

Substantial growth is our only belief

24th Annual Report 2013-2014



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.*



VALUES

"Our success is our commitment to the values"

MILESTONES



NXTBLOC
AUTOCLAVED AERATED CONCRETE BLOCKS

- 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 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 10% Interim Dividend & 2% Final Dividend during the year
- 2006 :** Right issue of Equity Shares of Rs. 1373 Lacs
Remarkable achievement in sales 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
Declared 12% Interim Dividend During the year
- 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 One Lacs m3 per annum in palghar
Installation of 4 texturising Machines with production capacity 5200 MT in Kim making total 14 Texturising machines, 144 looms, 100 shuttle less water jet looms and 17 TFO machines with a production capacity of 18000 MT of Texturised Yarn and 8 million 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
Declared 9 % Final Dividend during the year
- 2011 :** Turnover increased more than 14000 Lacs and profit to Rs. 276 Lacs
Tremendous growth in Export Earning of Rs. 1900 Lacs
Declared 12 % Final Dividend during the year
- 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
Declared 12 % Final Dividend during the year
- 2013 :** Awarded by Government approved "Export House Status"
Turnover increased to Rs. 19668 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. 38 Crores
Marketing of AAC Blocks in Brand name of "NXTBLOC"
Listing of Equity Shares of the company at National Stock Exchange of India (NSE)
- 2014 :** Turnover Increased to Rs. 22509 Lacs
Shifting of Plant & machinery from Silvassa to Textile Kim unit for better scale of economies
Sale of Silvassa land & Building for an extraordinary Profit
Gross export sales recorded at Rs. 4400 Lacs



Chairman's Letter to Shareholder

Dear Shareholders,

It gives me immense pleasure to write to you at the end of another landmark year for Mohit Industries Limited.

I am pleased to inform you that your company has completed successfully financial year 2013-14 with 14.45 % growth in Net Sale which reached to Rs. 22509.98 Lacs. Net profit after Tax for the year recorded Rs. 217.38 Lacs. The year 2014 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 sold its Silvassa land and plant & machinery situated at Silvassa resulting in extra ordinary profit of Rs163.87 Lacs. Your Company's Gross Export Sales has been recorded to Rs. 44 Crores during the financial year 2013-14. Your Company also Planning to move towards export of Fabrics in 2014-15. Your Company is successfully exporting DTY Yarn to South Korea with a brand name of the company, Italy, Spain, Germany, Mexico, Thailand, Peru, Bangladesh, South Africa, Egypt, Brazil, Colombia, Guatemala, Vietnam and many more Countries

In financial year 2014, we plan to expand the business of Textile Division by installing two new Texturising Machineries, increase the manufacturing capacity by 3000 tonnes of DTY and 48 new water jet looms increase manufacturing capacity by 4 million meters of grey fabric. Details of our growth Strategies and your company' performances during Financial Year 2013-14 have been elaborated in the Director Report and Management Discussion Analysis Report Section of this Annual Report. Your Company's AAC Plant, Umargaon is continuously trying to enhance its manufacturing Capacity utilization to a greater extent and grabbing more and more Customers for Green Building Product-"NXT BLOC" Your company has put in place aggressive sales strategies like key account management, branding and premium service levels, to ensure increase in market share and full utilization of the manufacturing facilities.

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 (79) 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 (53) 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 (40) is the Joint Managing Director of the company. Mr. Naresh Saboo after his education 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 (30) 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 financial and 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. Jayesh Rasiklal Gandhi Mr. Sachinkumar Pramod Jain Mr. Dharmesh Vinodraj Patel Mrs. Pragya Memani	Executive Chairman Managing Director Joint Managing Director CFO Independent 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	
Registered Office	:	A-601/ B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat, India E : contact@mohitindustries.com Ph: +91-261-2463261, 2463262, 2463263 Fax: +91-261-2463264	
Branch Office	:	706, 7th Floor, Corporate Avenue, CTS No.488, Village Pahadi, Sonawala Road, Goregaon (East), Mumbai – 400063, India Ph: +91-022-40042241	
Plants	:	Kim Plant Plot No. 5 & 6, 7 & 13, 14 & 15, Block no. 792, Plot No. 1 to 5, 30 & 31, Block no. 787, Plot No. 10 & 11, 9&14, 8 & 15 Block No. 791, Village: Kudsad, Olpad, Dist. Surat (Gujarat) 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” 17-20, Jafferbhoy Industrial Estate, 1stFloor, Makwana Road, Marol Naka, Andheri (E) Mumbai-400059, India Ph: +91-022-42270400, 28596060. E: pratapp@adroitcorporate.com or info@adroitcorporate.com	
Company Website	:	www.mohitindustries.com www.nxtbloc.com	

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NOTICE

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Monday, the 29th September, 2014 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 2014, the Statement of Profit & loss Account for the year ended 31st March, 2014 together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in the place of Mr. Manish Saboo (DIN No. 01576187), who retire by rotation and being eligible, offers himself for re-appointment.
3. To Appoint Auditors and to fix their Remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139-142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, **M/s. R.K.M & Co.,** Surat, Chartered Accountants, (Registration No. 108553W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of the Twenty-Fourth Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration to be decided mutually between the said Statutory Auditors and Board of Directors."

SPECIAL BUSINESS

4. To appoint Mrs. Pragya Memani (DIN No. 06846968) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Pragya Memani (DIN 06846968), who was appointed as an Additional Director of the company by the Board of the directors with effect from 22nd March, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration to the effect that she meets the criteria of independence as provided under section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019, not liable to retire by rotation."

5. To appoint Mr. Sachin Jain (DIN No.01634303) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provision of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sachin Jain (DIN No.01634303), a Non-executive Director of the Company whose period of office was liable to determination by retirement of directors by rotation as per the provisions of the erstwhile Companies Act, 1956 and who has submitted a declaration to the effect that he meets the criteria of independence as provided under section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, being eligible, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019, not liable to retire by rotation."

6. To appoint Mr. Jayesh Gandhi (DIN No. 01588775) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provision of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jayesh Gandhi (DIN No. 01588775), a Non-executive Director of the Company whose period of office was liable to determination by retirement of directors by rotation as per the provisions of the erstwhile Companies Act, 1956 and who has submitted a declaration to the effect that he meets the criteria of independence as provided under section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director being eligible, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019, not liable to retire by rotation."

7. To appoint Mr. Dharmesh Patel (DIN No. 01932395) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provision of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dharmesh Patel (DIN No. 01932395), a Non-executive Director of the Company whose period of office was liable to determination by retirement of directors by rotation as per the provisions of the erstwhile Companies Act, 1956 and who has submitted a declaration to the effect that he meets the criteria of independence as provided under section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director being eligible, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019, not liable to retire by rotation."

8. Increase in the borrowing powers of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the resolution passed by the members at its 21st Annual General Meeting of the Company held on 29th September, 2011, pursuant to the provisions of section 293(1)(d) of erstwhile Companies Act, 1956 and in accordance with the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the provisions of the Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums or moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and working capital facilities obtained from the Company's Bankers in the ordinary course of business), from the financial institutions, Company's bankers and/or from any person or persons, firms, bodies corporate, whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of Rs. 250 Crores (Rupees Two hundred Fifty Crores).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) as aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the employee(s) of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution(s)."

9. To Adopt New Set Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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

Place : Surat
Date : 14.08.2014

**Swati Malu
(Company Secretary)**

REGD. OFFICE :

MOHIT INDUSTRIES LIMITED

CIN No. : L17119GJ1991PLC015074
A/601-B, International Trade Centre,
Majura Gate, Ring Road,
Surat-395002, Gujarat

NOTES :

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 4 to 9 of the notice set out above is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 24TH ANNUAL GENERAL MEETING.**
3. **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. 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. Duplicate Attendance Slip and/or Copies of the Annual report shall not be issued/ available at the venue of the meeting.
6. The Register of Members and share Transfer Book shall remain closed from Thursday 25th September, 2014 to Monday 29th September 2014 (Both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Adroit Corporate Service Pvt Ltd (RTA).
8. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
9. Pursuant to Clause 49 of the Listing Agreement, Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional area, name of the company in which they hold directorship and membership /chairmanships of Board Committees, shareholding enclosed with this notice.
10. Members must quote their Folio Number/ Demat Account Number and Contact number etc in all correspondence with the Company/ RTA. Members are requested to address all correspondences, including dividend matters to the Registrar share Transfer Agents, "Adroit Corporate Services Private Limited" 17-20,Jafferbhoy, Industrial Estate, 1stFloor, Makwana Road, Marol Naka, Andheri (E) Mumbai-400059, India Ph:+91-022-42270400,28596060.E: pratapp@adroitcorporate.com
11. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the company has transferred the unpaid or unclaimed dividends for the financial years 2004-05 and Interim dividend for the financial year 2004-05, 2005-06 and 2006-07 from time to time, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies. Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th September, 2013 (date of last Annual General Meeting) on the website of the Company (www.mohitindustries.com), as also on the website of the Ministry of Corporate Affairs.
12. All members who have either not claimed or have not yet encashed their dividend warrant(s) for the financial year 2009-10, 2010-11 and 2011-12 have to submit the dividend warrant/s if any available with them for revalidation to the Company/RTA. Shareholders are requested to ensure that they claim the dividend(s) from the company before transfer of said dividend amount to the IEPF.

Information in respect of such unclaimed Dividends as of 31st March, 2014 and due dates for transfer to the Investor Education and Protection Fund of Government of India are given below:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on 31st March, 2014	Last year for Claiming unpaid Dividend	Due Date for transfer to IEPF
2009-2010 (Final Dividend)	20/09/2010	Rs. 71,713.80	18/09/2017	19/10/2017
2010-2011 (Final Dividend)	30/09/2011	Rs. 408,217.50	28/09/2018	29/10/2018
2011-2012 (Final Dividend)	28/09/2012	Rs. 310,714.50	26/09/2019	27/10/2019

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

14. 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. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. 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
- 16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
17. 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.

E-VOTING FACILITY

- 1) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. Members whose shareholding is in the dematerialized form and whose email addresses are registered with the Company/Depository Participants(s) will receive an email from NSDL informing the User-ID and Password.**
 - I. Open email and open PDF file viz "MIL_E-Voting.pdf" with your DP ID & Client ID or Folio No. as Password. The said PDF file contains your User ID and Password for e-voting. Please note that the Password is an initial password.
 - II. Launch the internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - III. Click on "Shareholder Login".
 - IV. Put User ID and Password as initial Password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
 - V. If you are logging in for the first time, Password change menu appears. Change the Password with new Password of your choice with minimum 8 digits/characters or combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - VI. Home page of "e-voting" opens. Click on "e-Voting": Active Voting Cycles.
 - VII. Select "EVEN (E-Voting Event Number)" of Mohit Industries Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period i.e. upto close of 25th September, 2014 whichever is earlier.

VIII. Now you are ready for "e-voting" as "Cast Vote" page opens.

IX. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.

X. Upon confirmation, the message "Vote cast successfully" will be displayed

XI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mohitindustries@drdcs.net with a copy marked to evoting@nsdl.co.in.

B. For Members holding shares in dematerialized form whose email IDs are not registered with the Company/Depository Participants, Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:

I. Initial password will be provided separately

EVEN (E-Voting Event Number)	USER ID	PASSWORD
	Your user ID has been printed on the Separate Sheet along with this Notice.	Your unique Password has been printed on the Separate sheet along with this Notice.

