs. 116.08 Lacs from Rs. 65 lacs
- 2008** : Turnover crossed to Rs. 12000 Lacs and profit Rs. 252 Lacs
Planning for Diversification into new Product in India i.e. Aerated autoclave Blocks)
- 2009** : Implementation of new project of AAC (Autoclave Aerated Concrete) blocks with cost of Rs. 15 Crores having production capacity of 1.5 lac m3 per annum in palghar
AAC project appraised by GITCO.
Installation of 4 texturising Machines with production capacity 5200 MT in kim and Silvassa making total 14 Texturising machines, 144 looms, 100 shuttle less water jet looms and 17 TFO machines with a production capacity of 16200 MT of Texturised Yarn and 104 lacs meters of Art Silk Cloth.
- 2010** : Issue of Convertible warrants on preferential basis of Rs. 562.5 Lacs
Entrance into export of DTY yarn to various countries like South Africa, Brazil, Thailand, Peru, Algeria, Vietnam etc
Starting Gas based Captive Power Plant at Kim unit
- 2011** : Turnover increased to more than 14000 Lacs and profit to Rs. 276 Lacs
Tremendous growth in Export Earning of Rs. 1900 Lacs
- 2012** : Sale of AAC Block Plant to Biltech Building Elements Limited (A Thapar Group Company) for an extraordinary profit.
Turnover crossed to Rs. 17600 Lacs and Profit after tax reached to Rs. 1370 Lacs due to sale of AAC plant at Palghar
Export Earnings Increased to Rs. 3908 Lacs
- 2013** : Awarded by Government approved "Export House Status"
Turnover increased to Rs. 19600 Lacs.
Implementation of New Plant of AAC (Autoclave Aerated Concrete) Block at Umargaon with Production capacity of 3 lacs m3 per annum at Investment cost of Rs. 37 Crores.
Marketing of AAC Blocks in Brand name of "NXTBLOC"
Listing at National Stock Exchange of India (NSE)



Dear Shareholders,

It is always a pleasure to connect with you annually and share with you the progress and prospect of your company.

I am pleased to inform you that your company has completed successfully financial year 2012-13 with 11.55 % growth in Net Sale which reached to Rs. 19668.42 Lacs. Net profit for the year recorded Rs. 66.60 Lacs. The year 2013 was a challenging year caused by uncertain foreign Exchange rate as inflation remained the key cause of worry, impacting all input cost and putting margins under tremendous pressure.

The textile industry was affected by overall sense of uncertainty that led to a slowdown in growth, which in turn impacted demand.

During the year the company shifted its all plant & machinery from Silvassa textile unit to Kim unit resulting in less productivity of textile product.

During the year the new AAC Plant has been commenced in August 2012 at Umargaon, Gujarat fully equipped with latest Infrastructure.

In financial year 2013, we plan to expand the business of AAC Blocks Division in South region i.e. Tamilnadu for which land has been identified. AAC Block project is green Project for the Society as well as for the Company shall provide sweet Fruits in future in return of Investment.

Details of our growth Strategies and your company' performances during Financial Year 2012-13 have been elaborated in the Director Report and Management Discussion Analysis Report Section of this Annual Report. During the year company received tender for supply of Polyester Sarees and Polycot Dhoties of Rs. 35 Crores under FDS Pongal Scheme 2012 to Tamilnadu Handloom Weavers Co-Operative Society Ltd

Your Company has been able to drive strong growth inspite of challenging Environment. All this would have not possible but for the untiring efforts of our highly committed and dedicated employee force.

I would like to thank all our consumer, employees, Suppliers who are directly or indirectly associated with the company for their support and commitment, which helped us reach where we are now.

I would like to thank our shareholders for their trust and encouragement and assure to serve strong and Profitable and Sustainable Growth.

With Warm regards
Mr. Sitaram Nandlal Saboo
Chairman
Mohit Industries Limited

BRIEF PROFILE OF DIRECTORS

Mr. Sitaram Nandlal Saboo (78) is the Executive Chairman of the Company. He is founder of Mohit Industries Limited. He is a matriculate and has more than five decades of experience in the field of trading and manufacturing of yarn. He was engaged in yarn dealership business for Baroda Rayon, Century Rayon, Indian Rayon, National Rayon, Modern Petro fills, and Shree Synthetics etc. for dealing in yarn for about three decades and has handled large volumes of sales of these companies. His functions as Chairman include participating in strategizing the company's growth and overseeing the overall performance of the textile segment.

Mr. Narayan Sitaram Saboo (52) is the Managing Director of the Company. He did LLB from Surat. After graduation he joined his father Sitaram Saboo in business of trading and manufacturing of yarn. He has given his invaluable contribution in growth of Mohit Industries Ltd. His function as Managing Director includes envisioning company's growth, Strategy, responsibility for the overall management of the Company. His proactive and practical strategies have been key drivers of company growth. He also oversees the Financial and administration functions of the company.

Mr. Naresh Sitaram Saboo (39) is the Joint Managing Director of the company. Mr. Naresh saboo's education was completed in surat. Immediately after his education he joined the family business in 1998. He is an Integral part of Mohit Industries. His rich experience in Productions, Product Development, Modification of Equipment and system analysis has contributed to the success of MIL. He has international exposure and aware of the latest trends in the manufacturing industry. His role as a director ensures that all the manufacturing activities including procurement of yarn, other raw materials, production planning, control and packing happen in sync with company objectives and values. He has been instrumental in providing strategic direction in selection of technology and machineries in setting up new manufacturing facilities, improvement of production processes and new ventures.

Mr. Manish Narayan Saboo (29) is the Executive Director of the company. Mr. Manish Saboo has done his Masters in finance from Nottingham London. He is associated with the company since 2006 and become member of the board in 29 September 2011. He is responsible for smooth project delivery and coordination. He manages the company's marketing Operation in Textile and AAC Segment. His functions as Executive director include Planning and execution of the company's marketing Strategy. He is the youngest Board Member of the company. His active and energetic participation is an inspiration for all members.

CORPORATE INFORMATION

Board of Directors	:	Mr. Sitaram Nandlal Saboo Mr. Narayan Sitaram Saboo Mr. Naresh Sitaram saboo Mr. Manish Narayan Saboo Mr. Sachinkumar Pramod Jain Mr. Bharat Pranjivandas Merchant Mr. Dharmesh Vinodraj Patel	Executive Chairman Managing Director Joint Managing Director Executive Director Independent Director Independent Director Independent Director
Company Secretary	:	Miss. Swati Omprakash Malu	
Auditors	:	R.K.M & Co., Chartered Accountant	
Bankers	:	State Bank of Travancore The Shamrao Vithal Co-operative Bank Limited Central bank of India State Bank of Bikaner and Jaipur	
Registered Office	:	A-601/ B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujrat, India E:contact@mohitindustries.com Ph: +91-0261-2463261, 2463262, 2463263	
Branch Office	:	7 th Floor, Corporate Avenue, CTS No.488, Village Pahadi, Sonawala Road, Goregaon (East), Mumbai – 400063, India Ph: +91-022-40042241	
Plants	:	Kim Plant Plot No. 14, 15, Block no. 792, Plot No. 14, 15, Block no. 792 Village: Kudsad, Olpad, Dist. Surat (Gujarat) India Silvassa Plant Plot No.2; Survey No. 301/2/1, Plot No.2; Survey No. 301/1, Village: Masat (Silvassa), Union Territory of Dadar & Nagar Havel, India Umargaon Plant Survey No. 279/7, Paikee 1, 2, Manda Khatalwada Rd. Khatalwada, Umargaon, Dist. Valsad, (Gujarat) India	
Registrar & Share Transfer Agents	:	“Adroit Corporate Services private Limited” 19/20, Jafferbhoy Industrial Estates, Makwana Road, Marol Naka, Andheri (East), Mumbai-400059, India Ph: +91-022-28594060, 28596060 E: adroit@vsnl.net	
Company Website	:	www.mohitindustries.com www.nxtbloc.com	

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NOTICE

Notice is hereby given that the **Twenty Third Annual General Meeting** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Monday, the 30th September, 2013 at registered office of the Company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat at 10.00 A.M to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31st March 2013, the Statement of Profit & loss Account of the Company for the year ended on that together with report of Director and Auditor thereon.
2. To appoint a Director in place of Mr. Sitaram Saboo, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jayesh, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R.K.M & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT M/s. R.K.M & Co., Chartered Accountants, (Registration No. 108553W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration, plus service tax as applicable and reimbursement of out of pocket expenses in connection with the audit as shall be fixed by the Board of Directors fix in this behalf."

**By order of the Board
For Mohit Industries Limited**

**Swati Malu
(Company Secretary)**

Date: 14.08.2013
Place: Surat

REGISTERED OFFICE:

A/601, International Trade Centre,
Majura Gate, Ring Road,
Surat-395002, Gujarat

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (Forty-eight hours) before the time fixed for holding the meeting.
3. Corporate members are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote at the Meeting.
4. Members are requested to bring the attendance slip at the Annual General Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip.

5. The Register of Members shall remain closed from 24th September, 2013 to 30th September 2013 (Both days inclusive).
6. As per the provisions of the Companies Act, 1956 facility for making nomination is available for shareholders, in respect of the shares held by them. Nomination Forms can be obtained from the Registrars/ Secretarial Department of the Company.
7. Pursuant to Clause 49 of The Listing Agreement, the brief resume /Profile of the Directors retiring by rotation and eligible for re-appointment enclosed with this Notice.
8. Members must quote their Folio Number/ Demat Account Number and Contact number etc in all correspondence with the Company/ RTA.
9. Members are requested to address all correspondences, including dividend matters to the Registrar share Transfer Agents, Adroit Corporate Services Private Limited, 19/20 Jaferbhoy Industrial Estates, Makwana Road, Marol Naka, Andheri (East) Mumbai-400059. Tel: (022) 28594060, 28596060 Fax No. (022) 28503748, Email id : adroit@vsnl.net
10. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956. The following are the details of dividends paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remain unpaid.

Year	Type of Dividend	Rate of Dividend	Date of Declaration	Due Date for transfer to IEPF
2006-2007	Interim Dividend	10%	17.11.2006	16.12.2013
2009-2010	Final Dividend	9%	20.09.2010	19.10.2017
2010-2011	Final Dividend	15%	30.09.2011	29.10.2018
2011-2012	Final Dividend	15%	28.09.2012	27.10.2019

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, the Shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

The Company has uploaded the details of unpaid and unclaimed amount lying with the company as on 28th September 2012 (Date of last AGM) on the website of the Company www.mohitindustries.com and also on website of Ministry of Corporate Affairs.

11. Non- Resident Indian members are requested to inform directly to the RTA quoting reference of their Folio Number or their Client Id number with DP ID Number as case may be immediately:
 - a. The Change in the residential status on return to India for permanent Settlement
 - b. The particulars of the NRE Account with the Bank in India, if not furnished earlier.
12. As per circular no.18/2011 on Green initiative, the Company will send Annual Report along with other documents through email to all members, who have registered their email address with the depository and physical hard copies will be dispatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or email at cs_swati@mohitindustries.com or contact @mohitindustries.com
13. Copies of Annual Report will not be distributed at the ensuing Annual General Meeting. Therefore, members are requested to bring their copy of Annual Report in the Meeting Members/ Proxies should bring the Attendance Slip attached herewith, duly filled in all aspects, for attending the Meeting.
14. Members Seeking any information relating to the Accounts may write to the company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready at following address: .Accounts Department, Mohit Industries Limited, A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002 Ph: (0261)2463261/62/63 Fax: (0261)2463264 or contact@mohitindustries.com.

IMPORTANT COMMUNICATION

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs, (MCA), Government of India, through its Circular Nos. 17/2011 dated 21st April and 18/2011 dated 29th April, 2011, respectively has allowed companies to send Documents Viz. Notice of meeting, Annual Report and other Shareholders communication to their Shareholders electronically as part of its Green Initiative in Corporate Governance.

Your Company supports the measures in Green Initiatives. Members are requested to join the Company by registering their email id with the company or its RTA "Green Initiative form can be downloaded from the Company's Website Viz. www.mohitindustries.com to register the Email ID and send it back through Mail at contact@mohitindustries.com or cs_swati@mohitindustries.com

DISCLOSURE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT RELATING TO DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of Directors	Mr. Sitaram Saboo	Mr. Jayesh Gandhi
Date of Birth	27/06/1935	23/02/1960
Date of Appointment	18/02/1991	21/11/1994
Expertise in Specific General Functional Area	Wide Experience in the field of Textile & Market Analysis	Wide Experience in Accounting & Taxation
Qualification	H.S.C	B.com
Directorship held in other public limited Companies	NIL	Nil
Membership/ Chairmanship of Committees of other Public Companies (Includes Audit Committees and Shareholders/ investor Grievances Committees)	Nil	Nil
Shareholding in the Company	5,71,248 Equity Shares	Nil

DIRECTORS' REPORT

To

The Members

MOHIT INDUSTRIES LIMITED

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts of the company for the financial year ended 31st March, 2013.

FINANCIAL RESULT:**(Rs. In Lacs)**

Particulars	31.03.2013	31.03.2012
Sales	19,668.42	17,631.42
Other income	154.52	144.46
Profit Before Interest & Depreciation	1,188.10	1,155.85
(-) Finance Cost	612.98	389.75
(-) Depreciation	380.22	306.43
Profit before tax & Exceptional items	194.89	459.66
(+) Exceptional Items	-	1,467.43
Profit Before Tax	194.89	1,927.10
(-) Tax Expense	128.30	556.62
Profit for the year after tax	66.60	1,370.48
(+) Surplus brought from previous year	1,631.86	576.73
Total surplus Carried to balance sheet	1,698.46	1,947.21
Less:		
Profit & Loss Appropriation	31.03.2013	31.03.2012
Proposed Dividend	-	212.36
Dividend Distribution tax	-	34.46
Transfer to General Reserve	-	68.52
Closing Balance	1,698.46	1,631.87
General Reserve	31.03.2013	31.03.2012
Total Amount as at last year	91.75	23.23
Add: Transfer from P&L Appropriation Account	-	68.52
Closing Balance	91.75	91.75

OPERATION:

The total Turnover of the Company during the year was Rs. 19,668.42Lacs against Rs. 17,631.42Lacs in the previous financial year. During the year Net sale of Company has been Increased by 11.55% with respect to decline in Consumption of Raw materials by 11.70% Increase in Turnover was mainly due to trading in Sarees & Dhoties and Sale of new product AAC Blocks. Total Raw material Consumption was 12,133.23Lacs against Rs. 13,740.30Lacs in the previous financial year. The total expenditure during the year was Rs. 19,628.05Lacs against Rs. 17,316.22Lacs in the previous financial year. The increase in total expenditure was mainly due to increase in manufacturing expenses, administrative Expense and selling & Distribution expense, interest and so on.