*Details of the process and manner of e-voting along with the User ID and Password is being sent to all the Members along with the Notice Separately

II. Please follow all steps from Sl. No. 1. A (ii) to Sl. No. 1. A (xi) above, to cast your vote.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com/

D. The voting period begins from start of Business Hours on Tuesday 23rd September, 2014 and at the close of Business Hours ends on Thursday, 25th September, 2014, During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 14th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

E. Mr. Dhiren R Dave., Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

F. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

G. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mohitindustries.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges.

H. Kindly note that a member who has voted through E-voting Mechanism are not debarred from Participation in the 24th AGM Physically. But shall not be liable to Vote in the meeting again and his earlier Vote (Cast through E-means) shall be treated as final.

I. A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders along with the Annual Report for the year 2013-14 to enable them to cast their votes through e-voting.

ANNEXURE TO THE NOTICE**Explanatory Statement as required by Section 102 of the Companies Act, 2013****Item No. 4**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Pragya Memani as an Additional Director of the Company with effect from 22nd March, 2014. In terms of the provisions of Section 161(1) of the Act, Mrs. Pragya Memani would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Pragya Memani for the office of Director of the Company

Mrs. Pragya Memani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act inter alia stipulates that, an independent director can hold office for a term up to 5 (Five) consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mrs. Pragya Memani that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mrs. Pragya Memani possesses appropriate skills, experience and knowledge; inter alia, in the field of Textile Designing. In the opinion of the Board, Mrs. Pragya Memani fulfills the conditions for her appointment as an Independent Director as Specified in the Act and the Listing Agreement. Brief resume of Mrs. Pragya Memani, nature of her expertise in Specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided at Annexure A of this Notice. No Directors and Key Managerial Personnel of the company or their relatives except the Mrs. Pragya Memani & her relatives, is deemed to be concerned or interested in this resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders of the company.

Item No.5, 6, 7

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sachin Jain, Mr. Jayesh Gandhi and Mr. Dharmesh Patel, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions. Mr. Sachin Jain, Mr. Jayesh Gandhi and Mr. Dharmesh Patel, non-executive independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director. Notice has been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1, 00,000 each. A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice.

No Directors and Key Managerial Personnel of the company or their relatives except the directors seeking appointment as Independent Director as above, is deemed to be concerned or interested in the resolution mentioned in Item No. 5,6,7.

The Board recommends the ordinary resolution in relation to the appointment of these Directors as Independent Directors, for the approval by the shareholders of the Company.

Item No.8

The Members of the company at the 21st Annual General Meeting of the Company held on 29th September, 2011, authorised the Board of Directors by an Ordinary resolution:

1. To borrow upto Rs. 250 Crores under Section 293(1) (d) of the companies Act, 2013 as well as
2. To Secure the Same by suitable mortgage/charge on all or any of the movable and/or immovable whether present and future properties of the Company in favour of lenders upto a limit of Rs.250 Crores under section 293(1) (a) of the companies Act, 1956

However, after the applicability of the provisions of Section 180(1) (c) of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of members of the Company by way of **Special Resolution**.

However, as per the corresponding Provision of Section 180(1)(c) and 180(1)(a) of the companies Act, 2013 which were notified on the 12th September, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular No.04/2014 dated 25th March, 2014, the resolution passed u/s 293 of the companies Act, 1956 prior to 12.09.2013 with reference to borrowing (subject to the limit Prescribed) and or Creation of Security on the assets of the company will be regarded as sufficient compliance of the requirement of Section 180 of New Act, for a period of 1 year from the date of notification of Section 180.

Further, the provision of the companies Act, 1956 Act requires consent of Shareholders as an ordinary resolution for borrowing and creation of Security; however the provision of the companies Act, 2013 Act **stipulates Consent of the members by way of a Special resolution:**

Hence, in order to remain compliant with the relevant provisions on borrowing and Creation of Security under the 2013 Act beyond 12.09.2014, consent of members is hereby requested by way of Proposed Special resolution(s)

The Board of Directors of the company has approved this item in the Board Meeting Held on 14th August, 2014 and recommends the resolutions as set out at the Item No.8 of the Notice for the Approval by the Shareholders of the company as **Special Resolutions**.

None of the Directors, Key Managerial Personnel and relatives thereof is interested or concerned in the proposed resolution except to the extent of their Shareholding in the company, if any.

Item No. 9

The Article of Association (the Articles) of the company is in conformity with the provision of the companies Act, 1956 and the rules framed there under. The Ministry of Corporate Affairs (MCA), Government of India, has so far notified 282 Sections and 7 Schedules of the companies Act, 2013 ("New Act") to replace the Corresponding Sections/ Schedules of the companies Act, 1956 ("the Old Act"). Out of 282 Sections, 98 Sections come into effect from 12th September, 2013 and 184 Section Come into effect from 01st April, 2014. Consequently, the Article is being altered in order to comply with the provision of the Companies Act, 2013 and the Rules framed there under.

In view of the above, it is considered prudent to substitute the existing articles by a New Set of Article. The Proposed Article is based on Table "F" of the Schedules-1 of the Act which provides the Model Articles of Association for a company Limited by Shares. The Proposed Article is available for Inspection by the Members at the registered office of the company during Business hours on working days. The Proposed Article are also uploaded on the company's Website www.mohitindustries.com

The Board Recommends the Special Resolution at the Item No. 9 for Approval by the Shareholders of the company.

None of the Directors, Key Managerial Personnel and relatives thereof is interested or concerned in this proposed resolution except to the extent of their Shareholding in the company, if any.

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

Place : Surat
Date : 14.08.2014

**Swati Malu
(Company Secretary)**

Annexure-A

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

Particulars	Mr. Manish Saboo	Mrs. Pragya Memani	Mr. Sachin Jain	Mr. Jayesh Gandhi	Mr. Dharmesh Patel
Date of Birth	13/11/1984	05/11/1987	03/12/1974	23/02/1960	08/01/1970
Date of Appointment	29/09/2011	22/03/2014	26/08/2005	21/11/1994	08/05/2010
Expertise in Specific General Functional Area	Rich and varied Experience in Finance and General Management	Good Experience in Textile Fashion Designing	Rich Experience in the Field of Textile, Marketing, Production.	Wide Experience in the field of textile	Rich and varied Experience of more than 10 years in the field of Architecture, Texturising
Qualification	MBA in Finance from Nottingham University, London	Bachelor of Design	Bachelor of Management Science	Bachelor of Commerce	Bachelor of Engineer (Civil), AMIE, Chartered Engineer
Directorship held in other public limited Companies	•Mohit Overseas Limited •Mohit Yarns Limited	Nil	Nil	Nil	•Gujarat Enviro-Protection And Infrastructure Limited
Membership/ Chairmanship of Committees of other Public Companies (Includes Audit Committees and Shareholders/ investor Grievances Committees)	Nil	Nil	Nil	Nil	Nil
No. Of Shares held in the company	2,74,286	Nil	Nil	4414	Nil

DIRECTORS' REPORT

To

The Members

MOHIT INDUSTRIES LIMITED

Your Directors have pleasure in presenting the 24th annual Report together with the Audited Statement of Accounts of the company for the financial year ended 31st March, 2014.

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

PARTICULARS	31/03/2014	31/03/2013
Sales	22,509.98	19,668.42
Other income	243.75	154.52
Profit Before Interest & Depreciation	1,539.61	1,188.10
(-) Finance Cost	899.58	612.98
(-) Depreciation	445.74	380.22
Profit before tax & Exceptional items	194.29	194.89
(+) Exceptional Items	163.88	-
Profit Before Tax	358.17	194.89
(-) Tax Expense	140.78	128.30
Profit for the year after tax	217.38	66.60
(+) Surplus brought from previous year	1,698.46	1,631.86
Total surplus Carried to balance sheet	1,915.84	1,698.46
Less :		
Profit & Loss Appropriation	31/03/2014	31/03/2013
Proposed Dividend	-	-
Dividend Distribution tax	-	-
Transfer to General Reserve	-	-
Closing Balance	1,915.84	1,698.46
General Reserve	31/03/2014	31/03/2013
Total Amount as at last year	91.75	91.75
Add: Transfer from P&L Appropriation Account	-	-
Closing Balance	91.75	91.75

OPERATION:

The total Turnover of the Company during the year was Rs.22509.98 Lacs against Rs.19668.42 Lacs in the previous financial year. During the year Net sale of Company have been Increased by 14.45%. The increase in Turnover was mainly due to increase in Export sales. Total Raw material Consumption was Rs.16177.03 lacs against Rs.12133.23 lacs in the previous financial year. The total expenditure during the year was Rs.22559.44 Lacs against Rs.19628.05 Lacs 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 higher at Rs.358.17 Lacs (includes sale of Silvassa land & building at Rs163.87 Lacs) compared to Rs.194.89 Lacs in the previous financial year and the profit after tax for the year under review at Rs. 217.38 Lacs compared to Rs. 66.60 Lacs in the previous financial year.

The basic and diluted earnings per share (EPS) computed in accordance with the Accounting Standard was Rs. 1.54 per share respectively as against Rs. 0.47 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 2014.

BUSINESS DEVELOPMENT & EXPANSION

Your company plans to take the expansion to the next level by installing high tech and time saving two new Texturising Machinery, increase the overall manufacturing Capacity to 21,000 tonnes from 18,000 tonnes of Draw Texturised Yarn. During the Current Year, Your company is also installing 48 New Water Jet looms increases overall manufacturing Capacity to 12 million from 8 million meters of grey fabrics annually.

Your Company is planning to increase Export Gross Turnover from 44 Crores in 2014 to 100 Crores by March 2015. The company is also planning to move towards export of Fabrics in 2014-15.

EXPORT

Yarn export has been continuously growing from India and company is also benefiting from same. The Company has exported DTY Yarn to South Korea with a Premium and Brand Name, Italy, Spain, Germany, Mexico, Thailand, Peru, Bangladesh South Africa, Egypt, Brazil, Colombia, Guatemala, Vietnam and many more Countries. The Company has availed Export House Status. The total Net exports of the Company amounted to Rs. 3944.28 Lacs as compared to Rs. 2412.86 Lacs.

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 terms of Section 152 of the Companies Act, 2013, Mr. Manish Saboo shall retire by rotation at the 24th Annual General Meeting and being eligible, offer themselves for re-appointment. The Board Recommend their Re-appointment to the Shareholders of the Company.

Mrs. Pragya Memani was appointed as Additional Director on 22nd March, 2014 and who holds office up to the date of this ensuing Annual General Meeting and The Company has received requisite notice in writing from members proposing the aforesaid directors for appointment as Independent Directors to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019, not liable to retire by rotation.

In terms of the provisions of Section 149 of the Companies Act, 2013, it is proposed to appoint Mr. Jayesh Gandhi, Mr. Dharmesh Patel, and Mr. Sachin Jain as independent directors for a period of 5 years up to the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019., not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

During the year, Miss. Simmi Nandwani & Mr. Bharat Merchant has resigned from the Board of Directors of the Company on 31st May 2013 and 01st February, 2014 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 and of the profit of the Company for the year ended 31st March, 2014;
- 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, 2014 on a going concern basis.

AUDITORS' REPORT:

The Observations made in the Auditors' Report read with relevant notes No. 2(F) 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 the Provision for the Long term Employees are determined on the basis of actuarial Valuation Method & technique prescribed in the Accounting Standard. The Consulting fees by actuaries for determining the Provision for long term benefit Plan is even higher than the Annual Liability of the company for Long term benefits. The company has decided to pay the Long term benefits as and when it becomes due as the amount is negligible and it is not going to make any impact on the financial Position of the company. Considering the size of the company and negligible liability, the company has not made provisions for Long term employee benefits & Defined benefits plan.