The profit before tax for the year under review was lower at Rs. 194.89Lacs from Rs. 1,927.10Lacs (which also include sale proceeds of Palghar unit of Rs. 1,467.44 Lacs) in the previous financial year and the same was the case of the profit after tax for the year under review at Rs. 66.60Lacs compared to Rs. 1,370.48 Lacs in the previous financial year.

The basic and diluted earnings per share (EPS) computed in accordance with the Accounting Standard- 20 issued by the Institute of Chartered Accountants of India was Rs. 0.47 per share respectively as against Rs. 11.21 per share (basic & diluted) for the previous year.

DIVIDEND:

With a view to conserve the resources for the Company's business operations, your Directors have deemed it prudent not to recommend any dividend for the year ended 31st March 2013

BUSINESS DEVELOPMENT & EXPANSION

The Company has installed and Commissioned Autoclaved Aerated Concrete (AAC) Blocks Manufacturing unit of capacity 300,000 m³/annum at Umargaon in September 2012. AAC Plant of the Company is well equipped with modern and latest technology enhancing Productivity of AAC Product.

The Company is also planning to install new AAC plant near by Hosur at Tamilnadu for which Land has been identified at Hosur and would finalize the same soon.

The Company has shifted its Textile Operations at Silvassa Unit to Kim unit which would result in better economies of scale.

EXPORT

Yarn export has been continuously growing from India and company is also benefiting from same. The Company has exported DTY Yarn to Italy, Spain, Germany, Mexico, Thailand, Peru, Bangladesh, South Africa, Egypt and many more Countries. The Company has exported goods over Rs.65 Crores in last two Years and has availed Export House Status. Company has also started to move from DTY (Draw Texturised Yarn) to Finished Fabrics. The Continued weakness of Indian Rupees against the US Dollar and Euro has improved Export earning of the Company.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on the Corporate Governance as stipulated under clause 49 of the listing agreement with the stock Exchanges along with a certificate from Mr. Dhiren Dave, Company Secretary in Practice, Confirming Compliances is set out in the annexure forming part of this Annual report.

The management Discussion Analysis Report as required under Clause 49 of Listing Agreement is annexed hereto as part of this Annual Report

FIXED DEPOSITS:

During the year, your Company has not accepted any fixed deposits from the public under Section 58A or 58AA of the Companies Act, 1956 and is therefore not required to furnish information in respect of outstanding deposits under Companies (Acceptance of Deposit) Rules, 1975.

DIRECTORS:

In accordance with the provision of Section 255 and 256 of the Companies act, 1956 and pursuant to Article 138 to 145 and Article 162 of Article of Association of the Company, Mr. Jayesh Gandhi and Mr. Sitaram Saboo, Director of the Company shall retire by rotation at the 23rd Annual General Meeting and being eligible, offer themselves for re-appointment. The Board Recommend their Re-appointment to the Shareholders of the Company

The Information to shareholders pursuant to Clause 49 of Listing Agreement pertaining to brief resume, expertise in functional areas, Name of Companies in which Mr. Jayesh Gandhi and Mr. Sitaram Saboo are directors respectively is forming part of the Annual Report.

During the year Mrs. Ayushi Saboo and Miss. Simmi Nandwani has resigned from the Board of Directors of the Company on 13th Feb 2013 and 31st May 2013 respectively.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the executives of the Company and subject to disclosures in the annual accounts and also on the basis of discussion with the Statutory Auditors' of the Company from time to time, your Directors confirm that:

- I.** In preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- II.** The Directors have 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 ended on 31st March, 2013 and of the profit of the Company for that period;
- III.** The Directors have 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; and
- IV.** The Annual Accounts have been prepared for the period ended on 31st March, 2013 on a going concern basis.

AUDITORS' REPORT:

The 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". The Board is of the opinion that Company doesn't have high Numbers of men power plus employee 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:

The Statutory Auditors of the Company, M/s. R.K.M & Co., Chartered Accountant, Surat (Firm Registration Number. 108553W) will retire at the conclusion of the ensuing Annual General Meeting and, being eligible; offer them for re-appointment as Statutory Auditor for the financial year 2013-14. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224 (1B) of the Companies Act, 1956. The Directors recommend the re-appointment of M/s R.K.M & Co. as Statutory Auditors of the Company.

COST AUDITORS:

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956 and subject to the approval of the Central Government, M/s Manubhai & Associates, Cost Accountant, Surat have been appointed as Cost Auditors to conduct cost audit of textile product manufactured by Company for Financial year 2013-14.

CASH FLOW ANALYSIS:

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2013 is annexed hereto

INSURANCE

The Company's building, plant and machineries, Stocks and other properties wherever necessary and to the extent required have been adequately insured.

LISTING OF SHARES AND LISTING FEES

The Equity Shares of your Company are listed and actively traded on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid annual listing fees to the both stock exchanges for the financial year 2013-2014.

TRANSFER TO RESERVES IN TERMS OF SECTION 217 (1)(B) OF THE COMPANIES ACT, 1956

For the financial year ended 31st March, 2013 the Company had not transferred any sum to Reserves. Therefore, your Company proposes to transfer the entire amount of profit to Profit and Loss Accounts of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as Annexure I hereto and forms part of this report.

PERSONNEL & PARTICULARS OF EMPLOYEES:

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of objective among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continues to be an area of prime importance.

Particulars of the employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Amendment Rules, 2011 are not applicable since, none of the employee of the Company was drawing more than Rs. 60,00,000/- P.A or Rs. 5,00,000/- P.M for the part of the year. Statement to this effect is as follows:

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Directors' Report for the financial year ended 31st March, 2012.

Sr. No.	Name	Designation & Nature of Duties	Remuneration Gross (Rs.)	Qualification	Date of Commencement of Employment	Age	Last Employment
NIL							

ACKNOWLEDGMENT:

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees in the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and co-operation.

For and on behalf of the Board of Directors

SITARAM SABOO
Chairman

Date: 31.05.2013

Place: Surat

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2013.

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures taken:

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy. Some of measures undertaken in this direction during the year under review as under:

- Use of energy efficient equipments
- Intensified Internal Audit aimed at detecting wastage of electricity.
- More usage of electricity purchased from GSEB
- Improved efficiency of own generation by usage of diesel generator only for emergencies
- Replacement of existing 36 watt tube light by T5 lights in all depts. and saved 24 units/ day
- The Company has started using gas as compared to other sources of energy for cost reduction and pollution free operations for which gas power plant has been installed at Kim. The Company has taken all necessary measures for energy conservation so as to maintain the operating cost to the minimum.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- The Company is continuously installing electronic devices to improve quality of power and reduction of energy consumption
- Continuing with energy conservation measures on above lines.
- The company has also registered with power trading corporation and has started purchasing of power through Bidding System which resulted in decline in Power Cost.

c) Impact of measures at (a) and (b) above for reduction of energy consumption impact on cost of production of goods :

- Company has been able to curtail its power consumption. Further, this has also generated awareness of energy saving in technical and production staff
- Increase in productivity
- Reduction in production Cost

d) Total energy consumption and energy consumption per unit of production:

FORM – A

Form for Disclosure of Particulars with Respect to Conservation of Energy

(A) Power and Fuel Consumption

	2012-2013	2011-2012
(1) Electricity		
(a) Purchased		
Units	75.61	38.25
Total Amount	439.46	192.42
Rate/Unit (Rs.)	5.81	5.03
(b) Own Generation		
I. Through Diesel Generator		
Units	2.160	2.916
Units per liter of Diesel oil	2.82	3.5
Rate/Unit (Rs.)	16.90	11.09
II. Through Steam/turbine Generator	NIL	Nil
III. Through gas based Generator Set		
Units	20.37	64.74
Units per MMBTU	108	108
Rate/Unit (Rs.)	7.76	6.17
(2) Gas	NIL	NIL
(3) Furnace Oil	NIL	NIL
(4) Other Internal Generation	NIL	NIL

(B) Consumption Per unit of Production

PRODUCT	2012-2013	2011-2012
Electricity		
Grey (Mtrs.)	0.40	0.40
Yarn (Kg.)	0.60	0.60
AAC Blocks (Pcs)	0.28	-

B. TECHNOLOGY ABSORPTION

As per Form "B" attached herewith

FORM B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION****RESEARCH & DEVELOPMENT (R&D)****1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY.**

Product research is carried out on ongoing basis depend on needs of the company on the following areas:

- Quality Up gradation
- Developing wide range of products
- Productivity enhancement

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

- Increase in production and capacity utilization
- Repeat order from customers due to consistency in quality
- Reduction in Cost and optimum result from available Resources
- Saving in per unit of electricity

3. FUTURE PLAN OF ACTION

- Cost-efficiency in manufacturing operations through better methods and techniques of production.
- Increasing range of production.
- Development of new markets.

4. EXPENDITURE IN R&D

Specific expenditure of recurring or capital nature is not involved

TECHNOLOGY, ABSORPTION, ADAPTION AND INNOVATION**1. Efforts made towards Technology, Absorption, Adaption and Innovation**

Technology absorption is a continuous process and technologies are upgraded to make new type of yarns like DTY yarns, new finishes among others.

The Company is continuously making efforts for adaptation of latest technology in all its units. The Company has also created specific cell for studying and analyzing the existing processes for further improvement. Equipments of latest technology have been installed without any foreign technical know-how.

2. Benefit derived as result of the above efforts

- Development of new products.
- Improvement in product quality.

3. In case of imported Technology (Imported during the last 5 years reckoned from the beginning of the Financial year) following information may be furnished:

- Technology Imported : NIL
- Year of Import : Not Applicable
- Has the Technology been fully absorbed? : Not Applicable
- If not fully absorbed, areas where this has Not taken place, reason thereof and future Plan of action : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is successfully exporting DTY Yarn to Italy, Spain, Germany, Mexico, Thailand, Peru, Bangladesh, South Africa, Egypt, Sri Lanka, Brazil and more Countries.

During The year your company has achieved export sale FOB value of Rs. 2412.86 Lacs

Particulars	31/03/2013	31/03/2012
Foreign Exchange Earning	2,412.86	3,908.26
Foreign Exchange Outgo	944.82	206.57

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Mohit Industries Limited is committed to the Corporate Governance Philosophy and believes in adopting best corporate governance practices.

The Corporate Governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder while protecting the interests of all the stakeholders

The Company has established procedures and systems for fairness, transparency, accountability and responsibility to meet the requirements of good corporate governance practices

The Company's governance framework is based on the following principles which adhere to sound Corporate Governance practices of transparency and accountability:

- Constitution of Board of Directors with an appropriate blend of Executive and Non Executive Directors committed to discharge their responsibilities and duties.
- Strict Compliance with all governance codes, Listing Agreements, other applicable laws and regulations.
- Timely and balanced disclosure of all material information relating to the Company to all stakeholders.
- Adoption of 'Code of Conduct' for Directors and Senior Management, and 'Code of Conduct for Prevention of Insider Trading and effective implementation thereof.
- Sound system of Risk Management and Internal Control.
- Regular update of Mohit website www.mohitindustries.com to keep stakeholders informed.

2. THE BOARD OF DIRECTORS

I. Board Composition

The Board of Director of the Company comprises of 8 directors. The Board has four Executive Directors, of which the Executive Chairman, Managing Director and Joint Managing Director are promoter Directors. In addition, the Board has four non-executive Directors, consisting of all Non executive Directors are independent Directors.

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, laying down an optimum combination of Executive and Non-Executive Directors, with not less than 50 per cent of the Board comprising of Non- Executive Directors, and at least one-half comprising of Independent Directors for a Board Chaired by Executive Chairman.

The current composition of Board of Directors as on the date of this report of your company is as under

EXECUTIVE DIRECTORS	
Sitaram Saboo	50%
Narayan Saboo	
Naresh Saboo	
Manish Saboo	
NON EXECUTIVE DIRECTORS (INDEPENDENT DIRECTORS)	
Jayesh Gandhi	50%
Sachin Jain	
Bharat Merchant	
Dharmesh Patel	

The independent Directors do not have any pecuniary relationship or transaction either with the promoters/Management that may affect their Judgment in any manner. The Directors are experienced in business and corporate management. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering etc. All Independent Directors of the Company qualify the conditions of their being independent

II. Number of Board Meetings

During the Financial year ended 31st March, 2013, Board of Directors met 26 times on

09.04.2012	30.04.2012	28.05.2012	05.06.2012	30.06.2012	04.07.2012	14.08.2012
24.08.2012	08.09.2012	15.09.2012	27.09.2012	01.10.2012	27.10.2012	12.11.2012
01.12.2012	10.12.2012	17.12.2012	26.12.2012	03.01.2013	09.01.2013	12.01.2013
25.01.2013	13.02.2013	21.02.2013	12.03.2013	30.03.2013		

The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

III. Directors' Attendance Record and Directorships held

As mandated by Clause 49, none of the Directors is member of more than 10 Board level committees, or Chairman of more than five committees in which he is member.

Composition of the Board of Directors of Mohit Industries Limited

SR No.	Name of Directors	Category #	Attendance Particulars			No. of Other Directorship and Committee Membership/ Chairmanship***		
			No. of Board Meeting		Last AGM	Other Directorship in Public Company	Committee Membership	Committee Chairman Ship
			Held	Attended				
1	Sitaram Saboo	Chairman/PD/ED	26	26	Yes	0	1	0
2	Narayan Saboo	Managing Director/ PD/ED	26	26	Yes	3	1	0
3	Naresh Saboo	Joint Managing Director/PD/ED	26	26	Yes	1	0	0
4	Manish Saboo	PD/ED	26	24	Yes	1	0	0
5	Ayushi Saboo*	PD/ED	26	17	Yes	NA	NA	NA
6	Jayesh Gandhi	ID/NED	26	11	Yes	0	3	1
7	Bharat Merchant	ID/NED	26	15	Yes	1	2	2
8	Sachin Jain	ID/NED	26	18	No	0	3	2
9	Dharmesh Patel	ID/NED	26	16	Yes	1	0	0
10	Simmi Nandwani**	ID/NED	26	8	Yes	NA	NA	NA

PD – Promoter Director; NED – Non-Executive Director; ID – Independent Non-Executive Director; ED – Executive Director

* Ayushi Saboo Resigned from directorship w.e.f 13.02.2013

** Simmi Nandwani appointed on 28.09.2012 and resign from the directorship w.e.f 31.05.2013

*** No. of Directorship Excludes Directorship of Private Limited Companies, Foreign Companies and Alternate Directorship. Committee Membership/ Chairmanship include Audit Committee, Shareholders/ investors Grievances Committee and Remuneration Committee only and exclude Membership/ Chairmanship in private Limited Company, Foreign Company and Section 25 Company

NOTE:

The Expression Independent Director means director who apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior Management, its subsidiaries and associates, which may affect independence of the Director.

IV. Director Seeking appointment/reappointment:

Mr. Sitaram Saboo and Jayesh Gandhi retire by rotation and being eligible offers themselves for re-appointment.

3. Code of Conduct

The Company has framed a Code of Conduct for Directors and senior officers of the Company, which has been Complied by the Board members and senior Officers of the Company

In terms of Securities and Exchange Board of India (Insider Trading) Regulations, 1999, the Company has formulated a comprehensive Code of prevention of Insider trading Regulation to preserve the confidentiality and to prevent misuse of unpublished price sensitive information.

In line with the requirement of the said code, the trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. Notice of the closure of trading window was issued to all employees well in advance.

The Code of Conduct has also been posted on the Company's Website www.mohitindustries.com

All Board members and senior management personnel affirm compliance with the Code of Conduct annually. A declaration signed by the Chief Executive Officer (CEO) or Managing Director to this effect is enclosed at the end of this report.

4. COMMITTEES OF THE BOARD

Mohit has Three Board level committees:

- I. Audit Committee
- II. Remuneration Committee
- III. Shareholders/Investors Grievance Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

I. Audit Committee**a. Composition**

Presently Audit Committee Comprise of three Directors. They are as follows

Sr No.	Members of Audit Committee	Status
1	Mr. Sachin Jain	Chairman
2	Mr. Jayesh Gandhi	Member
3	Mr. Sitaram Saboo	Member

b. Meeting

Audit Committee held Six Meeting during Financial Year 2012-13 which as follows:

30.4.2012 30.06.2012 14.08.2012 12.11.2012 13.02.2013 30.03.2013

The time gap between any two meetings was less than four months

c. Attendance Record

Attendance Record of each member of audit Committee during Financial Year 2012-13

Sr No.	Name of Members (Category)	Status	No. of meetings	
			Meeting Held	Meeting Attended
1	Mr. Sachin Jain (ID)	Chairman	6	6
2	Mr. Jayesh Gandhi (ID)	Member	6	6
3	Sitaram Saboo (ED)	Member	6	6

The Company Secretary acted as the Secretary of the Committee.

d. Term of Reference

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with management the periodical financial statements before submission to the Board for approval, with particular reference to (i) changes in accounting policies and practices, (ii) major accounting entries involving estimates based on exercise of judgment by management, (iii) qualifications in draft audit report (if any), (iv) significant adjustments made in financial statements arising out of the audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with listing and other legal requirements concerning financial statements, (viii) Disclosures of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large;
- Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Any other work as may be assigned by the Board of Director(s) of the

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, wherever considered necessary.

Mohit has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of financial conditions and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the Chief Internal Auditor.
- The uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results (whenever applicable).

- On an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice (whenever applicable).

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee had reviewed the Annual Financial Statements, before their submission to the Board, as prescribed in Section 292A of the Companies Act 1956. Internal auditors and statutory auditors of the Company are permanent invitees at the meetings of Audit Committee. The minutes of the Committee were placed before the Board of Directors for information.

II. Remuneration Committee

a. Composition

Presently Remuneration Committee Comprise of three Directors. They are as follows

Sr No.	Members of Audit Committee	Status
1	Mr. Sachin Jain (ID)	Chairman
2	Mr. Jayesh Gandhi (ID)	Member
3	Mr. Bharat Merchant (ID)	Member

b. Meeting

Remuneration Committee held Four Meeting during Financial Year 2012-13 which as follows:

30.4.2012 24.08.2012 17.12.2012 13.02.2013

The time gap between any two meetings was less than four months

c. Attendance Record

Attendance Record of each member of Remuneration Committee during Financial Year 2012-13

Sr No.	Name of Members (Category)	Status	No. of meetings	
			Meeting Held	Meeting Attended
1	Mr. Sachin Jain (ID)	Chairman	4	4
2	Mr. Jayesh Gandhi (ID)	Member	4	4
3	Mr. Bharat Merchant(ID)	Member	4	4

d. Term of Reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole time Director(s).
- Reviewing the performance of the Managing / Whole-time Director and recommending to the Board, the quantum of annual increments
- Structure and design a suitable succession planning policy for board and senior management team of the company.

e. Remuneration Policy

Payment of remuneration to the Managing Director/Whole-time Director(s) is governed by resolution passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the Company. Remuneration paid to Chairman and Managing Director and Whole-time Director(s) is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the Annual General Meeting.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

The remuneration is governed by the external competitive environment; track record, potential, individual performance, Company's performance and industry standards.

No sitting fee is payable to the Executive Vice Chairman and the Managing Director.

d. Remuneration paid to Director During Financial Year 2012-13

Sr No.	Name of Directors	Salary & perquisites	Commission (Rs.)	Total Remuneration (Rs.)
1	Mr. Narayan Saboo	1,50,000	0	1,50,000 p.a.
2	Mr. Sitaram Saboo	1,50,000	0	1,50,000 p.a.
3	Mr. Naresh Saboo	1,50,000	0	1,50,000 p.a.
4	Mr. Manish Saboo	1,50,000	0	1,50,000 p.a.

e. Equity Shares held by the Directors

Except as stated hereunder, none of the directors, held any share in the Company as on 31st March, 2013:

Sr No.	Name of Directors	No. of Shares Held
1	Mr. Narayan Saboo (ED)	7,02,246
2	Mr. Sitaram Saboo (ED)	5,71,248
3	Mr. Naresh Saboo (ED)	2,68,424
4	Mr. Manish Saboo (ED)	2,74,286
5	Miss. Simmi Nandwani (ID)@	2,43,178

@Resigned from Directorship on 31st May 2013

III. Shareholders/Investors Grievance Committee

a. Composition

Presently Shareholders/Investors Grievance Committee Comprise of three Directors. They are as follows

Sr No.	Members of Audit Committee	Status
1	Mr. Jayesh Gandhi (ID)	Chairman
2	Mr. Sachin Jain (ID)	Member
3	Mr. Narayan Saboo (ED)	Member

b. Meeting

Shareholders/Investors Grievance Committee held Four Meeting during Financial Year 2012-13 which as follows:

30.04.2012 24.08.2012 01.12.2012 30.03.2013

The time gap between any two meetings was less than four months

c. Attendance Record

Attendance Record of each member of Shareholder/Investor Grievance Committee during Financial Year 2012-13

Sr No.	Name of Members (Category)	Status	No. of meetings	
			Meeting Held	Meeting Attended
1	Mr. Jayesh Gandhi (ID)	Chairman	4	4
2	Mr. Sachin Jain (ID)	Member	4	4
3	Mr. Narayan Saboo (ED)	Member	4	4

Name & Designation of Compliance Officer

Miss Swati Malu, Company Secretary of the Company acts as the Compliance Officer of the Company.

d. Term of Reference

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipt of annual reports, non-receipt of dividend and other allied complaints. This Committee delegated most of its functions to Registrar Transfer Agents i.e. "Adroit Corporate Service Private Limited.

The Committee performs the following functions:

- Transfer/Transmission of shares.
- Split-up/Sub-division and Consolidation of shares.
- Dematerialization/ Rematerialization of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, Probate, Letters of Transmission or similar other documents.
- To open/close bank account(s) of the Company for depositing share/debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- To look into redressal of shareholders' and investors' complaints, like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.
- Any allied matter(s) out of, and incidental to, these functions and not herein above specifically provided for.

Nature of complaints received and attended During Financial year 2012-13

Sr No.	Nature of Compliant	Pending as on 1st April 2012	Received During the year	Redressed During the year	Pending as on 31st March, 2013
1	Non -Receipt of Share Certificate	0	2	2	0
2	Non- Receipt of Dividend Warrant	0	1	1	0
3	Non-Receipt of Annual Report	0	0	0	0
4	Grievances Received through SEBI/Stock Exchange/MCA	0	0	0	0
	Total	0	3	3	0

There were no complaints which were pending as on March 31, 2013

5. GENERAL BOARD MEETING

Year	Date	Venue	Time	Special Resolution Passed
2010	20.09.2010	A/601-B, International trade Centre, Majura Gate, Ring Road, Surat 395002	10.00 A.M	(1) To appoint Mr. Bharat Merchant as Independent Director of the Company (2) To appoint Mr. Dharmesh Patel as Independent Director of the Company (3) Revision in terms of remuneration and reappointment of Mr Narayan Saboo as Whole-time Director, designated as Managing Director of the Company (4) Appointment of Mr. Naresh Saboo as Joint Managing Director of the company
2011	29.09.2011	Celebration Restaurant, L1, platinum Plaza, opp. V.T Choksi law College, Athwalines, Surat 395007	10.00 A.M	(1) To appoint Mr. Manish Saboo as Director of the Company (2) To authorize the Board of Directors of the Company to issue Further shares on preferential basis u/s 81, 81 (1A) of Companies Act, 1956 up to Rs.200 Crores as deems fit for Expansion of Business (3) Authority to the Board to mortgage and/or create charge over assets of the Company U/s 293 (1)(a) for an aggregate amount of upto Rs. 250 Crores (4) Borrowing Power to the Board U/s 293 (1)(d) for the business purposes of the Company, for an aggregate amount of upto Rs 250 Crores.
2012	28.09.2012	A/601-B, International trade Centre, Majura Gate, Ring Road, Surat 395002	11.00 A.M	(1) To appoint Miss. Simmi Nandwani as Independent Director of the Company (2) To authorize the Board of Directors of the Company to issue Further shares on preferential basis u/s 81, 81 (1A) of Companies Act, 1956 upto Rs.200 Crores as deems fit for Expansion of Business (3) Increased in Authorised Capital from Rs. 160,000,000/- divided into 16,000,000 Equity Shares of Rs. 10 each to Rs. 200,000,000/- divided into 20,000,000 Equity Shares of Rs. 10 each and Clause V of MOA be Altered .

Postal Ballot

No special resolution was passed through Postal Ballot during the financial year 2012-13

Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial year 2012-13

6. DISCLOSURE**a) Related Party Transaction**

There were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Note No. 37 of Notes to Accounts in the Annual Report

b) Compliances by the Company

The Company has complied with all the requirements of the Listing Agreement entered into with Bombay Stock Exchange & National Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital market during last three years.

c) Accounting Treatment

The company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

d) Risk Management

Your Company has a comprehensive risk management policy. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through properly defined framework.

The Audit Committee, which has been designated by the Board for the purpose, reviews the adequacy of the risk management framework of the Company, the key risks associated with the Businesses of the Company and the measures and steps in place to minimize the same, and Thereafter the details are presented to and discussed at the Board Meeting.

e) Adoption of non mandatory requirements under clause 49

The company complies with the following non-mandatory requirements under clause 49

(a) Remuneration Committee

The Board has constituted a remuneration committee consisting of three directors all of whom are non executive directors, the chairman of the committee being an independent director. The remuneration committee recommends/ reviews remuneration of the Directors

(b) Whistle blower policy

The Company has Whistle Blower Policy and no personnel have been denied access to the audit committee. The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons.

The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain Confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory Practice.

7. Means of Communication

Half Yearly report sent to each of shareholders	No
Quarterly Result	
Which newspapers normally published	Economic Times
Any website, where displayed	www.mohitindustries.com
Presentation made to Institutional Investors or to Analyst	No
Whether Management Discussion and Analysis Report is a Part of Annual Report or not	yes

8. General Shareholders information

Annual General meeting	
Date and Time	30.09.2013 at 10.00 A.M
Venue	A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002
Financial Calendar year (Tentative and Subject to change)	
First Quarter Result (30 th June 2013)	First week of August 2013
Second Quarter Result (30 th Sep 2013)	First week of November 2013
Third Quarter Result (31 st Dec 2013)	First week of February 2014
Fourth Quarter and Year Ended result (31 st March 2014)	Third week of May 2014
Date of Book Closure	24 th September, 2013 to 30 th September, 2013
Listing on Stock Exchange	(1) Bombay Stock Exchange Limited (BSE) (2) National Stock Exchange of India Limited (NSE)
Stock Exchange Code	
Bombay Stock Exchange Limited (BSE)	531453
National Stock Exchange of India Limited (NSE)	MOHITIND
ISIN for CDSL & NSDL	INE954E01012

Stock Market price Data**High, Low and Volume of Mohit 's Equity Shares for 2012-13 at BSE and NSE**

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High	Low Shares (Volume)	No. of	High	Low	No. of Shares (Volume)
April 2012	38.80	26.00	12,52,413	* Equity Shares of Mohit Industries Limited got Trading Approval or admitted to be deal on NSE with effect from 14 th March 2013.		
May 2012	37.50	31.65	5,62,506			
June 2012	52.00	35.10	25,16,789			
July 2012	67.00	47.50	43,73,613			
Aug 2012	65.95	48.00	22,82,490			
Sep 2012	62.80	51.00	21,63,413			
Oct 2012	62.00	54.00	22,41,472			
Nov 2012	63.90	49.10	10,22,416			
Dec 2012	68.00	53.95	24,54,458			
Jan 2013	64.30	51.00	8,76,750			
Feb 2013	59.80	44.50	7,20,486			
March 2013	51.60	37.75	6,03,420	52.85	38.50	4,32,601

Mohit's Shares Performance with BSE Sensex**Registrar and Share Transfer Agent**

Registrar and Transfer Agents (For share transfers and other communications Relating to share certificates, dividend and change of address)	Adroit Corporate Service Private Limited 19,20, Jaferbhoy Industrial Estates, Makwana Road, Marol naka, Andheri (East) Mumbai- 400059. In-House Share Transfer Registered with SEBI as Category I Share Transfer Agent vide Registration No. INR000002227
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Share Transfer system

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Transfer Agents.

Shareholders/Investor Grievance Committee is authorized to approve transfer of shares in the physical segment. The Shareholders/Investor Grievance and Share Transfer Committee have delegated the authority for approving transfer and transmission of shares and other related matters to the Managing Director of the Company. Such transfers take place on fortnightly basis. A summary of all the transfers/ transmissions etc. so approved by Managing Director of the Company is placed at every Committee meeting.

All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the listing agreement, and files a copy of the same with the Stock Exchanges.

Transfer to Investor Education Protection Fund/ Unclaimed or Unpaid Dividend

Pursuant to section 205C of the Companies Act, 1956, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

Shareholders who have not encashed their dividend warrants relating to the dividends specified in Table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof either with the Company or IEPF.

Year	Type of Dividend	Rate of Dividend	Date of Declaration	Due Date for transfer to IEPF
2006-2007	Interim Dividend	10%	17.11.2006	16.12.2013
2009-2010	Final Dividend	9%	20.09.2010	19.10.2017
2010-2011	Final Dividend	15%	30.09.2011	29.10.2018
2011-2012	Final Dividend	15%	28.09.2012	27.10.2019

Pursuant to Provisions of Section 205A (5) and 205C of the Act, Unpaid/Unclaimed Dividend for the financial Year 2004-05 (Interim Dividend) and (Final Dividend) as well as financial year 2005-06 (Interim Dividend) has been transferred by the company to Investor Education Protection Fund Established by Central Government

Reconciliation of Share Capital Audit

Dhiren Dave & Co., an independent firm of practicing Company Secretary, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Shareholders and Investors Grievances Committee of the Board.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on various aspects of corporate law and practices. Though these standards are recommendatory in nature, the Company has voluntarily complied with each one of them.