The Matter of Emphasis made in the Auditor's Report in respect to Note No. 37 in respect of "Change in Accounting Policy" relating to accounting Treatment of foreign exchange fluctuation in respect of long term Monetary liabilities of the company has been added to cost of Depreciable Assets . The Board is of the opinion that The Change in Accounting Policy in respect of accounting of gain or loss arising on account of foreign exchange Fluctuation in respect of Long term Assets or Liabilities has been adopted by the board due to lot of fluctuations in Foreign Exchange Rates. Also, the Foreign Exchange liability standing on the books is for Import of Capital Asset and hence it has been capitalized.

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 2014-15. 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.

The Companies Act, 2013

The Ministry of Corporate Affairs (MCA) vide its Circular dated 4th April 2014 has clarified that the financial statements and documents annexed thereto, auditor's report and board's report in respect of financial year that have commenced earlier than 1st April 2014 shall be governed by the provisions of the Companies Act, 1956 and in line with the same, the Company's financial statements, auditors' report and Board's report and attachments thereto have been prepared in accordance with the provisions of the Companies Act, 1956.

CASH FLOW ANALYSIS:

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2014 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 2014-15.

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

For the financial year ended 31st March, 2014 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) Rules, 1975 & Companies (Particulars of 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) Rules, 1975 & Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Report of the Directors for the year ended 31st March, 2014.

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
For Mohit Industries Limited**

Place : Surat
Date : 14.08.2014

**(SITARAM SABOO)
Chairman**

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, 2014.

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
- The company has registered with power trading corporation and purchasing 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 and Reduction in production Cost
- Customers' satisfaction and new business opportunities because of competitive costs and better quality.

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

As per Form 'A' attached.

Form –A

Form for Disclosure of Particulars with Respect to Conservation of Energy

(A) Power and Fuel Consumption:

PRODUCT	2013-2014	2012-2013
(1) Electricity		
(a) Purchased		
Units	124.32	75.61
Total Amount	692.52	439.46
Rate/Unit (Rs.)	5.57	5.81
(b) Own Generation		
I. Through Diesel Generator		
Units	0.77	2.16
Units per liter of Diesel oil	2.63	2.82
Rate/Unit (Rs.)	33.07	16.90
II. Through Steam/turbine Generator	NIL	Nil

PRODUCT	2013-2014	2012-2013
III. Through gas based Generator Set		
Units	0.25	20.37
Units per MMBTU	108	108
Rate/Unit (Rs.)	2.15	7.76
(2) Coal (Used for Boiler)		
Quantity (M.T.)	5,279,990	1,913,585
Total Cost (in Lacs)	200.96	115.02
Average rate Rs./M.T.	3.80	6.01
(3) Furnace Oil	NIL	NIL
(4) Other Internal Generation	NIL	NIL

(B) Consumption Per unit of Production**Electricity used:**

PRODUCT	2013-2014	2012-2013
Grey (Meters.)	0.41	0.40
Yarn (Kg.)	0.67	0.60
AAC Blocks (Kg.)	0.02	0.02

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

- Quality Up gradation and Developing wide range of products
- Various products in colored yarns and low temperature dyeing yarns were developed
- Productivity enhancement
- Quality Control Management

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

- Opening up avenues for more business in future including export markets.
- Customers' satisfaction and new business opportunities because of competitive costs and better 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

- Up gradation of products.
- 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:

- (a) Technology Imported : NIL
- (b) Year of Import : Not Applicable
- (c) Has the Technology been fully absorbed? : Not Applicable
- (d) If not fully absorbed, areas where this has : Not Applicable

Not taken place, reason thereof and future Plan of action

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is successfully exporting DTY Yarn to South Korea, Italy, Spain, Germany, Mexico, Thailand, Peru, Bangladesh, South Africa, Egypt, Brazil, Colombia, Guatemala, Vietnam and many more Countries.

During The year your company has achieved export sale FOB value of Rs. 3944.28 Lacs

(Rs in Lacs)		
Particulars	31/03/2014	31/03/2013
Foreign Exchange Earning	3944.28	2412.86
Foreign Exchange Outgo	-	944.82

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 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, 2014, Board of Directors met 15 times on

02/04/2013	15/04/2013	07/05/2013	31/05/2013	10/06/2013	12/07/2013	30/07/2013
14/08/2013	06/09/2013	14/11/2013	02/12/2013	30/12/2013	01/02/2014	14/02/2014
22/03/2014						

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 During Financial Year 2013-14

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 Chairmanship
			Held	Attended				
1	Sitaram Saboo	Chairman/PD/ED	15	15	Yes	-	-	-
2	Narayan Saboo	Managing Director/ PD/ED	15	15	Yes	3	2	2
3	Naresh Saboo	Joint Managing Director/PD/ED	15	14	Yes	1	2	-
4	Manish Saboo	ED/CFO	15	14	Yes	2	-	-
5	Jayesh Gandhi	ID/NED	15	6	Yes	-	-	-
6	Sachin Jain	ID/NED	15	6	Yes	-	-	-
7	Dharmesh Patel	ID/NED	15	2	No	1	-	-
8	Mrs. Pragya Memani*	ID/NED	15	1	NA	-	-	-
9	Bharat Merchant#	ID/NED	15	1	No	NA	NA	NA
10	Simmi Nandwani**	ID/NED	15	1	NA	NA	NA	NA

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

* Mrs. Pragya Memani appointed as additional Director W.e.f 22.03.2014

Mr. Bharat merchant resigned from the directorship w.e.f 01.02.2014

** Simmi Nandwani resigned from the directorship w.e.f 31.05.2013

*** The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Limited Companies.

*** In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all Public Limited Companies (excluding Mohit Industries Limited) have been considered.

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:

In terms of Section 152 of the Companies Act, 2013, Mr. Manish Saboo shall retire by rotation at the 24th Annual General Meeting and being eligible, offer themselves for re-appointment. The Board Recommend their Re-appointment to the Shareholders of the Company.

Mrs. Pragya Memani was appointed as Additional Director on 22nd March, 2014 and who holds office up to the date of this ensuing Annual General Meeting and The Company has received requisite notice in writing from members proposing the aforesaid directors for appointment as Independent Directors to hold office for 5 (five) consecutive years for a term upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019, not liable to retire by rotation.

In terms of the provisions of Section 149 of the Companies Act, 2013, it is proposed to appoint Mr. Jayesh Gandhi, Mr. Dharmesh Patel, and Mr. Sachin Jain as independent directors for a period of 5 years upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019., not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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 directors, promoters, employees well in advance as well as intimate through BSE & NSE.

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)/Chief Financial Officer (CFO) to this effect is enclosed at the end of this report.

4. COMMITTEES OF THE BOARD

Mohit Industries Limited has Three Board level committees:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Shareholders/Investors Grievance And Stakeholders Relationship 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. Narayan Saboo	Member

b. Meeting

Audit Committee held Four Meeting during Financial Year 2013-14 which as follows:

(1) 31/05/2013 (2) 14/08/2013 (3) 14/11/2013 (4) 14/02/2014

c. Attendance Record

Attendance Record of each member of audit Committee during Financial Year 2013-14

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

The Company Secretary acted as the Secretary of the Committee.

d. Term of Reference

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement entered into with Stock Exchanges and Section 177 of the Companies Act, 2013 [erstwhile Section 292A of the Companies Act, 1956].

The Roles & Responsibility of the Audit Committee includes 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with management the periodical and Annual and Quarterly 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) compliance with accounting standards, (vi) compliance with listing and other legal requirements concerning financial statements, (vii) 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;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Monitoring the end use of funds raised through public offers and related matters.
- Evaluation of internal financial controls and risk management systems;
- Valuation of undertakings or assets of the company, wherever it is necessary
- Scrutiny of inter-corporate loans and investments
- Approval or any subsequent modification of transactions of the company with related parties;
- To review the functioning of the Whistle Blower mechanism
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Any other work as may be assigned by the Board of Director(s) of the Company

II. Nomination & Remuneration Committee

a. Composition

Presently Nomination & Remuneration Committee Comprise of Three Directors. They are as follows

Sr No.	Members of Nomination & Remuneration Committee	Status
1	Mr. Sachin Jain	Chairman
2	Mr. Jayesh Gandhi	Member
3	Mrs. Pragya Memani	Member

b. Meeting

Nomination & Remuneration Committee held Five Meeting during Financial Year 2013-14 which as follows : (1) 31/05/2013 (2) 14/08/2013 (3) 14/11/2013 (4) 01/02/2014 (5) 22/03/2014

c. Attendance Record

Attendance Record of each member of Nomination & Remuneration Committee during Financial Year 2013-14

Sr. No.	Name of Members (Category)	Status	No. of Meetings	
			Meeting Held	Meeting Attended
1	Mr. Sachin Jain	Chairman	5	5
2	Mr. Jayesh Gandhi	Member	5	5
3	Mrs. Pragya Memani	Member	5	1

d. Term of Reference

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

e. Remuneration Policy

The remuneration is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record etc. and is decided by the Board of Directors. The Board, on the recommendations of the Remuneration Committee, approves the annual increments. Within the prescribed ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956 and amended Section 197 of the Companies Act, 2013. The perquisites package is recommended by the Remuneration Committee to the Board.

Payment of remuneration to the Chairman & Mg. Director, Joint Mg. Director and Executive Directors is governed by the respective agreements executed between them and the Company and are governed by Board and shareholders' resolutions. The remuneration structure comprises of salary, commission, perquisites and allowances and retirement benefits. No sitting fee is payable to the Executive Vice Chairman and the Managing Director.

d. Remuneration paid to Director During Financial Year 2013-14

Sr. No.	Name of Directors	Salary & perquisites (Rs.)	Commission (Rs.)	Total Remuneration (Rs.)
1	Mr. Narayan Saboo	1,20,000	0	1,20,000
2	Mr. Sitaram Saboo	1,20,000	0	1,20,000
3	Mr. Naresh Saboo	1,20,000	0	1,20,000
4	Mr. Manish Saboo	1,20,000	0	1,20,000

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, 2014:

Sr No.	Name of Directors	No. of Shares Held
1	Mr. Narayan Saboo (ED)	769,900
2	Mr. Sitaram Saboo (ED)	950,021
3	Mr. Naresh Saboo (ED)	268,424
4	Mr. Manish Saboo (ED)	274,286
5	Mr. Jayesh Gandhi	4414

III. Shareholders/Investors Grievance And Stakeholders Relationship Committee

a. Composition

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

Sr. No.	Members of Shareholders/Investors Grievance And Stakeholders Relationship Committee	Status
1	Mr. Jayesh Gandhi	Chairman
2	Mr. Sachin Jain	Member
3	Mr. Narayan Saboo	Member

b. Meeting

Shareholders/Investors Grievance And Stakeholders Relationship Committee held Four Meeting during Financial Year 2013-14 which as follows:

(1) 31/05/2013 (2) 14/08/2013 (3) 14/11/2013 (4) 14/02/2014

c. Attendance Record

Attendance Record of each member of Shareholders/Investors Grievance And Stakeholders Relationship Committee during Financial Year 2013-14

Sr. No.	Name of Members (Category)	Status	No. of Meetings	
			Meeting Held	Meeting Attended
1	Mr. Jayesh Gandhi	Chairman	4	4
2	Mr. Sachin Jain	Member	4	4
3	Mr. Narayan Saboo	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 2013-14

Sr. No.	Nature of Compliant	Pending as on 1st April, 2013	Received During the year	Redressed During the year	Pending as on 31st March, 2014
1	Non -Receipt of Share Certificate	0	0	0	0
2	Non- Receipt of Dividend Warrant	0	2	2	0
3	Non-Receipt of Annual Report	0	0	0	0
4	Other Grievance Received through SCORES	0	0	0	0
	Total	0	2	2	0

There were no complaints which were pending as on March 31, 2014

5. GENERAL BOARD MEETING

Year	Date	Venue	Time	Special Business Transacted
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
2013	30.09.2013	A/601-B, International Trade Centre, Majura Gate, Ring Road, Surat 395002	10.00 A.M	No Special Business Transacted in this Annual general Meeting

Postal Ballot

No special resolution was passed through Postal Ballot during the financial year 2013-14

Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial year 2013-14

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. 38 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	29.09.2014 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 (30th June 2014)	First week of August 2014
Second Quarter Result (30th Sep 2014)	First week of November 2014
Third Quarter Result (31st Dec 2014)	First week of February 2015
Fourth Quarter and Year Ended result (31st March 2015)	Third week of May 2015
Date of Book Closure	25th September, 2014 to 29th September, 2014
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 shares for 2013-14 at BSE and NSE**

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High Price	Low Price	No. of Shares (Volume)	High Price	Low Price	No. of Shares (Volume)
April 2013	43.95	33.00	170,131	44.85	33.30	146,977
May 2013	38.25	32.80	172,929	39.65	30.10	137,803
June 2013	41.00	31.15	321,610	40.40	31.95	353,750
July 2013	44.80	33.50	227,959	45.75	33.50	182,423
Aug 2013	44.75	38.25	87,862	45.50	36.25	49,901
Sep 2013	43.60	24.60	345,796	43.90	23.75	394,952
Oct 2013	39.00	27.65	411,805	39.00	28.35	243,844
Nov 2013	37.20	28.30	124,084	37.90	27.25	105,390
Dec 2013	42.95	28.00	220,078	42.00	27.30	236,887
Jan 2014	41.30	33.75	78,739	40.95	34.50	57,709
Feb 2014	40.20	33.90	35,907	39.95	33.35	41,954
March 2014	44.00	30.35	306,749	44.90	31.20	390,837

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 Services Private Limited 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E) Mumbai-59, India Ph: +91-022-42270400, 28596060. E: pratapp@adroitcorporate.com E: info@adroitcorporate.com
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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.

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 2014

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% Shareholding
Upto-500	1114	71.87	199,962	1.41
501-1000	180	11.61	157,452	1.11
1001-2000	81	5.23	128,841	0.91
2001-3000	36	2.32	92,307	0.65
3001-4000	16	1.03	58,188	0.41
4001-5000	18	1.16	83,246	0.59
5001-10000	32	2.06	231,066	1.63
10001-& above	73	4.71	13,206,513	93.28
TOTAL	1550	100.00	14,157,575	100.00

Categories of Shareholding as on 31st March 2014

Category	No. of Shareholders	% of Total Shareholders	Number of Shares	% of Total Shares
Promoters	14	0.90	9,591,378	67.75
Banks/Financial Institution/ Insurance Companies	0	0.00	0	0.00
Foreign Institutional Investor	1	0.00	117,930	0.83
Private Corporate Bodies	80	5.17	2,076,937	14.67
NRIs	5	0.32	1152	0.01
Clearing Members	9	0.58	7151	0.05
Indian Public	1438	92.95	2,363,027	16.69
TOTAL	1547	100.00	14,157,575	100.00

Dematerialization of Shares and Liquidity

About 99.72% of the Equity shares were in dematerialized form as on March 31, 2014. 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 2014

	No. of Share Holders	No. of Shares	% of
Shares held by CDSL	644	3,347,634	23.65
Shares Held By NSDL	838	10,770,509	76.08
Physical Shares	68	39,432	0.28
Total	1550	14,157,575	100

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

Plant Location

Textile Unit (Kim 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	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 Matters:-

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) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Narayan Saboo, Managing Director and Manish Saboo, CFO 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, 2014 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).

Place : Surat
Date : 30.05.2014

Narayan Saboo
Managing Director

Manish Saboo
CFO

DECLARATION

DECLARATION BY THE MANAGING DIRECTOR / CFO 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 2014.

Place : Surat
Date : 30.05.2014

Narayan Saboo
Managing Director

Manish Saboo
CFO

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, 2014, 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.

Place : Surat
Date : 30.05.2014

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC SCENARIO

The Indian economy has not yet started showing any signs of recovery. Indian economy witnessed a sustained slowdown across sectors during the fiscal year ended 31st March 2014 and proved to be a challenging year. India's economic Growth stayed below 5 percent for the the Second year in a row at 4.7 per cent in 2013-14, lower than the 4.9 per cent projected in advance estimate, pulled down by manufacturing, mining, construction and logistic output. The 2013-14 Performance is shade better than 4.5 percent growth of 2012-13, a ten year low.

The finance ministry's India Economic Survey forecast 5.4-to-5.9 per cent growth in the financial year March 31, 2015, up from 4.7 per cent in the 2013-14. While RBI expects economic Growth Range between 5 per cent to 6 percent in the 2014-15. Indian economy is expected to rebound in 2015.

TEXTILE BUSINESS

1. INDIAN TEXTILE INDUSTRY STRUCTURE & DEVELOPMENT

(Textile Products viz Texturised Yarn, Grey Cloth & Finished Fabric)

Textile industry plays a significant role in determining the economic development of a country in terms of not just net foreign exchange earnings but also via direct and indirect employment generation. The industry contributes around 4% to the gross domestic product (GDP), around 18% to the country's export earnings and nearly 14% to industrial production, besides providing direct employment to 35 million and indirect employment to 45 million people. The textile sector is the second largest provider of employment after agriculture in India.

Globally, India has the 2nd largest textile manufacturing capacity, in terms of spindles and looms. India is the 4th largest exporter of textiles & clothing products to the world, with a share of 4.4% in the global trade. Over last 10 years, exports of textiles & clothing products from India have grown at more than 11% p.a., which increased the share in global trade from 3% to 4.4% between 2003 and 2012.

Indian textiles industry has a strong presence across the value chain. The fundamental strength of this industry flows from its strong production base of wide range of fibers / yarns from natural fibers like cotton, jute, silk and wool to synthetic /man-made fibers like polyester, viscose, nylon and acrylic. Globally, India is the largest producer of Jute fiber, and 2nd largest producer of cotton, silk, cellulosic and synthetic fibers.

The India has potential to increase its textile and apparel share in the world trade from level of 4.5 percent and reach US\$ 80 billion by 2020.

2. EXPORT SCENARIO

India ranks second in global textile exports. According to new data from the Apparel Export Promotion Council (APEC), India's textile exports were valued at over US\$40 billion in 2013. India's share of global textile trade increased by close to 18 percent in 2013 from the previous year, enabling it to capture a significant portion of the global textile market, which is estimated to have grown by 6 percent last year.

This growth is phenomenal as the global textiles growth rate is only 4.7% compared to India as it has registered the growth of 23% beating China and Bangladesh which has registered 11.4% and 15.4%, respectively. Increasing labour cost in China, non-compliance of large number of factories in Bangladesh provide India a big opportunity in view of its relative advantage, risk appetite of Indian entrepreneurs and a small push from the Government may help India to get more business as overseas buyers are looking at India as safe and reliable option for the sourcing. But to capture the space in market left by China and Bangladesh, we have to be competitive in pricing, apart from meeting strict timelines, better quality delivery by Indian exporters and therefore, Government agencies active support is very crucial.

3. 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

Threats

- Increasing apparel import from China and impact of global economic slowdown
- Rising input costs, Borrowing Cost
- Volatility In Exchange rate
- Global Crisis in countries like Iraq, Israel, etc leading to volatility in Crude Oil prices is a concern to the entire Textile Industry

4. RISK AND CONCERN

- High Financing Cost
- 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
- High Labour cost and Energy cost are matter of Concern

5. BUSINESS OUTLOOK

The Company has installed 14 Texturising Machineries which manufacture 18,000 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 shuttle 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 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. The Company is in the process of Expansion of Kim Plant by installing two new texturising machineries and thereby increasing the manufacturing capacity by 3000 tonnes of DTY and 48 new water jet looms increase manufacturing capacity by 4 million meters of grey fabric. During the year under Report, the Company has developed new products and designs which has enabled the Company to develop new markets and in catering the existing customers. The introduction of new products and designs has helped the Company to add new customers in different geographical regions and segments.

AAC (AUTO-CLAVE AERATED CONCRETE) BLOCKS BUSINESS

1. INDUSTRY STRUCTURE & DEVELOPMENT

Indian construction industry is one of the most important sectors of the economy as it stimulates building infrastructure and creates growth opportunities for other sectors in the economy. Going forward, the construction industry in India is poised for substantial growth in the future years, In spite of the temporary setback last year.

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 capital 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) 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.

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 or 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.

The Government's continued support, focus and encouragement for using green building products has given an additional impetus to the growth of the building material industry. With increasing awareness and acceptance for usage of green building products, market for AAC blocks is expected to grow multi-fold in the years to come.

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
- Scarcity of trained and experienced manpower
- 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
- 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 Umargaon, 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 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 bricks results in lower greenhouse gas emission as compared to the conventional clay bricks manufacturing process. Reductions of GHG emission provide earning of Carbon Credit in future. Your Company has already proceeds steps to register company's AAC project Activity with APX- VCS (Verified Carbon Standard) Registry for issuance of VER's.

MIL continued its initiative of educating masses on carbon foot print reduction by using Environment friendly products during last year also. A commitment towards producing green building products and solutions with an ultimate aim of helping the Construction and Infrastructure Industry to build green and sustainable habitats has been the vision followed by the Company consistently.

MIL continues to retain its core strength like Customer focus, quality and speed of delivery leading to enhanced customer satisfaction. Your company has put in place aggressive sales strategies like key account management, branding and premium service levels, to ensure increase in market share and full utilization of the manufacturing facilities.

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	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Sales (Net Excise Duty)	18790.28	18307.24	3719.69	1361.18

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	31.03.2014	31.03.2013
Net Sales	22509.98	19668.42
PBIDT	1539.61	1188.10
Finance Cost	899.58	612.98
Depreciation	445.74	380.22
Profit before taxation & Exceptional items	194.29	194.89
Exceptional items	163.88	-
Tax Expense	140.78	128.30
Net profit	217.38	66.60
Earning Per Shares	1.54	0.47

Net Sales of the Company have increased by 14.45%, 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, engineers and experienced executives which 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 and Workers of the company stood at 650 at the end of March 2014.

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 Member of
MOHIT INDUSTRIES LIMITED, 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, 2014, 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 not 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

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, 2014,
- (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.

Emphasis of Matter

- 1) We draw attention to Note No. 28(i) on "Contingent Liabilities" forming part of financial statements.
- 2) We also draw attention to Note No. 37 in respect of "Change in Accounting Policy" forming part of financial statements, relating to accounting treatment of foreign exchange fluctuation in respect of Long Term Monetary Liabilities of the company which has been added to Cost of Depreciable Assets in accordance with Paragraph 46A of AS - 11 on "The Effects of Changes in Foreign Exchange Rates" of the Companies (Accounting Standards) Rules, 2006 due to which the Profit and Tangible Fixed Assets of the company, both are higher by Rs. 83.13 Lakhs.