Distribution of Shareholding as on 31st March 2013

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% shareholding
1-100	628	39.60	38,578	0.27
101-500	527	33.23	1,68,449	1.19
501-1000	177	11.16	1,55,561	1.10
1001-2000	84	5.30	1,33,274	0.94
2001-3000	32	2.02	83,549	0.59
3001-4000	18	1.13	65,403	0.46
4001-5000	19	1.20	87,883	0.62
5001-10000	31	1.95	2,32,805	1.64
10001-20000	20	1.26	2,94,045	2.08
20001-50000	21	1.32	6,73,882	4.76
50001 & above	29	1.83	1,22,24,146	86.34
TOTAL	1586	100.00	1,41,57,575	100.00

Categories of Shareholding as on 31st March 2013

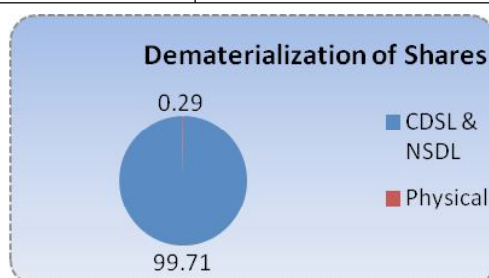
Category	Number of Shareholders	% of Total Shareholders	Number of Shares	% of Total Shares
Promoters	15	0.95%	94,55,499	66.79%
Banks/Financial Institution/ Insurance Companies	0	0	0	0
Foreign Institutional Investor	1	0.06	1,85,350	1.31%
Private Corporate Bodies	86	5.43	22,80,610	16.11%
NRI	5	0.32	1,352	0.01%
Clearing Members	7	0.44	13,807	0.10%
Indian Public	1,470	92.80	22,20,957	15.69%
TOTAL	1,584	100.00%	1,41,57,575	100.00%

Dematerialization of Shares and Liquidity

About 99.71% of the Equity shares were in dematerialized form as on March 31, 2013. The equity shares of the Company are traded at BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE).

Physical and Demat Shares as on 31st March 2013

	No. of Share Holders	No. of Shares	% of
Shares held by CDSL	663	34,63,591	24.46
Shares Held By NSDL	854	1,06,53,552	75.25
Physical Shares	69	40,432	0.29
Total	1,586	1,41,57,575	100



Outstanding GDRs/ADRs/Warrants or any Convertible Instrument, Conversion date and Likely impact on equity : NIL

Plant Location

Textile Unit (Kim Plant)	Textile Unit (Silvassa Plant)	AAC Blocks Unit (Umargaon Plant)
Plot No. 5&6, 14&15, 30&31 Block No. 792, 787 Village Kudasd, Taluka Olpad, Dist. Surat Factory_kim@mohitindustries.com	Plot No.2; Survey No. 301/2/1, Plot No.2; Survey No. 301/1, Village: Masat (Silvassa) Union Territory of Dadar & Nagar Haveli	Survey No. 279/7, Paikee1,2, Manda-Khatalwada Road, khatalwada, Umargaon, Dist- Valsad (Gujarat) info@nxtbloc.in

Address for Correspondence

MOHIT INDUSTRIES LIMITED
A/601/B, International Trade Centre,
Majura Gate, Ring Road,
Surat 395002, Gujarat
Ph: +91- 0261- 2463261/62/63
Fax : +91- 0261- 2463264
Email: contact@mohitindustries.com

For Secretarial Matter

Company Secretary,
Secretarial Department
MOHIT INDUSTRIES LIMITED
A/601/B, International Trade Centre,
Majura Gate, Ring Road,
Surat 395002, Gujarat
Ph: +91- 0261- 2463261/62/63
Fax : +91- 0261- 2463264
Email: cs_swati@mohitindustries.com

CHIEF EXECUTIVE OFFICER (CEO) AND MANAGING DIRECTOR CERTIFICATION

We, Narayan Saboo, Managing Director and Naresh Saboo, Joint Managing Director of Mohit Industries Limited, to the best of our Knowledge and belief, certify that-

- a. We have reviewed the financial statements, read with the cash flow statement of Mohit Industries Limited for the year ended March 31, 2013 and that to the best of our knowledge and belief, we state that:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - II. These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or propose to be taken for rectifying these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - I. Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - II. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting
 - III. significant changes in internal control over financial reporting during the year
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matter involving alleged misconduct).

Narayan Saboo
Managing Director

Naresh Saboo
Jt. Managing Director

Date: 31.05.2013

Place: Surat

DECLARATION**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with the Clause 49 sub-clause of the listing Agreements with the Stock Exchanges, We further confirm that all the directors and senior management personnel of the Company have affirmed compliance to their respect Code of conduct, as applicable to them for the year ended 31 March 2013.

Narayan Saboo
Managing Director

Naresh Saboo
Jt. Managing Director

Date: 31.05.2013

Place: Surat

C.S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Member of
MOHIT INDUSTRIES LIMITED

I have examined the compliance of conditions of Corporate Governance by Mohit Industries Limited (the Company) for the year ended March 31, 2013, 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.

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: 31.05.2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC SCENARIO

Indian Economic growth rate had slipped to decade's low of 5 per cent in 2012-13 as Compared to 6.2 % in 2011-12 India's GDP grew by an astounding 9.3% in 2010-11. Thus, the growth rate has nearly halved in just three years. The government has forecasted a growth of 6.1%-6.7% for the year 2013-14, while the RBI expects the same to be at 5.7%. Indian economy is expected to rebound in 2014, boosted by lower inflation and interest rate cut down from RBI. The year 2012-13 in India was in many ways that of stagnant economy- low GDP Growth, steadily low Industrial output, high inflation, high Interest Rates, Depreciated Rupees.

TEXTILE BUSINESS

1. INDIAN TEXTILE INDUSTRY STRUCTURE & DEVELOPMENT

(Textile Products viz. Texturised Yarn, Twisted Yarn, Grey Cloth Fabrics & Finished Cloth, Fabrics.)

Indian textile Industry is one of leading textile industries in the world. The Indian Textile Industry has an overwhelming presence in the economic life of the India. Textile is one of India's oldest industries stand next to Agriculture. Indian textile Industry largely Depend upon the textile manufacturing and export. Textile industry also play vital role through its contribution to industrial output, employment generation and the export earning of the country where as it contributes

- (1) 14 % to industrial production
- (2) 4% to Gross Domestic Product (GDP) and
- (3) 17 % to Country's export earnings.
- (4) Direct employment to over 35 million peoples.

The textile sector is the second largest provider of employment after agriculture. The Indian textile Industry is competitively placed vis-à-vis competitors. India offers higher skill, lower cost, modern technology, high Creativity designs, talent etc. India is among few Textile manufacturing countries, which if fully integrated from fibres to finished product.

The Industry operates in several segments, including Cotton textile, silk textile, woolen textiles, Jute, manmade textile and readymade garments. India is the world's second largest producer of textiles and garments. The total Indian textile industry size, including readymade garments, was estimated to be Rs. 4.9 lakh Crores in 2012, projected to grow over the next 10 years at a CAGR of 9-10%, to reach Rs. 10 lakh Crores by 2020. This constitutes of 65% domestic market and 35% exports and the mix is expected to largely remain the same given the balance of strong domestic consumption growth and increasing global competitiveness.

2. EXPORT SCENARIO

Textile exports play an important role in overall exports from India. The Indian textiles and clothing industry is one of the largest contributors to the country's export. Textile exports constitute about 12% of India's total export. India's share in the world textile and clothing market, although small, is rising steadily. India's share in the global textile and apparel markets is 4% and 2.8% respectively. The export basket of the Indian textiles industry consists of a wide range of items: readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woolen goods, silk, jute. India's share in the global trade of man-made fibre textiles is a meager 3 per cent. Exports of man-made fibre textiles account for 17 per cent of Indian textiles exports.

3. POLICY MEASURES AND IMPACT OF UNION BUDGET 2013-14 ON THE INDIAN TEXTILE INDUSTRY

The Government has taken several important decisions in the Union Budget 2013-14 to support the Growth of Indian Textile Industry. The Highlights of those are:

1. 100 per cent foreign direct investment (FDI) in the Indian textile sector through automatic route.
2. Restoration of Zero excise duty, as existed prior to the budget 2011-12, on readymade garments sold in domestic market as well as for cotton and manmade sector at yarn, fabric, and clothing stage.
3. Reducing Custom duty on Textile Machinery

4. Continuation of Technology Upgradation Fund Scheme (TUFS) in the 12th five year plan with an Investment Target of Rs. 151,000 crores(US\$ 27.58 billion)
5. Allocation of Rs 50 crore (US\$ 9.13 million) to Ministry of Textile to incentivise setting up apparel parks within the Scheme for Integrated Textile Parks (SITP) to house apparel manufacturing units
6. A new scheme called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry
7. Working capital and term loans at a concessional interest of 6 per cent to handloom sector
8. Scheme of Fund for Regeneration of Traditional Industries (SFURTI) extended to 800 clusters during the 12th Plan

4. OPPORTUNITY & THREATS

Opportunities

- Emergence of retail Industry as a whole and development of various malls provide huge opportunities for the apparel segments
- Opportunities in product diversification (for e.g., Technical Textiles)
- Change in consumption pattern, including rising demand for high quality premium fabrics and development of various products cater to global needs
- Reduction of Duty on Man-made Fiber likely to kick Indian textile Industry
- Increasing Production Cost in China Given a window of Opportunity to Textile Sector
- FDI relaxation in multi retail brand opens up grater Horizons.

Threats

- Increasing apparel import from Bangladesh/China and impact of global economic slowdown
- Rising input costs, Borrowing Cost
- Volatility In Exchange rate
- Large Fluctuation in Crude oil prices is of Major Concern for Textile manufacturer along with ever Increasing Energy prices.

5. RISK AND CONCERN

- High rate of Interest for working Capital and also taxation Issues
- High financing cost and lack of adequate technology
- High Fragmented Industry with large number of small-Size and technologically outdated plants, lacking benefits of economies of Scale, Inadequate supply of skilled labour
- Lack of Trained Manpower and low labour Productivity due to lack of Technological Development
- Infrastructure Bottlenecks for handling huge Volumes
- High Labour cost and Energy cost are matter of Concern
- Inconsistent Raw material supply and price volatility of Yarn prices may Impact production

6. BUSINESS OUTLOOK

The Company has installed 14 Texturising which manufacture 23,000 tonnes of Draw Texturised Yarn (DTY) per annum. Your Company is also engaged in manufacturing 8 million meters of grey fabric annually on 100 Water Jet, 96 Jacquard and 48 shuttel looms. Your Company's textile products has a Competitive edge of Quality, design, Innovative Product but still company is taking all efforts to improve the quality and productivity to get more orders at competitive rates The company is witnessing strong demand in the International Market through export by moving from DTY to Finished Fabrics. Government shall grant an incentive of 2 per cent incremental exports. The continued weakness of the Indian rupees against the US Dollar and Euro has improved India's competitiveness positioning in the Export Market as the effect will be positive on the rupee revenue of company.

AAC (AUTO-CLAVE AERATED CONCRETE) BLOCKS BUSINESS

1. INDUSTRY STRUCTURE & DEVELOPMENT

The building materials sector in India is a key constituent of the country's construction industry. Driven by recent growth in the infrastructure and the construction industry, the building material sector has recorded considerable growth over the last few years. Furthermore, India's economic performance and rapid increase in per capita income signal excellent growth prospects for this sector.

Economic growth and demand for building materials always move hand-in-glove given the intricate correlation between GDP growth and the level of construction activities. Strong economic growth, expanding population, industrialization, and urbanization results in increased infrastructure and housing needs thus translating into improved construction activities across all sectors - residential, commercial and infrastructure.

Environmental conservation has also become a key focus area, as buildings account for about 35-40% of energy consumption and also account for about a third of the global greenhouse gas emissions. Growing emphasis on sustainability is thus expected to spur demand for green building materials Like Auto Clave Aerated blocks.

AAC INDUSTRY IN INDIA "AN ECOFRIENDLY INITIATIVE FOR THE CONSTRUCTION INDUSTRY"



Autoclaved Aerated Concrete AAC blocks manufacturing is a growing industry in India. AAC is a Swedish product and promises to bring drastic changes to construction industry in India. AAC has superior performance and offers advantages over Red bricks. AAC blocks offer interesting options for construction industry. The first Aerated Autoclaved Blocks were conceptualized and invented by Swedish architect and inventor, Johan Axel Eriksson in the mid 1920's. This fire resistant building material gained popularity much later and once it began to be recognized, there was no looking back. Later in 1940's, these blocks gained ground. In India,

however, it is still in the developing years and there are few recognized companies like us, at Mohit (NXT BLOC) in India. Use of Autoclaved Aerated Concrete (AAC) blocks in construction industry in India offers interesting proposition for various segments in the society. For a project developer it means faster and lower cost construction. For environmentally conscious it means eco-friendly products and for those who occupy buildings built with AAC blocks it means better safety and lower energy costs for cooling or heating.

Asia-Pacific is the fastest growing regional market for building materials over the analysis period 2007-2015. Growth is primarily driven by strong construction activities. This is due to mass exodus of manufacturing and production bases to low cost Asian countries. Continuous and rapid industrialization in regional powerhouses such as China and India is also a driving factor. Increasing income levels, higher spending power, improving standards of living, etc. lead to higher demand for residential and commercial constructions.

AAC is a lightweight material produced by mixing rich material (sand or fly ash/pond ash), cement, lime, gypsum, aluminum powder/paste and water. Aluminum acts as a catalyst. It generates hydrogen gas upon mixing with cement paste during AAC blocks manufacturing. As Hydrogen gas escapes from concrete mix, it imparts a porous structure to AAC blocks. The finished product is a 3 times lighter Block compared to Red Bricks, while providing the similar strengths. The specific gravity stays around 0.6 to 0.65. This is one single most USP of the AAC blocks, because by using these blocks in structural buildings, the builder saves around 30 to 35 % of structural steel, and concrete, as these blocks reduce the dead load on the building significantly

AAC became much popular gradually all over the world. Now AAC is one of the most ideal and environment friendly building materials.

Shelter is third skin, according to a German Concept, which implies its importance next to human Skin and Clothing. This also shows the attachment of human race to this fundamental requirement. Building Material accounts for major component of the construction cost. Depending on the location they can contribute to 60 - 70 % of the cost of construction. With the ever increasing population, the demand for housing increases. This directly creates demand for this prime commodity of building. Add to the above fact the nearby area of this project site is undergoing a major infrastructure revolution. As Residential, Commercial, IT companies, and Industrial establishments are coming in, we can conclude that the Blocks unit will prosper and flourish in this environment. There is a central government gadget notification mandating government departments and CPWD to use 100% Fly Ash based Bricks in their all constructions directly of through contractors. This factor will help the marketability of this product immensely. Fly Ash policy of the Government also mandates that 20% of Fly ash Generated by a power plant must be given free of cost to SME sector on a priority basis. In INDIA, according to market analysis, currently AAC Blocks manufacturer only produce 20% production as actually demanded in market. They would be highly Demandable in near future.