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(1A) of the Act, we report that:-
 - a) *The company has sold shares at the price which is less than purchase price of the shares and has incurred a loss of Rs. 20.39 Lakhs.*
3. 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 Standard notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 *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, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 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 : 30.05.2014

(Deepak V. Bhatia)
Partner
M. No. 102465

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) During the year, the company has disposed off Factory Land & Building of its Silvassa Unit. However, in our opinion, it does not affect the 'going on concern' status of the company.
- 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 five. The maximum amount involved during the year was Rs. 74.54 Lakhs and the year end balance was Nil.
- (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 is one. The maximum amount involved during the year was Rs. 380.60 Lakhs and the year end balance is Nil.
- (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) 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, 2014 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. 974.63 Lakhs, Entry Tax of Rs. 433.18 Lakhs, Central Excise Duty & Penalty of Rs. 235.07 Lakhs and Service Tax & Penalty of Rs. 7.90 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	Gujarat VAT	460.81	FY 2006-07	First Appellate Authority (The matter has been set aside by Gujarat VAT Tribunal)
Gujarat Entry Tax Laws	Gujarat Entry Tax	433.18	FY 2006-07	First Appellate Authority (The matter has been set aside by Gujarat VAT Tribunal)
Gujarat VAT Act	Gujarat VAT	513.82	FY 2009-10	The order is dated 29-03-2014 and appeal is pending to be filed before First Appellate Authority.
Central Excise Act	Excise Duty & Penalty	174.74	F.Y. 2012-13	CESTAT, Ahmedabad
Central Excise Act	Excise Duty & Penalty	14.72	March, 2008 to October, 2010	Commissioner of Central Excise (Appeals)
Central Excise Act	Excise Duty & Penalty	44.60	August, 2010 to March, 2010	CESTAT, Ahmedabad
Central Excise Act	Excise Duty & Penalty	1.01	F.Y. 2008-09	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax & Penalty	7.90	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. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, provisions of Clause 4(xv) of the Order are not applicable to 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

Place : Surat
Date : 30.05.2014

(Deepak V. Bhatia)
Partner
M. No. 102465

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	Figures as at 31st March, 2014	Figures as at 31st March, 2013
I EQUITIES & LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	3	141,575,750.00	141,575,750.00
(b) Reserves & Surplus	4	318,292,978.05	296,554,713.19
SUB-TOTAL		459,868,728.05	438,130,463.19
2 Non- Current Liabilities			
(a) Long Term Borrowings	5	272,137,863.00	299,543,754.00
(b) Other Non-Current Liabilities	6	600,000.00	1,100,000.00
(c) Deferred Tax Liability		79,816,820.00	67,441,970.00
SUB-TOTAL		352,554,683.00	368,085,724.00
3 Current Liabilities			
(a) Short Term Borrowings	7	426,556,317.00	412,509,179.00
(b) Trade Payables	8	100,150,777.10	107,875,030.40
(c) Other Current Liabilities	9	84,609,860.10	89,292,093.05
(d) Short Term Provisions	10	7,166,130.00	6,860,484.00
SUB-TOTAL		618,483,084.20	616,536,786.45
TOTAL		1,430,906,495.25	1,422,752,973.64
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		621,901,318.67	655,407,700.17
(ii) Capital Work In Progress		966,833.49	2,908,211.49
		622,868,152.16	658,315,911.66
(b) Non-Current Investments	12	38,477,024.10	71,444,422.19
(c) Long Term Loans & Advances	13	17,585,566.81	27,559,863.69
(d) Other Non-Current Assets	14	23,538,278.00	17,926,594.00
SUB-TOTAL		702,469,021.07	775,246,791.54
2 Current Assets			
(a) Inventories	15	175,843,795.00	154,532,512.00
(b) Trade Receivables	16	456,198,065.76	362,090,363.60
(c) Cash & Bank Balances	17	20,279,513.74	23,755,086.60
(d) Short Term Loans & Advances	18	76,116,099.68	107,128,219.90
SUB-TOTAL		728,437,474.18	647,506,182.10
TOTAL		1,430,906,495.25	1,422,752,973.64

Statement of Accounting Policies**Notes Forming Part of Financial Statements**

2

3 to 41

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Deepak V. Bhatia)

Partner

M. No. 102465

Place : Surat

Date : 30-05-2014

FOR & ON BEHALF OF BOARD OF DIRECTORS**SITARAM SABOO**

Chairman

NARAYAN SABOO

Managing Director

NARESH SABOO

Director

MANISH SABOO

Director & CFO

SWATI MALU

Company Secretary

Place : Surat

Date : 30-05-2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	Figures for the year ended on 31st March, 2014	Figures for the year ended on 31st March, 2013
I. Revenue from Operations			
Revenue from Operations	19	2,335,087,354.28	2,010,549,488.99
Less:- Excise Duty		84,089,155.00	43,707,140.00
Revenue from Operations (Net)		2,250,998,199.28	1,966,842,348.99
II. Other Income	20	24,375,011.75	15,452,460.29
III. Total Revenue (I+II)		<u>2,275,373,211.03</u>	<u>1,982,294,809.28</u>
IV. Expenses			
Raw Material Consumed	21	1,617,703,252.93	1,213,323,144.74
Purchase of Traded Goods		2,369,530.30	326,671,737.00
Changes in Inventories of Finished Goods & Trading Goods	25	(8,401,411.00)	(18,723,593.00)
Employee Benefit Expenses	22	99,914,606.00	81,053,682.00
Finance Costs	23	89,958,247.55	61,298,140.82
Depreciation & Amortization	11	44,573,522.00	38,022,273.00
Other Expenses	24	409,826,708.59	261,160,004.76
Total Expenses		<u>2,255,944,456.37</u>	<u>1,962,805,389.32</u>
V. Profit / (Loss) Before Exceptional Item & Tax		19,428,754.66	19,489,419.96
VI. Exceptional Item	26	16,387,997.20	-
		35,816,751.86	19,489,419.96
VII. Tax Expenses			
For Current Tax		7,166,126.00	3,772,852.00
Less:- MAT Credit Entitlement		5,611,684.00	1,447,074.00
Net Current Tax		1,554,442.00	2,325,778.00
For Deferred Tax		12,374,850.00	6,677,227.00
Income Tax of Earlier Years		149,195.00	3,826,729.00
Sub-Total		<u>14,078,487.00</u>	<u>12,829,734.00</u>
VIII. Profit / (Loss) for the Period (After Tax)		<u>21,738,264.86</u>	<u>6,659,685.96</u>
IX. Earnings per share	39		
(of Face Value of Rs. 10/- each)			
(a) Basic		1.54	0.47
(b) Diluted		1.54	0.47
Statement of Accounting Policies	2		
Notes Forming Part of Financial Statements	3 to 41		

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Deepak V. Bhatia)

Partner

M. No. 102465

Place : Surat

Date : 30-05-2014

FOR & ON BEHALF OF BOARD OF DIRECTORS**SITARAM SABOO**

Chairman

NARAYAN SABOO

Managing Director

NARESH SABOO

Director

MANISH SABOO

Director & CFO

SWATI MALU

Company Secretary

Place : Surat

Date : 30-05-2014

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in Rupees)

Particulars	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	35,816,751.86	19,489,419.96
ADJUSTMENTS FOR:		
1 Depreciation & Amortization	44,573,522.00	38,022,273.00
2 Priod Period Adjustments	-	-
3 Interest Paid/Payable	85,229,153.00	58,674,142.00
4 Interest & Dividend Received	(1,346,111.00)	(2,632,191.73)
5 Profit on sale of investments & Fixed assets	(16,387,997.20)	-
6 (Profit)/Loss on derivative transactions	(1,636,712.00)	5,600,000.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	146,248,606.66	119,153,643.23
ADJUSTMENTS FOR:		
1 Trade & Other Receivable		
a) Debtors	(94,107,702.16)	(101,131,419.44)
b) Loans & Advances	22,593,818.26	8,768,820.36
2 Inventories	(21,311,283.00)	(38,001,192.00)
3 Trade Payables, Current Liabilities & Deposit from Customer	(12,906,486.25)	112,191,501.64
CASH GENERATED FROM OPERATIONS	40,516,953.51	100,981,353.79
1 Interest Paid	(85,229,153.00)	(58,674,142.00)
2 Direct Taxes Paid	(4,572,271.00)	(40,104,471.00)
3 Pre-Operative Expenses Incurred	-	-
NET CASH FROM OPERATING ACTIVITIES	A	(49,284,470.49)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
1 Purchase of Fixed Assets	(27,533,205.30)	(340,488,450.20)
2 Sale Consideration of Fixed Assets Sold	36,835,255.00	-
3 Investments Sold / matured during the year	30,927,583.09	300,000.00
4 Profit (Loss) from Derivatives	1,636,712.00	(5,600,000.00)
5 Loans & Deposits	22,476,803.84	(18,168,417.15)
6 Interest & Dividend Received	1,346,111.00	2,632,191.73
NET CASH USED IN INVESTMENT ACTIVITIES	B	65,689,259.63
C. CASH FLOW FROM FINANCING ACTIVITIES		
1 Increase/(Decrease) in Working Capital from Bank	55,097,183.00	115,214,520.21
2 Increase/(Decrease) in Term Loans	(47,405,891.00)	240,586,547.00
3 Unsecured Loans	(21,050,045.00)	34,131,442.87
4 Receipts towards Share Capital on conversion of Warrants	-	-
5 Dividend Paid	-	(21,236,362.50)
6 Dividend Distribution tax Paid	(3,087,632.00)	(3,194,693.00)
NET CASH FROM FINANCING ACTIVITIES	C	(16,446,385.00)
NET INCREASE IN CASH & CASH EQUIVALENTS	(A+B+C)	(41,595.86)
CASH AND CASH EQUIVALENTS (OPENING)		10,155,882.93
CASH AND CASH EQUIVALENTS (CLOSING)		10,114,287.07

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Deepak V. Bhatia)

Partner

M. No. 102465

Place : Surat

Date : 30-05-2014

FOR & ON BEHALF OF BOARD OF DIRECTORS**SITARAM SABOO**

Chairman

NARAYAN SABOO

Managing Director

NARESH SABOO

Director

MANISH SABOO

Director & CFO

SWATI MALU

Company Secretary

Place : Surat

Date : 30-05-2014

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

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 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 dimunition, other than temporary, in value of such investments. Current Investments are carried at lower of Cost or Net realisable Value. Provision for dimunition 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) Cost of Software capitalized is amortized over period of five years.

F. EMPLOYEE BENEFITS

- (a) All the Short Term Employee Benefits are accounted for on the basis of services rendered by the employees of the company.
- (b) Company contributes towards Provident Fund which is Defined Contribution schemes. Liability in respect thereof is determined on basis of contribution required to be made as per statutes/ rules.
- (c) No povision has been made for Long Term Employee Benefits such as Gratuity and Leave Encashment as in the opinion of the management no such liabilities has become due as at the end of 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 Services (Job Charges)

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

Export Benefits

Export Benefits are recognized in the year of export

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.

Monetary assets & liabilities in foreign currency, outstanding at the close of year, are converted into Indian currency at appropriate exchange rate prevailing on date of Balance Sheet. The resultant gain or loss, except to the extent of long term monetary items, is charged to Statement of Profit & Loss.

Gain or Loss relating to Long Term Monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such asset and depreciated over its remaining useful life.

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, 2014

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
3 Share Capital		
Authorized Share Capital		
2,00,00,000 equity shares of Rs. 10/- each (As at 31-03-2013, 2,00,00,000 equity shares)	200,000,000.00	200,000,000.00
Issued Share Capital		
1,46,82,900 Equity Shares of Rs. 10/- each (As at 31-03-2013, 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 31-03-2013, 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, 2014 (Number)	As at 31st March, 2013 (Number)
Shares Outstanding at the Beginning of the Year	14,157,575.00	14,157,575.00
(+) Shares Issued during the year	-	-
(-) 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 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mask Investments Limited	1,573,131	11.11%	1,573,131	11.11%
Mohit Overseas Private Limited	1,598,622	11.29%	1,598,622	11.29%
Mohit Yarns Limited	2,040,609	14.41%	2,040,609	14.41%
NXT Polyester Pvt. Ltd.	725,769	5.13%	725,769	5.13%
Narayan S. Saboo	769,900	5.44%	702,246	4.96%
Sitaram Saboo	950,021	6.71%	571,248	4.03%

		(Amount in Rupees)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
4 Reserves & Surplus			
(a) Securities Premium Account			
Amount as at Last Balance Sheet	117,534,000.00	117,534,000.00	
Add:- Securities Premium on Share issue (against warrants)	-	-	
Less:- Securities Premium Utilized	-	-	
Closing Balance	117,534,000.00	117,534,000.00	
(b) Surplus			
Amount as at Last Balance Sheet	169,845,728.19	163,186,042.23	
Add:- Current Years' Net Profit / (Loss)	21,738,264.86	6,659,685.96	
	191,583,993.05	169,845,728.19	
Less:- Appropriations			
(i) Proposed Dividend	-	-	
(ii) Dividend Distribution Tax	-	-	
(iii) Transferred to General Reserve	-	-	
Closing Balance	191,583,993.05	169,845,728.19	
(c) General Reserve			
Amount as at Last Balance Sheet	9,174,985.00	9,174,985.00	
Add:- Transfer From P&L Appropriation A/c	-	-	
Closing Balance	9,174,985.00	9,174,985.00	
TOTAL	318,292,978.05	296,554,713.19	
5 Long Term Borrowings			
(a) Secured Loans			
(i) Term Loans - from Banks			
-- Term Loans from Banks	234,699,436.00	250,997,262.00	
-- Car Loans	1,590,594.00	2,128,547.00	
(ii) Other Loans - From Banks			
-- Buyers' Line of Credit	82,676,836.00	87,582,048.00	
	318,966,866.00	340,707,857.00	
Less :- (a) Current Maturities of Long Term Debts	64,055,472.00	38,145,000.00	
(b) Interest Accrued But not Due	2,773,531.00	3,019,103.00	
	252,137,863.00	299,543,754.00	
(b) Unsecured Loans			
(ii) Other Loans From Body Corporate	20,000,000.00	-	
TOTAL	272,137,863.00	299,543,754.00	

- 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. The Term Loans for AAC Block Division is also secured by Land & Building of Factory at Umargaon, 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. 140.69 Lakhs is Repayable in 12 number of instalments of Rs. 11,72,000 each and will be repaid on March, 2015. Term Loan of Rs. 72.15 Lakhs is repayable in 25 number of instalments of Rs. 2,86,000/- each and will be repaid by April, 2016. The corporate loan of Rs. 505.43 is repayable in 24 monthly instalments of Rs. 20,83,000/- each and will be repaid by March, 2016. The rate of interest at year end is 12.25%
- (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 at Umargaon of Rs. 1628.71 Lakhs are repayable in Equal Monthly Instalments of Rs. 28.38 Lakhs by July, 2019. The rate of interest at year end is 12.25%.
- (c) Car Loan from Kotak Mahindra Prime Limited is repayable in 9 instalments of Rs. 9810/-
- (d) Car Loans from ICICI Bank are repayable in 8, 25 and 28 instalments of Rs. 38,700/-, Rs. 12,770/- and Rs. 25,280/- 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, 2014	As at 31st March, 2013
6 Other Non-Current Liabilities		
(a) Deposits from Customers	600,000.00	1,100,000.00
TOTAL	600,000.00	1,100,000.00
7 Short Term Borrowings		
(a) Secured Loans		
(i) Cash Credit Limit From Banks	312,610,050.13	310,232,509.13
(ii) Export Packing Credit Limit	110,861,497.00	58,141,855.00
(b) Unsecured Loans		
(i) Loans repayable on demand from related parties		
-- From Directors & Their Relatives	-	-
-- From Body Corporates	-	23,210,749.00
(ii) Other Loans Repayable on Demand	3,084,769.87	20,924,065.87
TOTAL	426,556,317.00	412,509,179.00

- 7.1 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, 2014	As at 31st March, 2013
8 Trade Payables		
(a) Trade Payables For Goods	58,598,225.95	74,814,347.64
(b) Trade Payables for Services / Expenses	41,552,551.15	33,060,682.76
TOTAL	100,150,777.10	107,875,030.40
9 Other Current Liabilities		
(a) Current Maturities of Long Term Debt	64,055,472.00	38,145,000.00
(b) Interest Accrued But Not Due	2,773,531.00	3,019,103.00
(c) Unclaimed Dividend	790,495.80	732,807.00
(d) Expenses Payable	3,667,929.92	11,911,151.04
(e) Statutory Dues Payable	6,528,268.00	3,939,196.50
(f) Advance from Customers	4,254,269.05	6,485,294.07
(g) Creditors for Capital Goods	2,539,894.33	25,059,541.44
TOTAL	84,609,860.10	89,292,093.05
10 Short Term Provisions		
Provision for Tax	7,166,130.00	3,772,852.00
Dividend Distribution Tax Payable	-	3,087,632.00
Proposed Dividend	-	-
TOTAL	7,166,130.00	6,860,484.00

11. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	Balance as at 1st April, 2013	Additions / Adjustments	Disposals / Retirements	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation Charge for the year	On Disposals	Balance as at 31st March, 2014	Balance as at 31st March, 2013
TANGIBLE ASSETS (Not on Lease)									
Land	41995144.00	1384767.00	3839259.00	39540652.00	0.00	0.00	0.00	39540652.00	41995144.00
Factory Building	270474615.28	8103085.01	22196276.41	256381423.88	21002715.65	6758615.00	5762906.90	21998423.75	249471899.63
Office Building	3379800.00	0.00	0.00	3379800.00	334752.00	55091.00	0.00	389843.00	3045048.00
Plant & Machinery	399096042.19	14728666.00	0.00	413824708.19	118060462.00	24832495.00	0.00	142892957.00	281035580.19
Generator Set	21821432.97	458932.00	0.00	22280364.97	5500056.97	2256336.00	0.00	7756392.97	16321376.00
Water Jet Looms	69678915.00	0.00	0.00	69678915.00	44845973.00	7204800.00	0.00	52050773.00	24832942.00
Electric Installation	28401726.05	1812888.00	0.00	30214614.05	4844997.80	1233806.00	0.00	6078803.80	23556728.25
Office Equipments	3636945.10	1277695.00	0.00	4914640.10	893608.00	215895.00	0.00	1109503.00	2743337.10
Vehicles	11647900.00	3126073.00	504165.00	14269808.00	2522663.00	1315203.00	122492.00	3715374.00	9125237.00
Furniture	2160654.00	69265.00	0.00	2229919.00	861255.00	128768.00	0.00	990023.00	1299399.00
Diesel Tank	161435.00	0.00	0.00	161435.00	110126.00	7668.00	0.00	117794.00	51309.00
Computer	3068870.03	385071.00	0.00	3453941.03	1619170.03	369845.00	0.00	1989015.03	1449700.00
INTANGIBLE ASSETS									
Computer Software	600000.00	375000.00	0.00	975000.00	120000.00	195000.00	0.00	315000.00	480000.00
Total	856123479.62	31721442.01	26539700.41	861305221.22	200715779.45	44573522.00	5885398.90	621901318.67	655407700.17
Previous Year	429577826.34	426545653.27	0.00	856123479.61	162693506.45	38022273.00	0.00	655407700.16	266884319.89

(Amount in Rupees)

Particulars		As at 31st March, 2014	As at 31st March, 2013
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. 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.	374441	10,861,137.51	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
TOTAL		38,477,024.10	71,444,422.19
Aggregate Amount of Unquoted Shares		27,399,199.00	27,400,199.00
Aggregate Amount of Quoted Shares		11,077,825.10	44,044,223.19
Aggregate Market Value of Quoted shares		7,057,173.60	31,084,368.77
13 Long Term Loans & Advances			
(Unsecured, Considered Good by Directors)			
(a) Capital Advances		307,392.00	5,554,037.66
(b) Security Deposits		4,960,873.81	5,688,525.03
(c) Other Advances		12,317,301.00	16,317,301.00
TOTAL		17,585,566.81	27,559,863.69

(Amount in Rupees)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
14 Other Non-Current Assets		
MAT Credit Receivable	23,538,278.00	17,926,594.00
TOTAL	23,538,278.00	17,926,594.00
15 Inventories		
<i>(As taken valued & certified by a Director)</i>		
(a) Raw Materials & work in progress	95,293,897.00	83,374,977.00
(b) Finished Goods	77,365,864.00	68,964,453.00
(c) Oil & Lubricant	925,689.00	459,065.00
(d) Packing Material	772,110.00	1,144,250.00
(e) Stores & Spares	1,486,235.00	589,767.00
TOTAL	175,843,795.00	154,532,512.00
16 Trade Receivables		
<i>(Unsecured, considered good by Directors)</i>		
(a) Outstanding for more than 6 months from due date	87,845,893.44	53,507,997.16
(b) Others	304,794,669.85	283,442,434.97
Other Trade Receivables		
<i>(Unsecured, considered good by Directors)</i>		
(a) Other Trade Receivables	63,557,502.47	25,139,931.47
TOTAL	456,198,065.76	362,090,363.60
17 Cash & Bank Balances		
<i>Cash & Cash Equivalents</i>		
(a) Cash on Hand	5,903,629.35	8,920,034.35
(b) Balances in Bank in Current Account	4,210,657.72	1,235,848.58
<i>Bank Balances</i>		
(c) Balances with Bank in F.D. (As margin Deposits)		
-- F.D. with State Bank of Travancore	10,165,226.67	13,599,203.67
TOTAL	20,279,513.74	23,755,086.60
18 Short Term Loan & Advances		
<i>(Unsecured, considered good by Directors)</i>		
(a) Interest Accrued on Bank FDR	1,168,894.00	1,459,870.00
(b) Advance to Supplier	9,648,896.38	22,757,991.26
(c) Balances with Revenue / Government Authorities	51,444,152.47	35,478,000.06
(d) Loans & Advances Given		
-- To Related Parties	-	3,198,167.62
-- To Others	3,339,877.00	18,456,885.00
(e) Other Advances	10,514,279.83	25,777,305.96
TOTAL	76,116,099.68	107,128,219.90

(Amount in Rupees)