2. OPPORTUNITY & STRENGTH

- Abundance raw material like Lime, Fly Ash, gypsum, Aluminum Powder
- Reduction of GHG Emission or Earning of Carbon Credit
- High Demand in Future as Green product
- Conserves natural resources and decreases air pollution as well as Earthquake Resistance
- Use of Fly ash – Industrial Waste- as an ingredient of building material and No Generation of Waste in atmosphere
- Better Quality employment creation and Reduction of Dependence on fossil fuels

3. RISK AND CONCERN

- High transportation Cost
- Understanding of various equipments, communications and awareness about local laws, documentation and compliances
- Lack of latest technology or Machineries needed to be import from China.
- Insufficient Supply of Labour Force
- High Finance Cost and Investment cost
- Unfavourable Exchnage rate Fluctuation
- Substantial Gap between Demand & supply of Coal
- Lack of entry barrier attracting new entrant into line of business

4. BUSINESS OUTLOOK

Your Company has installed autoclaved aerated concrete (AAC) blocks manufacturing unit of capacity 300,000 m³/annum in Gujarat. Your Company's AAC Blocks are marketing in Brand Name of "NXTBLOC". The market Characteristic shows the demand for AAC Blocks as green product increase due to its various advantages like natural lightweight, earthquake and fire resistance attracts more customers in future. Company use waste material fly ash generated from thermal power plants as the primary raw material for manufacturing AAC Blocks. Production of AAC blocks will replace conventional fired (baked) clay/Red bricks as construction material. The energy requirement for fired clay bricks manufactured in India is supplied



predominantly by high carbon intensive fossil fuel sources. AAC blocks are manufactured by the autoclaving process, which is less energy intensive as compared to the thermal baking process used for manufacturing of fired clay/Red bricks results in lower greenhouse gas emission as compared to the conventional clay/Red bricks manufacturing process. Reductions of GHG emission provide earning of Carbon Credit in future. Your Company has proceeds for the GHG abatement under verified carbon Standard (VSC) and to gain financial benefits through sale of carbon Credit.

The Company is also planning expansion in its AAC unit by setting up new project near to Hosur in Tamilnadu for which the company has identified land and would finalized the same soon and shall start construction work for its Hosur Plant by 2014.

SEGMENT WISE PERFORMANCE

The Company has two Segments viz.

- (1) Textile Division includes Production and Marketing activities of Textile Product vz. Texturised Yarn, Twisted Yarn, Grey Cloth Fabrics & Finished Cloth fabrics
- (2) AAC Blocks Division includes production and Marketing activities of Auto-Claved Aerated Concrete Blocks

(Rs. In Lacs)

Particulars	Textile Division		AAC Blocks Division	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Sales (Gross)	18,307.24	17,146.72	1,361.18	484.70

The Details of segment wise revenue, results& Capital employed has been mentioned in Notes to the accounts in the Annual Report

COMPANY'S FINANCIAL PERFORMANCE:

(Rs in Lacs)

PARTICULARS	31.03.2013	31.03.2012
Net Sales	19,668.42	17,631.42
PBIDT	13,321.33	1,155.85
Finance Cost	612.98	389.75
Profit before Depreciation and Taxation	575.12	766.09
Depreciation	380.22	306.43
Profit before taxation & After Exceptional items	194.89	1,927.10
Tax Expense	128.30	556.62
Net profit	66.60	1,370.48
Earning Per Shares	0.47	11.21

Net Sales of the Company have increased by 11.55%, during the year under review.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Mohit Industries Limited has a proper and adequate system of internal controls and procedures commensurate with the size and nature of business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all transactions are authorized, recorded and reported correctly and adequately. All the internal policies and statutory guidelines are complied with and the accuracy and timing of financial reports and management information is maintained.

The Company is successfully running ERP Software. A well established multidisciplinary Management Audit & Assurance Services consist of professionally qualified accountants carries out extensive audit throughout the year, across all functional areas and submits its report to Management and audit Committee about the compliance with internal controls and efficiency and effectiveness of operation and key process risk. The Company's internal controls are

supplemented by extensive programmes of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the Company.

RISK MANAGEMENT

Risk is inherent in all kinds of business and is an integral part of the textile business and AAC Blocks business. In the normal course of business, a company is exposed to various risks like Credit risk, Market risk and Operational risk, besides other residual risks such as Liquidity risk, Interest rate risk, Regulation risk etc. With a view to efficiently manage such risks, your Company has put various risk management system and practices.

Your Company aims at enhancing and maximizing shareholders value by achieving appropriate balance between risks and returns. The risk management strategy adopted by your Company is clearly based on a clear understanding of the risk and the level of the risk appetite and that is dependent on the willingness to take the risk in the normal course of business. Various committees operate within the broad policy framework to ensure and enhance the risk control and governance framework.

ENVIRONMENT, HEALTH AND SAFETY

Your Company is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact on its business operations. A safe and healthy environment is maintained, and appropriate steps are taken with the object of minimizing the environmental impact on all processes and practices. The Company has a range of policies, including on quality, safety and health aspects to guide the employees work Practices, actions and decisions. The Company strives to continuously improve the effectiveness of its policies and the employees are encouraged to contribute their mite in this direction. All employees are obliged to ensure that they fully understand all policies and do fully comply with the requirements.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Mohit Industries Limited Considers its employees are the most valuable assets of the company. Your Company focuses on attracting talent, retaining talent and developing talent for enhancing business performance. The Company's HR policies ensure the availability of a competent and motivated team of employees. The company is providing a fair compensation amongst industry of like nature, a clear career path, reward for performance and regular training and development for each level of employees. All employees are made aware of and have access to central database of HR policies covering all aspect of welfare, benefits and administration.

The work environment of your company enables its employees to work together in a trusting and respectful manner. This way of doing business is based on an open-minded and collaborative culture in which each individual's point of view is heard and respected. Mohit Industries Limited always encourages discussion and debate on the new ideas. By promoting independent thought and the continuous exchange of information, your company fosters the innovative ideas that drive its business.

Industrial Relations remained cordial during the year. Employees Competencies and skills were enhanced by exposing them to several internal and external training programs. The employees of the company stood at 600 at the end of March 2013.

Disclaimer Statement

The discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. No representation is made on the accuracy and comprehensiveness through the same is based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by us herein contain our view on the significant events having impact on the Company's operations but it is not exhaustive.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
MOHIT INDUSTRIES LTD., SURAT

Report of the Financial Statements

We have audited the accompanying financial statements of **MOHIT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, Statement of Profit & Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 1) Without qualifying our report, we draw attention to Note No. 28(ii) forming part of the financial statements.
- 2) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and *subject to Note No. 2(F) of Notes to Accounts forming part of Financial Statements 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:-
 - (a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2013,
 - (b) In case of the Statement of Profit & Loss, of the Profit of the company for the year ended on that date.
 - (c) In case of the cash flow statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 ('the Order') issued by the Central Government in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Statement of Profit & Loss and the cash flow statement comply with the Accounting Standards referred to Section 211 (3C) of the Act *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, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For RKM & CO.
Chartered Accountants
Firm Registration No.: 108553W

Place: Surat
Date: 31-05-2013

(Ramesh Kumar Malpani)
Partner
M. No. 33840

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph '1' under "Report on Other Legal and
Regulatory Requirements' 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 numbers of parties to whom such advances have been granted are six. The maximum amount involved during the year was Rs. 110.34 Lakhs and the year end balance was Rs. 31.99 Lakhs.
- (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*, *prejudicial to the interest of the company as no interest has been charged from them*.
- (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) As explained to us, the company has taken loans from parties covered in the Register maintained under section 301 of the Companies Act, 1956. The number of parties from whom loans have been taken are two. The maximum amount involved during the year was Rs. 344.03 Lakhs and the year end balance is Rs. 232.11 Lakhs.
- (f) In our opinion, the rate of interest and other terms and conditions on which these loans have been taken are not, *prima facie*, *prejudicial to the interests of the company*.
- (g) As explained to us, the payment of principal and interest as applicable in respect of the loans taken is regular.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system 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. According to information & explanation given to us, the company has not accepted any deposit from public.
- vii. As explained to us, the company has an in-house 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) *There has been delay in depositing the dividend distribution tax under section 115O of the Income Tax Act, 1961 of Rs. 30.88 Lakhs.* The company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it 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, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of custom duty, wealth tax and cess which have not been deposited on account of any dispute. The disputed sales tax of Rs. 4.86 Lakhs, VAT of Rs. 460.81 Lakhs, Entry Tax of Rs. 433.18 Lakhs, Central Excise Duty Penalty of Rs. 0.74 Lakhs and Service Tax & Penalty of Rs. 29.30 Lakhs have not been deposited on account of disputed matters pending before appropriate authorities as under:-

Name of The Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Law of Gujarat	Sales Tax	4.86	FY 2001-02	Gujarat Value Added Tax Tribunal
Gujarat VAT Act, 2003	Gujarat VAT	460.81	FY 2006-07	Gujarat Value Added Tax Tribunal
Gujarat Entry Tax Laws	Gujarat Entry Tax	433.18	FY 2006-07	Gujarat Value Added Tax Tribunal
Central Excise Act, 1944	Excise Duty Penalty	0.74	Nov, 2005 to July, 2006	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax & Penalty	29.30	Sept. 2005 to March 2010	CESTAT, Ahmedabad

- x. The company does not have any accumulated losses at the end of financial year. The company has not incurred any cash losses in the current year 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, no loans and advances have been granted by the Company 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.
- 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. According to information and explanations given to us, we are of the opinion that 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. Hence, the provisions of Clause 4(xviii) of the Order are not applicable to the company.
- 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 year under consideration.

For RKM & CO.
Chartered Accountants
Firm Registration No.: 108553W

(Ramesh Kumar Malpani)
Partner
M. No. 33840

Place: Surat
Date: 31-05-2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rupees)

Particulars	Note No.	Figures as at 31st March, 2013	Figures as at 31st March, 2012
I EQUITIES & LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	3	141,575,750.00	141,575,750.00
(b) Reserves & Surplus	4	296,554,713.19	289,895,027.23
SUB TOTAL		438,130,463.19	431,470,777.23
2 Non- Current Liabilities			
(a) Long Term Borrowings	5	299,543,754.00	58,957,207.00
(b) Other Non-Current Liabilities	6	1,100,000.00	-
(c) Deferred Tax Liability		67,441,970.00	60,764,743.00
SUB TOTAL		368,085,724.00	119,721,950.00
3 Current Liabilities			
(a) Short Term Borrowings	7	412,509,179.00	263,163,215.92
(b) Trade Payables	8	107,875,030.40	43,320,970.17
(c) Other Current Liabilities	9	89,292,093.05	42,754,651.64
(d) Short Term Provisions	10	6,860,484.00	65,800,847.50
SUB TOTAL		616,536,786.45	415,039,685.23
TOTAL		1,422,752,973.64	966,232,412.46
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		655,407,700.17	266,884,319.90
(ii) Capital Work In Progress		2,908,211.49	88,965,414.56
		658,315,911.66	355,849,734.46
(b) Non-Current Investments	12	71,444,422.19	71,744,422.19
(c) Long Term Loans & Advances	13	27,559,863.69	73,209,242.10
(d) Other Non-Current Assets	14	17,926,594.00	16,479,520.00
SUB-TOTAL		775,246,791.54	517,282,918.75
2 Current Assets			
(a) Inventories	15	154,532,512.00	116,531,320.00
(b) Trade Receivables	16	362,090,363.60	260,958,944.16
(c) Cash & Bank Balances	17	23,755,086.60	12,623,516.85
(d) Short Term Loans & Advances	18	107,128,219.90	58,835,712.70
SUB TOTAL		647,506,182.10	448,949,493.71
TOTAL		1,422,752,973.64	966,232,412.46
Statement of Accounting Policies	2		
Notes Forming Part of Financial Statements	3 to 40		

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Ramesh Kumar Malpani)

Partner

M. No. 33840

Place : Surat

Date : 31-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS**SITARAM SABOO****NARAYAN SABOO****NARESH SABOO****MANISH SABOO**

Chairman

Managing Director

Director

Director

Place : Surat

Date : 31-05-2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

(Amount in Rupees)

Particulars	Note No.	Figures as at year ended 31st March, 2013	Figures as at year ended 31st March, 2012
I. Revenue from Operations			
Revenue from Operations	19	2,010,549,488.99	1,771,083,550.00
Less:- Excise Duty		43,707,140.00	7,941,517.50
Revenue from Operations (Net)		1,966,842,348.99	1,763,142,032.50
II. Other Income	20	15,452,460.29	14,446,746.11
III. Total Revenue (I+II)		1,982,294,809.28	1,777,588,778.61
IV. Expenses			
Raw Material Consumed	21	1,213,323,144.74	1,374,030,598.33
Purchase of Traded Goods		326,671,737.00	3,564,974.00
Changes in Inventories of Finished Goods & Trading Goods	25	(18,723,593.00)	7,952,435.00
Employee Benefit Expenses	22	81,053,682.00	58,328,730.00
Finance Costs	23	61,298,140.82	38,975,385.33
Depreciation & Amortization	11	38,022,273.00	30,642,808.00
Other Expenses	24	261,160,004.76	218,127,352.54
Total Expenses		1,962,805,389.32	1,731,622,283.20
V. Profit / (Loss) Before Exceptional Item & Tax		19,489,419.96	45,966,495.41
VI. Exceptional Item	26	-	146,743,581.00
		19,489,419.96	192,710,076.41
VII. Tax Expenses			
For Current Tax		3,772,852.00	38,282,160.00
Less:- MAT Credit Entitlement		1,447,074.00	16,479,520.00
Net Current Tax		2,325,778.00	21,802,640.00
For Deferred Tax		6,677,227.00	33,585,032.00
Income Tax of Earlier Years		3,826,729.00	274,698.00
Sub-Total		12,829,734.00	55,662,370.00
VIII. Profit / (Loss) for the Period (After Tax)		6,659,685.96	137,047,706.41
IX. Earnings per share	39		
(of Face Value of Rs. 10/- each)			
(a) Basic		0.47	11.21
(b) Diluted		0.47	11.21
Statement of Accounting Policies	2		
Notes Forming Part of Financial Statements	3 to 40		

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Ramesh Kumar Malpani)

Partner

M. No. 33840

Place : Surat

Date : 31-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS**SITARAM SABOO****NARAYAN SABOO****NARESH SABOO****MANISH SABOO**

Chairman

Managing Director

Director

Director

Place : Surat

Date : 31-05-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

(Amount in Rupees)