Particulars	For year ended on 31st March, 2014	For year ended on 31st March, 2013
19 Revenue from Operations		
(a) Sales of Services (Job Charges Received)	17,285,659.00	6,571,306.00
(b) Sales of Products:-		
-- Finished Goods	2,238,463,144.28	1,604,676,971.52
-- Traded Goods	599,500.00	350,785,629.00
(c) Other Operating Revenues		
-- Export Benefits	76,654,748.00	45,624,612.47
-- Cenvat Credit of earlier year utilized	-	1,166,858.00
-- Brokerage Received	105,781.00	115,886.00
-- Other Sales (scrap/wastage)	1,978,522.00	1,608,226.00
TOTAL	2,335,087,354.28	2,010,549,488.99
<i>Details of Products Sold & services provided is given vide Note No. 32</i>		
20 Other Income		
Dividend Received	1,800.00	625,159.60
Net Gain from Foreign Currency Transaction & Translation	7,885,044.14	4,808,703.00
Profit / (Loss) from Derivatives	1,636,712.00	(5,600,000.00)
Interest Received from Debtors	13,111,929.45	13,011,504.00
Interest Received on Bank FD & Loans given	1,344,311.00	2,007,032.13
Other Income	395,215.16	600,061.56
TOTAL	24,375,011.75	15,452,460.29
21 Raw Material Consumed		
Raw Material Consumed	1,617,703,252.93	1,213,323,144.74
TOTAL	1,617,703,252.93	1,213,323,144.74
<i>Details of Raw Material Consumed is given by Note No. 33</i>		
22 Employee Benefit Expenses		
Salary, Wages & Bonus	97,188,124.00	79,406,561.00
Staff Welfare Expenses	2,213,751.00	1,257,743.00
Contribution to Provident Fund & other Funds	512,731.00	389,378.00
TOTAL	99,914,606.00	81,053,682.00
23 Finance Costs		
Interest Paid	85,229,153.00	58,674,142.00
Other Bank & Finance Charges	4,729,094.55	2,623,998.82
TOTAL	89,958,247.55	61,298,140.82

		(Amount in Rupees)	
Particulars	For year ended on 31st March, 2014	For year ended on 31st March, 2013	
24 Other Expenses			
Manufacturing Expenses			
Stores & Spares consumed	15,209,402.79	12,735,959.80	
Power & Fuel	95,646,416.75	80,650,474.11	
Oil & Lubricant Consumed	38,427,199.00	27,434,943.00	
Packing Material Consumed	38,190,318.53	26,859,800.00	
Freight & Carriage Inward	58,677,344.73	11,356,575.00	
Job Charges Paid	7,637,448.00	8,634,676.00	
Other Manufacturing Expenses	3,221,481.00	1,001,919.00	
(a)	257,009,610.80	168,674,346.91	
Administrative Expenses			
Repairs to Machinery	4,854,837.00	3,364,719.00	
Repairs to Building	791,898.00	608,156.00	
Travelling & Conveyance Exps.	6,519,706.00	3,365,446.00	
Legal & Professional Expenses	3,151,824.00	2,706,694.00	
Insurance	634,836.00	770,355.00	
Rates & Taxes	4,111,929.32	866,566.00	
Professional Tax	2,400.00	2,400.00	
Rent	1,106,800.00	712,800.00	
Security Service Charges	2,428,036.00	3,689,573.00	
Other Administrative Expenses	9,687,039.17	6,918,557.46	
(b)	33,289,305.49	23,005,266.46	
Selling & Distribution Expenses			
Commission & Brokerages	14,908,022.00	9,735,204.00	
Discount Allowed	5,800,558.80	6,561,750.52	
Cartage & Clearing & Forwarding Expenses	89,750,304.00	48,543,144.00	
Claims A/c	-	1,155,090.00	
Other Selling & Distribution Expenses	9,068,907.50	3,485,202.87	
(c)	119,527,792.30	69,480,391.39	
TOTAL (a+b+c)	409,826,708.59	261,160,004.76	
25 Changes in Inventories of Finished Goods			
Opening Stock of Finished Goods	68,964,453.00	50,240,860.00	
Less:- Closing Stock of Finished Goods	77,365,864.00	68,964,453.00	
TOTAL	(8,401,411.00)	(18,723,593.00)	
26 Exceptional Item			
(a) Profit on Sale of Fixed Assets	18,427,812.20	-	
(b) Profit / (Loss) on Sale of Investments	(2,039,815.00)	-	
TOTAL	16,387,997.20	-	

27 DEFERRED TAX LIABILITY

	Deferred Tax (Assets)/Liability as at 01-04-2013	Current Year Charge/(credit)	Deferred Tax (Assets)/Liability as at 31-03-2014
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	70,005,110.00	9,811,710.00	79,816,820.00
	67,441,970.00	12,374,850.00	79,816,820.00

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) Contingent Liability In Respect of**

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Sales Tax Demand Disputed in Appeal	486,462.00	486,462.00
(b) Gujarat VAT Demand of F.Y. 2006-07 pending at appeal stage*	46,080,888.00	46,080,888.00
Gujarat Entry Tax Demand pending at appeal stage*	43,318,045.00	43,318,045.00
* The management states that Tribunal has granted stay in respect of above demand raised and in opinion of the management the demand raised is not sustainable in law.		
(c) Gujarat VAT Demand of F.Y. 2009-10 (Tax and Penalty)*	51,382,920.00	-
* The order dated 29-03-2014 has been received by the company and the company is in process of filing appeal against the same before First Appellate Authority.		
(d) Income Tax Demand of A.Y. 2009-10 pending before Tribunal	3,073,713.00	3,073,713.00
(e) Excise Duty Demands/ Excise Rebate rejected pending at various Appellate Stages	24,396,264.00	388,000.00
(f) Service Tax Demands pending before various Appellate Stages	790,408.00	2,930,000.00

(ii) Commitments:-

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

(Amount in Rupees)

Particulars	31-03-2014	31-03-2013
29 PAYMENT TO AUDITORS		
Audit Fees (Including Tax Audit Fees)	337,080.00	337,080.00
For Other Matters (Certification)	3,371.00	84,270.00
TOTAL	340,451.00	421,350.00

30 PRODUCTION DETAILS

ITEM	UNIT	ACTUAL PRODUCTION
Art Silk Cloth	MTRS.	7997930.99* (7646351.14)
Texturised Yarn	KGS.	13685529.200** (11154900.690)
AAC Blocks	KGS.	69199873 (27350450)

* Includes Job Work done for outside parties of 2470830.00 Mtrs. (P.Y. 979511.00 Mtrs.).

** Out of production, 101284.530 Kgs. Has been transferred to Looms Division.

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.	1230309.24 (562967.50)	38884253.00 (15031399.00)	651759.34* (1230309.24)	16179560.00 (38884253.00)
TEXTURISED YARN	KGS.	123194.350 (322598.440)	14236994.00 (34921887.00)	240484.516 (123194.350)	27804531.00 (14236994.00)
DHOTI	NUMBERS	0 (--)	0.00 (--)	2519 (--)	389736.00 (--)
AAC BLOCKS	No. of BLOCKS	6888	287574.00	6888	287574.00
	KGS.	363495 (6888)	1490632.00 (287574.00)	1505146 ** (33777)	5185755.00 (1778206.00)
RUBBLE & WIP	M.TONNE	3746.456 (--)	14065000.00 (--)	8226.531 (3746.456)	27518708.00 (14065000.00)

In current year the stock of AAC Block has been taken in Unit of Kilograms. The opening and closing stock of 6888 Pieces of Blocks are lying at Kim Factory of the company.

* There is shortage of 5232.77 Meters.

** There is shortage of 28,716 Kgs. In AAC Block.

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.	53768 (--)	879112 (--)	6154186.42 (5999498.40)	201286216.00 (202692961.00)
TEXTURISED YARN	KGS.	0 (--)	0 (--)	13471507.640 (11296797.810)	1628382552.06 (1222158789.00)
DHOTI (Sales Return from Last Year's Sales of 12000 Pcs.)	PCS.	14509 (2553997.00)	1490418.00 (326671737.00)	11990 (2553997.00)	599500.00 (350785629.00)
AAC BLOCK	KGS.	0 (--)	0 (--)	68029506 (25091184)	404831060.22 (133522438.00)
RUBBLE & WASTAGE	M.TONNE	0 (--)	0 (--)	7711.120 (2428.966)	3963316.00 (2595644.00)

33 CONSUMPTION OF RAW MATERIALS

ITEM	UNIT	CONSUMPTION	
		QTY.	AMOUNT
YARN FOR MFG.	KGS.	14084958 (11740590)	1498031385 (1166120603)
RAW MATERIAL FOR BLOCKS**		-- (--)	119671868 (47202542)

** 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	NIL	(P.Y. Rs. 944.82 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. 3944.28 Lakhs	(P.Y. Rs. 2412.86 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 EFFECT OF CHANGE IN SIGNIFICANT ACCOUNTING POLICY

During the year, the company has changed its accounting policy regarding accounting of gain or loss arising on account of foreign exchange fluctuation in respect of Long Term Monetary assets or liabilities. The loss arising on account of foreign exchange fluctuation in respect of Long Term Monetary Liabilities (Buyers' Line of Credit) has been added to cost of Depreciable Assets for which such liabilities was outstanding. Upto previous, the company was charging / crediting the same to Statement of Profit & Loss Account.

Had the company followed same accounting policy as that of last year, then profits of the company would be lower by Rs. 83.13 Lakhs and value of Tangible Fixed Assets would be lower by Rs. 83.13 Lakhs.

38 RELATED PARTY RELATIONSHIP AND TRANSACTION

NAME OF RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	31/03/2014 AMOUNT (Rs. IN LACS)	31/03/2013 AMOUNT (Rs. IN LACS)
Mohit Overseas Ltd.	Associate	Guarantee Given	-	100.00
		Purchases / Job Charges Paid	92.58	67.74
		Investments (Shares)	37.99	37.99
		Trade Receivables	-	10.85
		Trade Payable	0.55	67.74
		Advances Given	264.81	520.07
		Advances repaid	294.17	507.88
		Amounts Due From	-	29.35
Mohit Yarns Ltd.	Associate	Investments (Shares)	157.23	157.23
		Investments (Application Money)	-	0.01
		Loan Received	898.04	1057.93
		Loan Repaid	1130.15	825.58
		Amount Due to	-	232.11
Mask Investments Ltd.	Enterprise Controlled by Key Management Personnel	Amount Due From	-	0.08
		Loans Repaid	0.08	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	1.20	1.50
		Creditor for Expenses	1.20	6.42
Narayan Saboo	Key Management Personnel	Salary Paid	1.20	1.50
		Creditor for Expenses	1.20	6.43
Manish Saboo	Key Management Personnel	Salary Paid	1.20	1.50
		Creditor for Expenses	1.20	2.73
Mohit Saboo	Key Management Personnel	Creditor for Expenses	-	2.82
Sitaram Saboo	Key Management Personnel	Salary Paid	1.20	1.50
		Creditor for Expenses	1.20	1.82
Soul Clothing Pvt. Ltd.	Enterprise Controlled by Key Management Personnel	Advances Given	-	3.49
		Advance Repaid	1.96	1.54
		Amount Due From	-	1.96
		Sales of Goods	4.64	-
Mohit Exim Pvt. Ltd.	Enterprise Controlled by Key Management Personnel	Advance Given	-	0.16
		Advance repaid	0.10	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	1.94

39 EARNINGS PER SHARE

Sr. No.	Particulars	UNIT OF MEASUREMENT	March 31, 2014	March 31, 2013
1	Net Profit / (Loss) after tax	Rs.	21,738,264.86	6,659,685.96
2	Weighted Average Number of Equity Shares	Number	14,157,575	14,157,575
3	Earnings Per Share - Basic & Diluted	1 / 2	1.54	0.47

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

41 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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1 SEGMENT REVENUE						
External Turnover	18,790.28	18,307.24	3,719.70	1,361.18	22,509.98	19,668.42
Inter Segment Turnover	-	-	-	-	-	-
Gross Turnover	18,790.28	18,307.24	3,719.70	1,361.18	22,509.98	19,668.42
2 SEGMENT RESULTS						
Segment Profits Before Exceptional Items	724.60	551.74	177.44	79.70	902.04	631.44
Add:- Exceptional Item	163.87	-	-	-	163.87	-
Segment Profit Before Interest & Tax	888.47	551.74	177.44	79.70	1,065.91	631.44
Less: Interest Expense	508.56	417.62	343.73	169.12	852.29	586.74
Add: Interest Income	136.55	150.19	8.00	-	144.55	150.19
Less: Prior Period Adjustment	-	-	-	-	-	-
Profit Before Tax	516.46	284.31	(158.29)	(89.42)	358.17	194.89
Less:- Tax Expenses (Unallocated)	-	-	-	-	140.78	128.29
Profit After Tax	-	-	-	-	217.39	66.60
3 OTHER INFORMATION						
Segment Assets	8,955.75	9,645.44	5,353.32	4,582.09	14,309.07	14,227.53
Segment Liabilities	5,990.68	6,341.04	3,719.70	3,505.19	9,710.38	9,846.23
Non - Cash Expenditure to be w/off	-	-	-	-	-	-
Capital Expenditure	106.50	653.34	210.71	2,751.54	317.21	3,404.88
Depreciation	295.80	295.10	149.94	85.12	445.74	380.22

- (ii) The reportable segments are further described below:
- a) The Textiles Division includes production and marketing activities of Textile Products viz. Texturised Yarn, Twisted Yarn, Grey Cloth Fabrics & Finished Cloth Fabrics.
 - b) 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.