Particulars	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	19,489,419.96	192,710,076.41
ADJUSTMENTS FOR:		
1 Depreciation & Amortization	38,022,273.00	30,642,808.00
2 Priod Period Adjustments	-	-
3 Interest Paid/Payable	58,674,142.00	32,465,725.20
4 Interest & Dividend Received	(2,632,191.73)	(5,666,258.14)
5 Profit on sale of investments & Fixed assets	-	(146,758,584.00)
6 (Profit)/Loss on derivative transactions	5,600,000.00	(251,773.16)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	119,153,643.23	103,141,994.31
ADJUSTMENTS FOR:		
1 Trade & Other Receivable		
a) Debtors	(101,131,419.44)	(67,095,151.38)
b) Loans & Advances	8,768,820.36	(62,736,863.73)
2 Inventories	(38,001,192.00)	4,190,035.00
3 Trade Payables, Current Liabilities & Deposit from Customer	112,191,501.64	(27,381,845.83)
CASH GENERATED FROM OPERATIONS	100,981,353.79	(49,881,831.63)
1 Interest Paid	(58,674,142.00)	(32,465,725.20)
2 Direct Taxes Paid	(40,104,471.00)	(13,483,260.00)
3 Pre-Operative Expenses Incurred	-	-
NET CASH FROM OPERATING ACTIVITIES A	2,202,740.79	(95,830,816.83)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
1 Purchase of Fixed Assets	(340,488,450.20)	(117,664,527.96)
2 Sale Consideration of Fixed Assets Sold	-	290,250,000.00
3 Escrow Account expenses for transfer of Fixed Assets	-	(350,000.00)
4 Pre-operative Expenses & Creditors Adjusted From sale of FA	-	3,614.00
5 Investments made during the year	-	(43,955,076.98)
6 Investments Sold / matured during the year	300,000.00	137,161.38
7 Profit (Loss) from Derivatives	(5,600,000.00)	251,773.16
8 Loans & Deposits	(18,168,417.15)	12,572,933.43
9 Interest & Dividend Received	2,632,191.73	5,666,258.14
NET CASH USED IN INVESTMENT ACTIVITIES B	(361,324,675.62)	146,912,135.17
C. CASH FLOW FROM FINANCING ACTIVITIES		
1 Increase/(Decrease) in Working Capital from Bank	115,214,520.21	13,832,945.35
2 Increase/(Decrease) in Term Loans	240,586,547.00	(95,657,892.00)
3 Unsecured Loans	34,131,442.87	8,744,957.00
4 Receipts towards Share Capital on conversion of Warrants	-	42,187,500.00
5 Dividend Paid	(21,236,362.50)	(17,486,362.50)
6 Dividend Distribution tax Paid	(3,194,693.00)	(1,742,560.00)
NET CASH FROM FINANCING ACTIVITIES C	365,501,454.58	(50,121,412.15)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	6,379,519.75	959,906.19
CASH AND CASH EQUIVALENTS (OPENING)	3,776,363.18	2,816,456.99
CASH AND CASH EQUIVALENTS (CLOSING)	10,155,882.93	3,776,363.18

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Ramesh Kumar Malpani)

Partner

M. No. 33840

Place : Surat

Date : 31-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS**SITARAM SABOO****NARAYAN SABOO****NARESH SABOO****MANISH SABOO**

Chairman

Managing Director

Director

Director

Place : Surat

Date : 31-05-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013 (Contd...)

(Amount in Rupees)

Particulars	2012-13	2011-12
NOTES		
1 INTEREST/DIVIDEND EARNED		
a) Interest Earned	2,007,032.13	4,292,814.39
b) Dividend Earned	625,159.60	1,373,443.75
	<u>2,632,191.73</u>	<u>5,666,258.14</u>
2 LOANS & ADVANCES		
(Of working capital Nature)		
Total Loans & Advances	134,688,083.59	132,044,954.80
Less: 1) Loans/Deposits	27,343,577.65	13,927,210.50
2) Advance Tax (Including T.D.S.)	3,656,854.00	5,661,272.00
	<u>103,687,651.94</u>	<u>112,456,472.30</u>
Less: Loans & Advances (Of working capital nature) of last year	<u>112,456,472.30</u>	<u>49,719,608.57</u>
	<u>(8,768,820.36)</u>	<u>62,736,863.73</u>
3 DIRECT TAXES PAID		
Advance Tax (including T.D.S)	3,656,854.00	5,661,272.00
Add: Income Tax paid for earlier years	36,447,617.00	7,821,988.00
	<u>40,104,471.00</u>	<u>13,483,260.00</u>
4 LOANS & DEPOSITS		
Loans/Deposits	27,343,577.65	13,927,210.50
Deposits with bank (Long Term Deposits)	13,599,203.67	8,847,153.67
	<u>40,942,781.32</u>	<u>22,774,364.17</u>
Less:- B/f. from earlier years	<u>22,774,364.17</u>	<u>35,347,297.60</u>
	<u>18,168,417.15</u>	<u>(12,572,933.43)</u>
5 A) CASH & CASH EQUIVALENTS (OPENING)		
Cash on hand	2,840,776.35	2,308,324.35
BALANCE WITH SCHEDULE BANKS		
In current A/c.	935,586.83	508,132.64
	<u>3,776,363.18</u>	<u>2,816,456.99</u>
B) CASH & CASH EQUIVALENTS (CLOSING)		
Cash on hand	8,920,034.35	2,840,776.35
BALANCE WITH SCHEDULE BANKS		
In current A/c.	1,235,848.58	935,586.83
	<u>10,155,882.93</u>	<u>3,776,363.18</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1 CORPORATE INFORMATION

Mohit Industries Limited ('the company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE and NSE. The company is having its head quarters in Surat and plants at Kim, Silvassa and Umargaon. The company is primarily engaged in manufacture of Texturized Yarn from POY and weaving of the Yarn to Grey Cloth.

The company is also engaged in manufacture of Autoclaved Aerated Concrete Blocks (AAC Blocks).

2 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial 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. USE OF ESTIMATES

The preparation of financial statements in confirmation with GAAP requires the management to make estimates and assumptions considered in reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between actual results and the estimates are recognised in the periods in which these gets materialized.

C. 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.

D. INVESTMENTS

Non-Current Investments are stated at cost less provision for diminution, other than temporary, in value of such investments. Current Investments are carried at lower of Cost or Net realisable Value. Provision for diminution in value of non-current investments, other than of temporary nature, is charged to Profit & Loss Account.

E. DEPRECIATION & AMORTIZATION

- 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 all assets are charged at rates of Single Shift except for Plant & Machinery at Kim Unit in which depreciation is charged at rates of Triple Shift.
- III) Depreciation on addition has been provided from the date of putting the assets into use.
- IV) Intangible assets have been amortized over period of five years.

F. EMPLOYEE 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 and 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.

G. 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.

H. REVENUE RECOGNITION**SALE OF GOODS**

Sales of goods are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer which generally coincides with the delivery of goods. Sales include excise duty but excludes value added tax.

SALES OF SERVICE (JOB CHARGES)

Job Charges are recognised on delivery of the goods to the customers after completing the job work on the same.

I. BORROWING COST

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of Cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

J. VALUE ADDED TAX (VAT):-

VAT credit received on purchases is reduced from respective item of purchases. VAT 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.

K. FOREIGN CURRENCY TRANSACTION

The Foreign Currency Transaction of the company includes Purchases of Fixed Assets and Sales of Texturized Yarn which are valued at the Rate prevailing at the time of the transaction. The gain/loss between foreign currency at time of transaction and at time of payment/receipts is charged to P&L account. Also, the amount outstanding of monetary items in Foreign Currency has been converted in INR at Closing Rate on 31-03-2013 and any gain/loss on same has also been charged to Profit & Loss Account.

L. TAXES ON INCOME

Tax Expenses comprises of both current and deferred tax at the applicable enacted rates. Current tax represents the amount of income tax payable in respect of taxable income for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. MAT credit available on current tax is recognised as asset. MAT credit is recognised if there is convincing evidence of realization of the same.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
3 Share Capital		
Authorized Share Capital		
2,00,00,000 equity shares of Rs. 10/- each (As at 31-03-2012, 1,60,00,000 equity shares)	200,000,000.00	160,000,000.00
Issued Share Capital		
1,46,82,900 Equity Shares of Rs. 10/- each (As at 31-03-2012, 1,46,82,900 equity shares)	146,829,000.00	146,829,000.00
Subscribed & Fully Paid Up		
1,41,57,575 equity shares of Rs. 10/- each, fully paid up (as at 31-03-2012, 1,41,57,575 equity shares of Rs. 10/- each)	141,575,750.00	141,575,750.00
TOTAL RS.	141,575,750.00	141,575,750.00

- 3.1** The Company has only one class of shares referred to as Equity Shares having face value of Rs. 10/- each. Each equity Shareholder is eligible for one vote per share held.
- 3.2** Reconciliation of No. of Equity Shares Outstanding at the Beginning & End of the reporting period:

Particulars	As at 31st March, 2013 (Number)	As at 31st March, 2012 (Number)
Shares Outstanding at the Beginning of the Year	14,157,575.00	11,657,575.00
(+) Shares Warrants converted into equity shares during year	-	2,500,000.00
(-) Shares Buy-back During the year	-	-
Shares Outstanding at the End of the year	14,157,575.00	14,157,575.00

- 3.3** Shares in the company held by each shareholder holding more than 5% Equity Shares

Name of Shareholder	Equity Shares			
	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mask Investments Limited	1,573,131	11.11%	1,514,230	10.70%
Mohit Overseas Private Limited	1,598,622	11.29%	1,598,622	11.29%
Mohit Yarns Limited	2,040,609	14.41%	1,401,388	9.90%
NXT Polyester Pvt. LTd.	725,769	5.13%	679,769	4.80%

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
4 Reserves & Surplus		
(a) Securities Premium Account		
Amount as at Last Balance Sheet	117,534,000.00	86,284,000.00
Add:- Securities Premium on Share issue (against warrants)	-	31,250,000.00
Less:- Securities Premium Utilized	-	-
Closing Balance	117,534,000.00	117,534,000.00
(b) Surplus		
Amount as at Last Balance Sheet	163,186,042.23	57,672,683.32
Add:- Current Years' Net Profit / (Loss)	6,659,685.96	137,047,706.41
	169,845,728.19	194,720,389.73
Less:- Appropriations		
(i) Proposed Dividend	-	21,236,362.50
(ii) Dividend Distribution Tax	-	3,445,600.00
(iii) Transferred to General Reserve	-	6,852,385.00
Closing Balance	169,845,728.19	163,186,042.23
(c) General Reserve		
Amount as at Last Balance Sheet	9,174,985.00	2,322,600.00
Add:- Transfer From P&L Appropriation A/c	-	6,852,385.00
Closing Balance	9,174,985.00	9,174,985.00
TOTAL	296,554,713.19	289,895,027.23
5 Long Term Borrowings		
(a) Secured Loans		
(i) Term Loans - from Banks		
— Term Loans from Banks	209,833,159.00	27,306,511.00
— Car Loans	2,128,547.00	4,172,590.00
(ii) Other Loans - From Banks		
— Buyers' Line of Credit	87,582,048.00	27,478,106.00
TOTAL	299,543,754.00	58,957,207.00

- 5.1 Car Loans from Bank & Financial Institutions are secured by hypothecation of Motor Cars for which loan has been taken.
- 5.2 Term Loans from Banks are secured by hypothecation of all the fixed assets of the company of both Textile and AAC Block Division.

- 5.3 Term Loan from State Bank of Travancore is also secured by entire Land & Building of the company located at Kudsad-Kim, Olpad Taluka, Surat & Silvassa, Dadra & Nagar Haveli. The Term loan for AAC Block Division is also secured by Land & Building of Factory at Umargao, Valsad.
- 5.4 The Term Loans are also secured against Flat at Soffitel Tower, Surat and Office at International Trade Center, Surat of the company. Term Loan is also secured against personal properties of directors and sister concern M/s Mohit Yarns Ltd. All the term loans are guaranteed by directors of the company.
- 5.5 Terms of Repayment of Term Loans:-
- (a) Term Loan of Rs. 284.75 Lakhs is Repayable in 24 number of installments of Rs. 11,72,000 each and will be repaid on March, 2015. The rate of interest as at year end is 14% p.a.
- (b) The remaining Term Loans from State Bank of Travancore, Central Bank of India and The Shamrao Vithal Co.Op. Bank Ltd. for AAC Block Division in Umargaon and Textile Division expansion at Kim Factory are repayable in Equal Monthly Instalments after moratorium period of 12 months. These term loans repayable by July, 2019. The rate of interest as at the year end is 14%.
- (c) Car Loan from Kotak Mahindra Prime Limited is repayable in 21 installments of Rs. 9810/-
- (d) Car Loans from ICICI Bank are repayable in 11 & 20 installments of Rs. 1,15,050/- and Rs. 38,700/- respectively.
- 5.6 Buyer's Line of Credit is secured by undertaking given by State Bank of Travancore. The under taking given is secured by securities mentioned in above 5.2 & 5.3. The balance of Buyer's Line of Credit is subject to confirmation / statement.

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
6 Other Non-Current Liabilities		
(a) Deposits from Customers	1,100,000.00	-
TOTAL	1,100,000.00	-
7 Short Term Borrowings		
(a) Secured Loans		
(i) Cash Credit Limit From Banks	310,232,509.13	192,544,773.92
(ii) Export Packing Credit Limit	58,141,855.00	60,615,070.00
(b) Unsecured Loans		
(i) Loans repayable on demand from related parties		
- From Directors & Their Relatives	-	-
- From Body Corporates	23,210,749.00	3,372.00
(ii) Other Loans Repayable on Demand	20,924,065.87	10,000,000.00
TOTAL	412,509,179.00	263,163,215.92

- 6.1 Cash Credit Limit & Export Packing Credit Limit is secured against First pari passu charge on entire current assets of Textile Division of the company and Stock and Book Debts of AAC Block Division of the company. It is also secured by charge over assets mentioned in Note No. 5.3 above.

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
8 Trade Payables		
(a) Sundry Creditors For Goods	74,814,347.64	15,171,116.00
(b) Sundry Creditors For Services	33,060,682.76	28,149,854.17
TOTAL	107,875,030.40	43,320,970.17
9 Other Current Liabilities		
(a) Current Maturities of Long Term Debt	38,145,000.00	16,638,000.00
(b) Interest Accured But Not Due	3,019,103.00	535,130.00
(c) Unclaimed Dividend	732,807.00	410,317.50
(d) Expenses Payable	11,911,151.04	8,773,135.48
(e) Statutory Dues Payable	3,939,196.50	3,164,417.50
(f) Advance from Customers	6,485,294.07	8,823,892.50
(g) Creditors for Capital Goods	25,059,541.44	4,409,758.66
TOTAL	89,292,093.05	42,754,651.64
10 Short Term Provisions		
Provision for Tax	3,772,852.00	38,282,160.00
Dividend Distribution Tax Payable	3,087,632.00	6,282,325.00
Proposed Dividend	-	21,236,362.50
TOTAL	6,860,484.00	65,800,847.50

11. FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	Balance as at 1st April, 2012	Additions / Adjustments 2013	Disposals / Retirements 2012	Balance as at 31st March, year	Balance as at 1st April, 2013	Depreciation Charge for the 2013	On Disposals 2012	Balance as at 31st March,	Balance as at 31st March,
TANGIBLE ASSETS (Not on Lease)									
Land	29569886.00	12425258.00	0.00	41995144.00	0.00	0.00	0.00	41995144.00	29569886.00
Factory Building	83636699.45	186837915.83	0.00	270474615.28	16049601.65	4953114.00	0.00	249471899.63	67587097.80
Office Building	3379800.00	0.00	0.00	3379800.00	279661.00	55091.00	0.00	3045048.00	3100139.00
Plant & Machinery	191604204.00	207491838.19	0.00	399096042.19	97200079.00	20860383.00	0.00	281035580.19	94404125.00
Generator Set	21821432.97	0.00	0.00	21821432.97	3243720.97	2256336.00	0.00	16321376.00	18577712.00
Water Jet Looms	69678915.00	0.00	0.00	69678915.00	37641173.00	7204800.00	0.00	24832942.00	32037742.00
Electric Installation	13433917.90	14967808.15	0.00	28401726.05	3908433.80	936564.00	0.00	23556728.25	9525484.10
Office Equipments	2795699.00	841246.10	0.00	3636945.10	748899.00	144709.00	0.00	2743337.10	2046800.00
Vehicles	9560710.00	2087190.00	0.00	11647900.00	1516565.00	1006098.00	0.00	9125237.00	8044145.00
Furniture	1924549.00	236105.00	0.00	2160654.00	740258.00	120997.00	0.00	1299399.00	1184291.00
Diesel Tank	161435.00	0.00	0.00	161435.00	102458.00	7668.00	0.00	51309.00	58977.00
Computer	2010578.03	1058292.00	0.00	3068870.03	1262657.03	356513.00	0.00	1449700.00	747921.00
INTANGIBLE ASSETS									
Computer Software	0.00	600000.00	0.00	600000.00	0.00	120000.00	0.00	480000.00	0.00
Total	429577826.35	426545653.27	0.00	856123479.62	162693506.45	38022273.00	0.00	655407700.17	266884319.90
Previous Year	548068319.45	35951930.90	154442424.00	429577826.35	143335972.45	30642808.00	11285274.00	266884319.90	404732347.00

(Amount in Rupees)

Particulars		As at 31st March, 2013	As at 31st March, 2012
12 Non-Current Investments			
A. Trade Investments			
(a) Investment in Equity Instruments			
(i) Unquoted (Fully Paid Up)	No. of Share		
(a) Sasmi Co-op. Society Ltd.		7,200.00	7,200.00
(b) ITC Co-op. Hsg. Soc. Ltd.	5	251.00	251.00
(c) Shamrao Vithal Co.op Bank	100	2,500.00	2,500.00
(b) Investment in Government Securities			
(i) Kisan Vikas Patra		-	300,000.00
B. Non- Trade Investments			
(a) Investment in Immovable Property			
(i) Flat at Soffitel Tower		7,673,248.00	7,673,248.00
(b) Investment in Equity Instruments			
(i) Unquoted (Fully Paid Up)	No. of Share		
<i>In Associates</i>			
(a) Mohit Yarns Ltd.	663000	15,723,000.00	15,723,000.00
(b) Mohit Overseas Ltd.	394000	3,799,000.00	3,799,000.00
(c) Mohit E-Waste Recovery P. Ltd.	19400	194,000.00	194,000.00
(ii) Quoted No. of Share			
(a) Fairdeal Filament Ltd.	11407	197,607.50	197,607.50
(b) Trigyn Technology Ltd.	6	194.10	194.10
(c) Sumeet Industries Ltd.	1530044	43,827,535.60	43,827,535.60
(d) Birla Power Solutions Ltd.	5000	18,885.99	18,885.99
(c) Investment in Share Application Money			
(a) Mohit Yarns Ltd.		1,000.00	1,000.00
TOTAL		71,444,422.19	71,744,422.19
Aggregate Amount of Unquoted Shares		27,400,199.00	27,700,199.00
Aggregate Amount of Quoted Shares		44,044,223.19	44,044,223.19
Aggregate Market Value of Quoted shares		31,084,368.77	35,827,802.75
13 Long Term Loans & Advances			
(Unsecured, Considered Good by Directors)			
(a) Capital Advances		5,554,037.66	43,382,252.10
(b) Security Deposits		5,688,525.03	6,441,870.03
(c) Other Advances		16,317,301.00	23,385,119.97
TOTAL		27,559,863.69	73,209,242.10

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
14 Other Non-Current Assets		
MAT Credit Receivable	17,926,594.00	16,479,520.00
TOTAL	17,926,594.00	16,479,520.00
15 Inventories		
<i>(As taken valued & certified by a Director)</i>		
(a) Raw Materials & work in progress	83,374,977.00	63,590,558.00
(b) Finished Goods	68,964,453.00	50,240,860.00
(c) Oil & lubricant	459,065.00	658,127.00
(d) Packing Material	1,144,250.00	1,496,500.00
(e) Stores & Spares	589,767.00	545,275.00
TOTAL	154,532,512.00	116,531,320.00
16 Trade Receivables		
<i>(Unsecured, considered good by Directors)</i>		
(a) Outstanding for more than 6 months from due date	53,507,997.16	32,848,660.25
(b) Others	283,442,434.97	189,815,564.91
Other Trade Receivables		
<i>(Unsecured, considered good by Directors)</i>		
(a) Other Trade Receivables	25,139,931.47	38,294,719.00
TOTAL	362,090,363.60	260,958,944.16
17 Cash & Bank Balances		
<i>Cash & Cash Equivalents</i>		
(a) Cash on Hand	8,920,034.35	2,840,776.35
(b) Balances in Bank in Current Account	1,235,848.58	935,586.83
<i>Bank Balances</i>		
(c) Balances with Bank in F.D. (As margin Deposits)		
– F.D. with State Bank of Trvancore	13,599,203.67	8,847,153.67
TOTAL	23,755,086.60	12,623,516.85
18 Short Term Loan & Advances		
<i>(Unsecured, considered good by Directors)</i>		
(a) Interest Accrued on Bank FDR	1,459,870.00	457,776.00
(b) Advance to Supplier	22,757,991.26	9,432,969.70
(c) Balances with Revenue / Government Authorities	35,478,000.06	26,761,735.88
(d) Loans & Advances Given		
– To Related Parties	3,198,167.62	1,879,300.47
– To Others	18,456,885.00	5,606,040.00
(e) Other Advances	25,777,305.96	14,697,890.65
TOTAL	107,128,219.90	58,835,712.70

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
19 Revenue from Operations		
(a) Sales of Services (Job Charges Received)	6,571,306.00	6,841,503.00
(b) Sales of Products:-		
– Finished Goods	1,604,676,971.52	1,724,404,628.00
– Traded Goods	350,785,629.00	4,114,115.00
(c) Other Operating Revenues		
– Export Benefits	45,624,612.47	33,028,508.00
– Cenvat Credit of earlier year utilized	1,166,858.00	-
– Brokerage Received	115,886.00	153,033.00
– Other Sales (scrap/wastage)	1,608,226.00	2,541,763.00
TOTAL	2,010,549,488.99	1,771,083,550.00
Details of Products Sold & services provided is given vide Note No. 32		
20 Other Income		
Dividend Received	625,159.60	1,373,443.75
Net Gain from Foreign Currency Transaction & Translation	4,808,703.00	-
Profit / (Loss) from Derivatives	(5,600,000.00)	251,773.16
Interest Received from Debtors	13,011,504.00	8,303,850.00
Interest Received on Bank FD & Loans given	2,007,032.13	4,292,814.39
Profit on Sale of Fixed Assets	-	2,883.00
Profit on Sale of Investment	-	12,120.00
Miscellaneous Income	600,061.56	209,861.81
TOTAL	15,452,460.29	14,446,746.11
21 Raw Material Consumed		
Raw Material Consumed	1,213,323,144.74	1,374,030,598.33
TOTAL	1,213,323,144.74	1,374,030,598.33
Details of Raw Material Consumed is given by Note No. 33		
22 Employee Benefit Expenses		
Salary, Wages & Bonus	79,406,561.00	56,975,971.00
Staff Welfare Expenses	1,257,743.00	950,150.00
Contribution to Provident Fund & other Funds	389,378.00	402,609.00
TOTAL	81,053,682.00	58,328,730.00
23 Finance Costs		
Interest Paid	58,674,142.00	32,465,725.20
Net Foreign Exchange Fluctuation Loss on Transaction & Translation	-	3,556,989.87
Other Bank & Finance Charges	2,623,998.82	2,952,670.26
TOTAL	61,298,140.82	38,975,385.33

(Amount in Rupees)

Particulars	For year ended on 31st March, 2013	For year ended on 31st March, 2012
24 Other Expenses		
Manufacturing Expenses		
Stores & Spares consumed	12,735,959.80	11,333,695.36
Power & Fuel	80,650,474.11	63,478,759.32
Oil & Lubricant Consumed	27,434,943.00	33,749,015.00
Packing Material Consumed	26,859,800.00	34,924,575.00
Other Manufacturing Expenses	20,993,170.00	10,983,918.00
(a)	168,674,346.91	154,469,962.68
Administrative Expenses		
Repairs to Machinery	3,364,719.00	1,987,216.00
Repairs to Building	608,156.00	421,914.00
Travelling & Conveyance Exps.	3,365,446.00	2,734,344.00
Auditors Remuneration	337,080.00	280,900.00
Legal & Professional Expenses	2,369,614.00	1,758,506.00
Insurance	770,355.00	646,561.00
Rates & Taxes	866,566.00	1,479,794.04
Professional Tax	2,400.00	2,400.00
Rent	712,800.00	350,000.00
Security Service Charges	3,689,573.00	2,105,026.00
Other Administrative Expenses	6,918,557.46	7,165,975.32
(b)	23,005,266.46	18,932,636.36
Selling & Distribution Expenses		
Commission & Brokerages	9,735,204.00	9,772,951.00
Discount Allowed	6,561,750.52	6,019,311.50
Cartage & Clearing & Forwarding Expenses	48,543,144.00	23,891,144.00
Claims A/c	1,155,090.00	1,429,690.00
Other Selling & Distribution Expenses	3,485,202.87	3,611,657.00
(c)	69,480,391.39	44,724,753.50
TOTAL (a+b+c)	261,160,004.76	218,127,352.54
25 Changes in Inventories of Finished Goods		
Opening Stock of Finished Goods	50,240,860.00	58,193,295.00
Less:- Closing Stock of Finished Goods	68,964,453.00	50,240,860.00
TOTAL	(18,723,593.00)	7,952,435.00
26 Exceptional Item		
Profit On Sale of all Fixed Assets of AAC Block Unit of the company at Palghar	-	146,743,581.00
TOTAL	-	146,743,581.00

27 DEFERRED TAX LIABILITY

	Deffered Tax (Assets)/Liability as at 01-04-2012	Current Year Charge/(credit)	Deffered Tax (Assets)/Liability as at 31-03-2013
Deferred Tax Liability			
Effect of Depreciation Losses C/f	-	(2,563,140.00)	(2,563,140.00)
Deferred Tax Liability			
Tax effect on excess of net block over written down value as per the provisions of the I.T. Act, 1961	60,764,743.00	9,240,367.00	70,005,110.00
	60,764,743.00	6,677,227.00	67,441,970.00

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 certainty that the assets will be realised in future.

28 CONTINGENT LIABILITY & COMMITMENTS:-

- (i) Guarantee given to State Bank of Travancore for loans/credit facilities taken by associate company namely Mohit Overseas Ltd., Rs 1,00,00,000/- (P.Y. Rs 1,00,00,000/-). To secure this guarantee 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.
- (ii) Disputed Sales Tax Demand of F.Y. 2001-02 of Rs. 4,86,462/- (P.Y. 4,86,462/-); disputed Gujarat VAT demand of F.Y. 2006-07 of Rs. 4,60,80,888/- (P.Y. Rs. 4,60,80,888/-) and disputed Entry Tax under Gujarat Laws of Rs. 4,33,18,045/- (P.Y. Rs. 4,33,18,045) (including interest and penalty) has not been provided. The management states that Tribunal has granted stay in respect of above demand raised of F.Y. 2006-07.
- (iii) Disputed Income Tax Demand of Rs. 30.74 Lakhs (P.Y. Rs. 31.47 Lakhs).
- (iv) Disputed Excise Duty amount of Rs. 3.88 Lakhs (P.Y. Rs. NIL)
- (v) Disputed Service Tax demand of Rs. 29.30 Lakhs (P.Y. Rs. NIL)
- (vi) **Commitments:-**
 - (a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (P.Y. Rs. 500 Lakhs against which advance paid is Rs. NIL (P.Y. Rs. 410.35 Lakhs).
 - (b) Uncalled Liability on shares and other investments partly paid Rs. Nil (P.Y. Rs. Nil)
 - (c) Other Commitments Rs. Nil (P.Y. Rs. Nil)

29 REMUNERATION TO AUDITORS

	31/03/2013	31/03/2012
Audit Fees (Including Tax Audit Fees)	337,080.00	280,900.00
For Taxation Matters	84,270.00	11,030.00
TOTAL	421,350.00	291,930.00

30 PRODUCTION DETAILS

ITEM	UNIT	ACTUAL PRODUCTION
Art Silk Cloth	MTRS.	7646351.14* (7365868.00)
Texturised Yarn	KGS.	11154900.690 (13962402.366)
AAC Blocks	NO. OF BLOCKS	2410036** (2356753)

* Includes Job Work done for outside parties of 979511.00 Mtrs. (P.Y. 948610.50 Mtrs.).