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Deepak V. Bhatia)

Partner

M. No. 102465

Place : Surat

Date : 30-05-2014

FOR & ON BEHALF OF BOARD OF DIRECTORS

SITARAM SABOO *Chairman*

NARAYAN SABOO *Managing Director*

NARESH SABOO *Director*

MANISH SABOO *Director & CFO*

SWATI MALU *Company Secretary*

Place : Surat

Date : 30-05-2014



MOHIT INDUSTRIES LIMITED

CIN NO. L17119GJ1991PLC015074

Regd. office : A-601/B, International Trade Centre, Majura Gate Ring Road, Surat 395002

Phone : +91-261-2463261, 2463262, 2463263 **Fax :** +91-261-2463264

Email : Contact@mohitindustries.com or cs_swati@mohitindustries.com

Website : www.mohitindustries.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

(Joint shareholders may obtain additional slip at the venue of the meeting.)

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

I hereby record my presence at the 24th 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 29th September 2014 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*

----- TERE HEAR -----

MOHIT INDUSTRIES LIMITED

CIN NO. L17119GJ1991PLC015074

Regd. office : A-601/B, International Trade Centre, Majura Gate Ring Road, Surat 395002

Phone : +91-261-2463261, 2463262, 2463263 **Fax :** +91-261-2463264

Email : Contact@mohitindustries.com or cs_swati@mohitindustries.com

Website : www.mohitindustries.com

PROXY FORM

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id	

I/We_____ being member(s) of above

named company, hereby appoint

1) Name : _____ Address : _____

Email id : _____ Signature : _____ or failing him;

2) Name : _____ Address : _____

Email id : _____ Signature : _____ or failing him;

3) Name : _____ Address : _____

Email id : _____ Signature : _____ or failing him;

TERE HEAR



----- **TERE HEAR** -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th 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 29th September 2014 at 10.00 A.M and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	Vote (*Optional)	
		For	Against
	Ordinary Business		
1	Ordinary Resolution for Adoption of the audited balance sheet of the Company as at 31st March 2014, the Statement of Profit & loss Account for the year ended 31st March, 2014 together with the Directors' and Auditors' Reports thereon.		
2	Ordinary Resolution for re-appointment of Mr. Manish Saboo as a Director of the Company, who retires by rotation.		
3	Ordinary Resolution for appointment of R.K.M & Co., Chartered Accountants as Auditors of the Company and fixing their remuneration.		
	Special Business		
4	Ordinary Resolution for appointment of Mrs. Pragya Memani as an Independent Director of the Company for Period of 5 Year		
5	Ordinary Resolution for appointment of Mr. Sachin Jain as an Independent Director of the Company for Period of 5 Year		
6	Ordinary Resolution for appointment of Mr. Jayesh Gandhi as an Independent Director of the Company for Period of 5 Year		
7	Ordinary Resolution for appointment of Mr. Dharmesh Patel as an Independent Director of the Company for Period of 5 Year		
8	Special Resolution for Increase in the Borrowing Power of the company.		
9	Special Resolution for adoption of New Set of Article of Association of the company		

Signed this _____ day of _____ 2014.

Signature of the Shareholder _____

Signature of Proxy Holder(s) _____

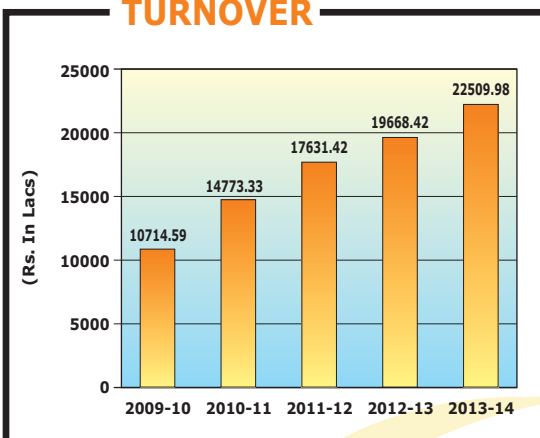
Affix
Rs.1
Revenue
Stamp

Notes :

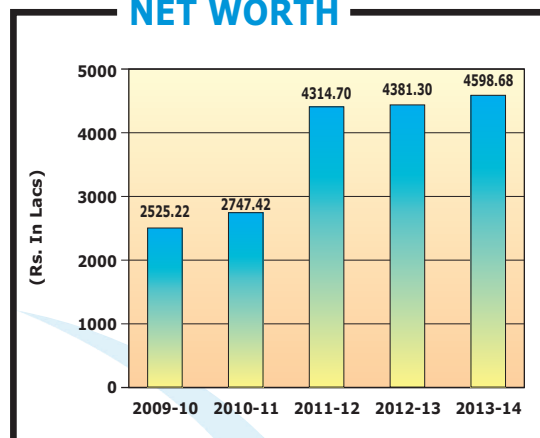
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 24th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

Performance INDICATORS (STANDALONE)

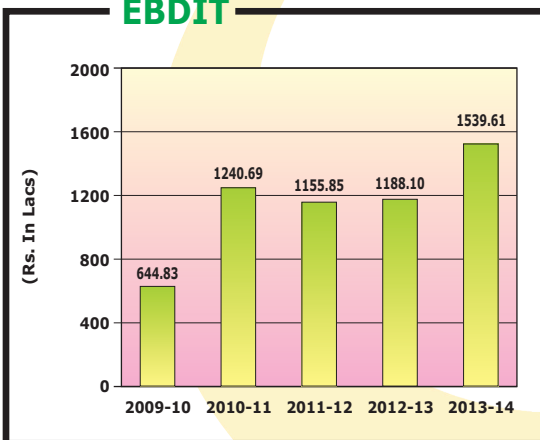
TURNOVER



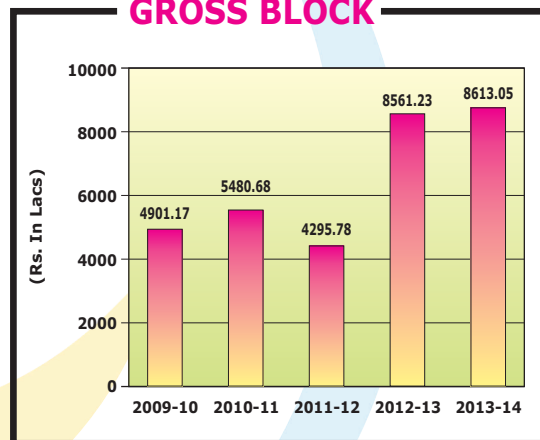
NET WORTH



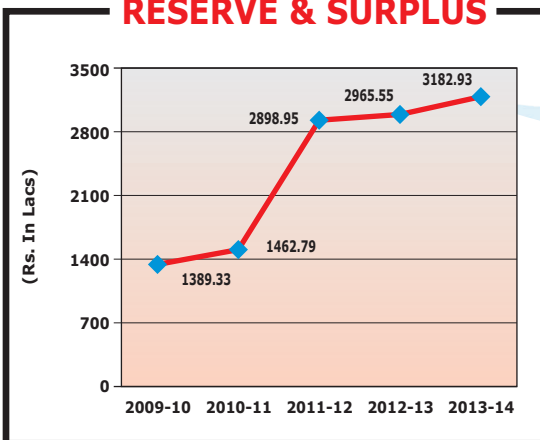
EBDIT



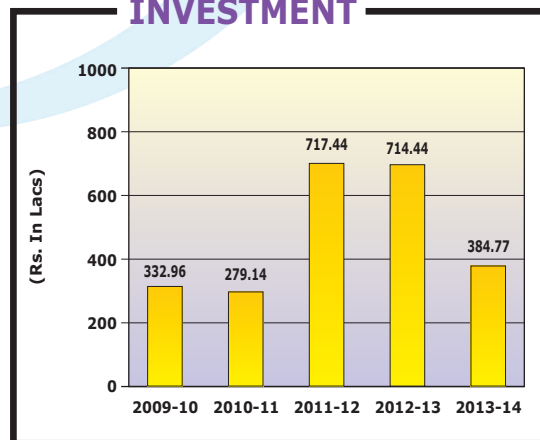
GROSS BLOCK



RESERVE & SURPLUS



INVESTMENT



Financial Snapshot

(Rs.in Lacs)

Year Ended March 31	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
FINANCIAL INFORMATION					
Turnover	22509.98	19668.42	17631.42	14773.33	10714.59
Earning before Depreciation, interest and tax (EBDIT)	1539.61	1188.10	1155.85	1240.69	644.83
Finance cost	899.58	612.98	389.75	425.56	214.60
Depreciation	445.74	380.22	306.43	382.69	227.88
Profit Before tax & Exceptional items	194.29	194.89	459.66	432.44	202.35
Exceptional Items	163.88	0.00	1467.44	0.00	0.00
Profit Before tax	358.17	194.89	1927.10	432.44	202.35
Tax Expense	140.78	128.30	556.62	155.75	86.15
Profit After tax	217.38	66.60	1370.48	276.69	116.20
Equity Dividend	0%	0%	15%	15%	9.00%
Dividend Payout Ratio	0.00	0.00	13.38	63.29	90.00
FINANCIAL POSITION					
Equity Share Capital	1415.76	1415.76	1415.76	1165.76	1165.76
Reserve & Surplus	3182.93	2965.55	2898.95	1462.79	1389.33
Net Worth	4598.68	4381.30	4314.70	2747.42	2525.22
Gross Block	8613.05	8561.23	4295.78	5480.68	4901.17
Net Block	6219.01	6554.07	2668.84	4047.32	3680.48
Investment	384.77	714.44	717.44	279.14	332.96
KEY INDICATORS					
EBDIT/ Gross Turnover %	6.84	6.04	6.56	8.40	6.02
Net Profit before Tax %	1.59	0.99	10.93	2.93	1.89
Earning per Shares (Rs.)	1.54	0.47	11.21	2.37	1.00
Long term Debt Equity Ratio	0.59	0.68	0.14	0.71	0.79
Current Ratio	1.18	1.05	1.08	1.07	1.26



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Global Warming**

Our Exports



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