** Out of Number of Blocks produced, 181725 Numbers of blocks have been transferred to rubble.

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

ITEM	UNIT	OPENING STOCK		CLOSING STOCK	
		QTY.	AMOUNT	QTY.	AMOUNT
ART SILK CLOTH	MTRS.	562967.50 (538064.75)	15031399.00 (16366769.00)	1230309.24 (562967.50)	38884253.00 (15031399.00)
TEXTURISED YARN	KGS.	322598.440 (324777.134)	34921887.00 (38797607.00)	123194.350** (322598.440)	14236994.00 (34921887.00)
AAC BLOCKS	NO OF BLOCKS	6888 (11358)	287574.00 (445422.00)	33777 (6888)	1778206.00 (287574.00)
RUBBLE & WIP	M.TONNE	0.000 (948.854)	0.00 (2583497.00)	3746.456 (—)	14065000.00 (—)

** Out of Production, 57512.050 Kgs. was transferred to Cloth Division.

32 PARTICULARS IN RESPECT OF PURCHASE & SALES OF FINISHED GOODS & GOODS IN TRADE

ITEM	UNIT	PURCHASE		SALES	
		QTY.	AMOUNT	QTY.	AMOUNT
ART SILK CLOTH	MTRS.	0 (—)	0 (—)	5999498.40 (6386968.95)	202692961.00 (199769767.00)
GARMENTS	MTR.	0.00 (30138.00)	0.00 (3332086.00)	0.00 (30138.00)	0.00 (3381454.00)
TEXTURISED YARN	KGS.	0 (—)	0 (—)	11296797.810 (12005378.621)	1222158789.00 (1136354708.00)
SAREES & DHOTI	PCS.	2553997 (—)	326671737.00 (—)	2553997 (—)	350785629.00 (—)
AAC BLOCK	Number of Blocks	0 (3000)	0 (232888.00)	2201422 (2364223)	133522438.00 (48856160.00)
RUBBLE	M.TONNE	0 (—)	0 (—)	2428.996 (2469.210)	2595644.00 (5253684.00)

33 CONSUMPTION OF RAW MATERIALS

ITEM	UNIT	CONSUMPTION	
		QTY.	AMT.
YARN FOR	KGS.	11740590	1166120603
MFG.		(14487603)	(1346697894)
RAW MATERIAL		—	47202542
FOR BLOCKS**		(—)	(27332704)

** There are various Raw Materials like Aluminium Powder, Lime Powder, Cement, Gypsum Powder, Coal, Caustic Soda etc. are consumed to produce AAC Blocks. As quantity units of all raw materials consumed are different from each other, the same are not given above. However, value of Raw Material consumed and Closing Stock are given.

34	a)	Value of imports	Rs. 944.82 Lakhs	(P.Y. Rs. 206.57 Lakhs)
	b)	Expenditure in Foreign Currency	NIL	(P.Y. NIL)
	c)	Amount remitted in Foreign currency on dividend A/c.	NIL	(P.Y. NIL)

35	a)	Exports on F.O.B.	Rs. 2412.86 Lakhs	(P.Y. Rs. 3908.26 Lakhs)
	b)	Earnings in Foreign Currency	NIL	(P.Y. NIL)

- 36** (i) Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.
- (ii) No provision for diminution in value of non-current investments has been made as in the opinion of management the diminution is of temporary nature.

37 RELATED PARTY RELATIONSHIP AND TRANSACTION

NAME OF RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	AMOUNT (Rs. IN LACS)
Mohit Overseas Ltd.	Associate	Guarantee Given	100.00
		Purchases / Job Charges Paid	67.74
		Investments (Shares)	37.99
		Trade Receivables	10.85
		Trade Payable	67.74
		Advances Given	520.07
		Advances repaid	507.88
		Amounts Due From	29.35
Mohit Yarns Ltd.	Associate	Investments (Shares)	157.23
		Investments (Application Money)	0.01
		Loan Given	1057.93
		Loan Repaid	825.58
		Amount Due to	232.11
Mask Investments Ltd.	Enterprise Controlled by Key Management Personnel	Amount Due From	0.08
		Loans Repaid	29.12
		Loans Taken	29.04
Aayushi Jain	Relative of Key Management Personnel	Creditor for Expenses	2.97
Naresh Saboo	Key Management Personnel	Salary Paid	1.50
		Creditor for Expenses	6.42
Narayan Saboo	Key Management Personnel	Salary Paid	1.50
		Creditor for Expenses	6.43
Manish Saboo	Key Management Personnel	Salary Paid	1.50
		Creditor for Expenses	2.73
Mohit Saboo	Key Management Personnel	Creditor for Expenses	2.82
Sitaram Saboo	Key Management Personnel	Salary Paid	1.50
		Creditor for Expenses	1.82
Soul Clothing Pvt. Ltd.	Enterprise Controlled by Key Management Personnel	Advances Given	3.49
		Advance Repaid	1.54
		Amount Due From	1.96
NXT Fab Pvt. Ltd.	Enterprise Controlled by Key Management Personnel	Advance Given	0.16
		Advance repaid	0.06
		Amount Due From	0.10
Mohit Exim Pvt. Ltd.	Enterprise Controlled by Key Management Personnel	Advance Given	0.16
		Advance repaid	0.06
		Amount Due From	0.10
Narayan Saboo HUF	Relative of Key Management Personnel	Amounts Due from	0.40
Mohit E-Waste Recovery Pvt. Ltd.	Enterprise Controlled by Key Management Personnel	Investment (Shares)	1.94

38 SEGMENT INFORMATION:-

In accordance with Accounting Standard - 17 on "Segment Reporting", the company has identified two reportable segments viz. Textiles & AAC Block and reported taking into account nature of products & services, the differing risks and returns of these segments.

(i) Primary Segment Information:		Amount in Rupees Lakhs				
Particulars	Textiles Division		AAC Block Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1 SEGMENT REVENUE						
External Turnover	18,307.24	17,174.00	1,361.18	457.42	19,668.42	17,631.42
Inter Segment Turnover	-	(27.28)	-	27.28	-	-
Gross Turnover	18,307.24	17,146.72	1,361.18	484.70	19,668.42	17,631.42
2 SEGMENT RESULTS						
Segment Profits Before Exceptional Items	551.74	729.93	79.70	(71.55)	631.44	658.38
Add:- Exceptional Item	-	-	-	1,467.44	-	1,467.44
Segment Profit Before Interest & Tax	551.74	729.93	79.70	1,395.89	631.44	2,125.82
Less: Interest Expense	417.62	292.84	169.12	31.81	586.74	324.65
Add: Interest Income	150.19	125.44	-	0.49	150.19	125.93
Less: Prior Period Adjustment	-	-	-	-	-	-
Profit Before Tax	284.31	562.53	(89.42)	1,364.57	194.89	1,927.10
Less:- Tax Expenses (Unallocated)	-	-	-	-	128.29	556.62
Profit After Tax	-	-	-	-	66.60	1,370.48
3 OTHER INFORMATION						
Segment Assets	9,645.44	8,172.51	4,582.09	1,489.81	14,227.53	9,662.32
Segment Liabilities	6,341.04	5,117.63	3,505.19	229.98	9,846.23	5,347.61
Non - Cash Expenditure to be w/off	-	-	-	-	-	-
Capital Expenditure	653.34	257.00	2,751.54	936.68	3,404.88	1,193.68
Depreciation	295.10	292.30	85.12	14.12	380.22	306.42

(ii) The reportable segments are further described below:

- The Textiles Division includes production and marketing activities of Textile Products viz. Texturised Yarn, Twisted Yarn, Grey Cloth Fabrics & Finished Cloth Fabrics.
- The AAC Block Division includes production and marketing activities of Auto-claved Aerated Concrete Blocks

(iii) The company has not reported Geographical Segment (i.e. Secondary Segment) as all the operations and risks & return of the company are based in India and not activity is done outside India.

39 EARNINGS PER SHARE

Sl. No.	Particulars	UNIT OF MEASUREMENT	March 31, 2013	March 31, 2012
1	Net Profit / (Loss) after tax	Rs.	6,659,685.96	137,047,706.41
2	Weighted Average Number of Equity Shares	Number	14,157,575	12,224,515
3	Earnings Per Share - Basic & Diluted	1 / 2	0.47	11.21

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

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Ramesh Kumar Malpani)

Partner

M. No. 33840

Place : Surat

Date : 31-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS

SITARAM SABOO

NARAYAN SABOO

NARESH SABOO

MANISH SABOO

Chairman

Managing Director

Director

Director

Place : Surat

Date : 31-05-2013

MOHIT INDUSTRIES LIMITED

Regd: A-601/B, International trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat

ADMISSION SLIP

Folio No./DP ID/ Client ID#	
No. of Equity Shares Held	

I hereby record my presence at the 23rd Annual General Meeting of the Company being held at registered office of the Company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat on Monday, the 30th September 2013 at 10.00 A.M

Name of Shareholder (In Block letter)	
Name of proxy/ Authorized Representatives attending* (In Block letter)	

* Strike out whichever is not applicable

#Applicable for Shareholders holding Shares in Dematerialized Form.

Signature of the attending Shareholder/
Proxy/Authorised Representative*

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Shareholders intending to appoint proxy may use the proxy Form given below.

MOHIT INDUSTRIES LIMITED

Regd: A-601/B, International trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat

PROXY FORM

I/We _____ of
_____ being member/members of Mohit Industries Limited,
hereby appoint Shri/smt./ _____ or falling
him Shri/Smt. _____ as my /our proxy in my/our
absence to attend and vote for me/us and on my/our behalf at the 23rd Annual General meeting of the
company, to be held on Monday, the 30th September 2013 at 10.00 A.M and at any adjournment thereof.
Signed this _____ day of _____ 2013.

Folio No./DP ID/ Client ID#	
No. of Equity Shares Held	

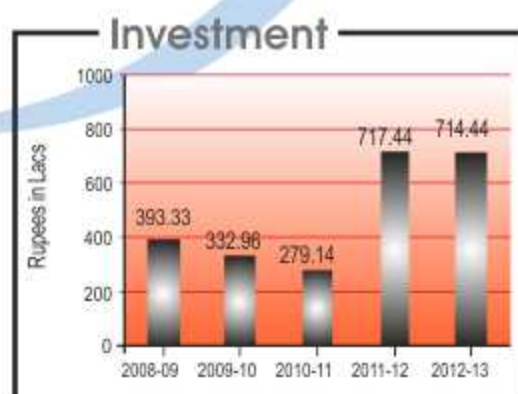
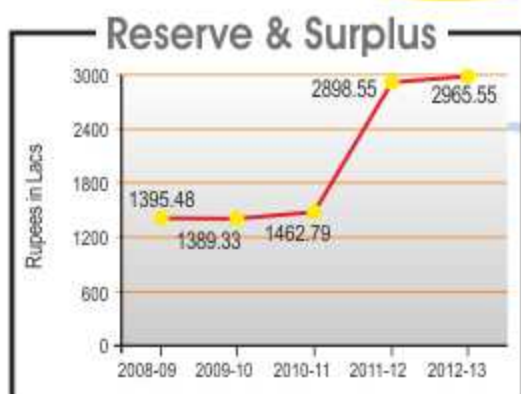
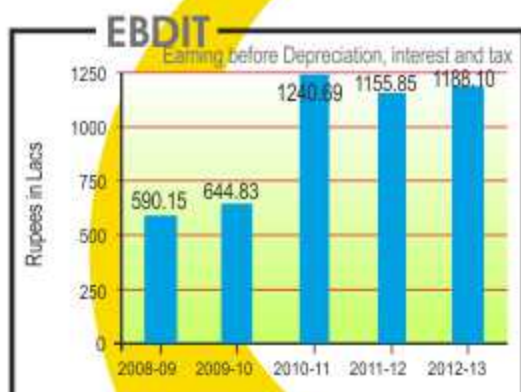
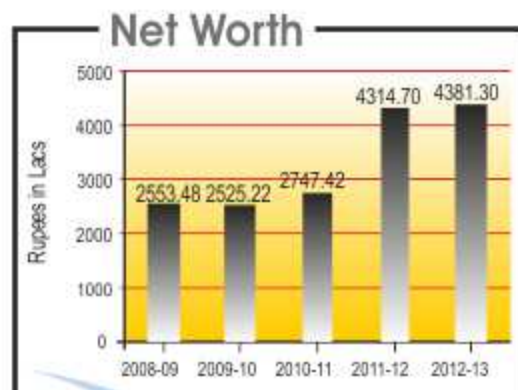
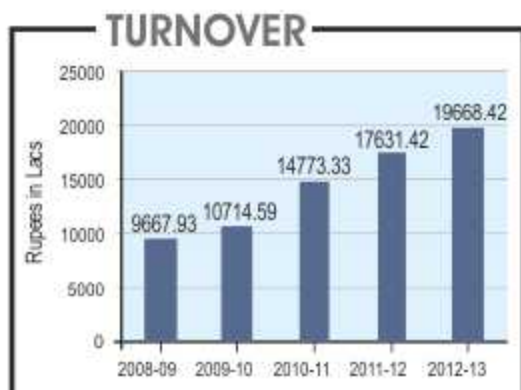
#Applicable for Shareholders holding Shares in Dematerialized Form.

Signatures _____

Affix Rs. 1
Revenue
Stamp

Note: The Proxy , In order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat at least 48 Hours before the Meeting.

Performance INDICATORS (STANDALONE)



Financial SnapShot

(Rs. In Lacs)

Year Ended March 31	2013	2012	2011	2010	2009
FINANCIAL INFORMATION					
Turnover	19668.42	17631.42	14773.33	10714.59	9667.93
Earning before Depreciation, interest and tax (EBDIT)	1188.10	1155.85	1240.69	644.83	590.15
Finance cost	612.98	389.75	425.56	214.60	223.05
Depreciation	380.22	306.43	382.69	227.88	195.69
Profit Before tax & Exceptional items	194.89	459.66	432.44	202.35	171.41
Exceptional Items	0.00	1467.44	0.00	0.00	0.00
Profit Before tax	194.89	1927.10	432.44	202.35	171.41
Tax Expense	128.30	556.62	155.75	86.15	61.46
Profit After tax	66.60	1370.48	276.69	116.20	109.95
Equity Dividend	0%	15%	15%	9%	0%
Dividend Payout Ratio (%)	0.00	13.38	63.29	90.00	0.00
FINANCIAL POSITION					
Equity Share Capital	1415.76	1415.76	1165.76	1165.76	1165.76
Reserve & Surplus	2965.55	2898.95	1462.79	1389.33	1395.48
Net Worth	4381.30	4314.70	2747.42	2525.22	2553.48
Gross Block	8561.23	4295.78	5480.68	4901.17	3043.59
Net Block	6554.07	2668.84	4047.32	3680.48	1916.57
Investment	714.44	717.44	279.14	332.96	393.33
KEY INDICATORS					
EBDIT/ Gross Turnover %	6.04	6.56	8.40	6.02	6.10
Net Profit before Tax %	0.99	10.93	2.93	1.89	1.77
Earning per Shares (Rs.)	0.47	11.21	2.37	1.00	0.94
Long term Debt Equity Ratio	0.68	0.14	0.71	0.79	0.28
Current Ratio	1.05	1.08	1.07	1.26	1.48

MOHIT[®]
INDUSTRIES LTD.



Our Innovative Business Diversification is

NXTBLOC

AUTOCLAVED AERATED CONCRETE BLOCKS



“Green Building Material for the World”

“Sustainable Development- Eco Friendly Product”

“Innovative Construction Technology for
Designers & Architects”



“Lesser Carbon Foot print on the Environment”

“Diminish emission of green House Gas – Save Earth from Global Warming



“What we are today is result of our own past actions

Whatever we wish to be in future depends on our present actions”



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