



22nd Annual Report
2011-12



MOHIT[®]
INDUSTRIES LTD.

ANNUAL REPORT 2011-2012

- BOARD OF DIRECTORS** : **Shri Sitaram N. Saboo** *Chairman*
Shri Narayan S. Saboo *Managing Director*
Shri Naresh S. Saboo *Jt. Managing Director*
Shri Manish N. Saboo
Shri Jayesh R. Gandhi
Miss Ayushi Jain
Shri Sachin Kumar Jain
Shri Bharat Merchant
Shri Dharmesh Patel
- AUDITORS** : **RKM & Co.** *Chartered Accountant*
401, Trivedh Chambers, Ring Road, Surat.
- BANKERS** : State Bank of Travancore
- REGISTERED OFFICE** : A/601-B, International trade center, Majura gate,
Ring Road, Surat - 395002, Gujarat, India
- BRANCH OFFICE** : 341, Ground Floor, Leela Niwas, Chanda Vekar Road,
Near Nappoo Hall, Matunga (CR), Mumbai - 400019,
Maharashtra. India
- PLANT** : 1. Village : Kudsad, Olpad, Surat (Gujarat)
2. Village : Masat (Silvasa)
Union Territory of Dadra & Nagar Haveli
3. AAC Blocks Division
Village : Gowade, Tal. Palghar
Dist. Thane (Maharashtra)
4. Sr. No. 279/7, Paikee 1,2 Manda Khatal Wad Road,
Umargaon, Dist. Valsad (Gujarat)

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NOTICE

NOTICE is hereby given that **TWENTY SECOND ANNUAL GENERAL MEETING** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Friday, 28th day of September, 2012 at 11:00 A.M. at registered office of the company to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To consider declaration of dividend for the financial year ended on 31st March, 2012.
3. To appoint Mr. Narayan Saboo as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Mr. Naresh Saboo as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Mr. Bharat Merchant as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

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

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

"RESOLVED THAT in accordance with the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board/Committee to issue/offer equity shares, including unclassified shares after classifying them as equity/preference shares and/or convertible debentures (fully or partly) and/or non-convertible debentures, all or any of the aforesaid with or without detachable or non detachable warrants, and/or warrants of any nature, bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide, to such persons whether or not such persons are members of the Company including Non-Residents Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies, other entities/authorities and to such other persons, whether through public issue, rights issue, conversion of loans or

otherwise for expansion of existing manufacturing facilities, setting up new projects, working capital requirements and for general corporate purposes or any other strategic investments as the Board may deem fit, so that the total amount raised through the aforesaid securities including premium, if any, shall not exceed Rs. 200 Crores, with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the prevailing laws, at such price or prices, or in such manner as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the lead managers, advisors and such other persons and on such terms and conditions including the number of securities to be issued, price, rate of interest, redemption period, manner of redemption, amount of premium or redemption, the number of equity shares allotted on conversion of debt instruments exercise of rights attached with warrants, the ratio of exchange of shares and/or any other financial instruments, period of conversion, fixing of record date or book closure and related or incidental matters."

"**RESOLVED FURTHER THAT** such of the securities to be issued, as are not subscribed may be disposed of by the Board/Committee, thereof, to such persons and in such manner and on such terms as the Board or Committee may in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to enter into and execute all such arrangements/agreements with any person or persons who may be directly connected or involved in such issuing/offering of securities and that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the issue, offer and allotment of Securities and to give effect to this Resolution."

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

"**RESOLVED THAT** pursuant to Section 97 and other applicable provisions of the Companies Act, 1956 read with Articles of Association of the company, Authorized capital of the company be and is hereby increased from Rs. 16,00,00,000/- (Rupees Sixteen Crore Only) to Rs. 20,00,00,000/- (Rupees Twenty Crore Only) and clause V of the Memorandum of Association be amended accordingly and new clause V be read as below.

- V. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000/- (Rupees Two Crore only) Equity Shares of Rs.10/- (Rupees Ten Only) each with the rights, privileges and conditions attaching thereto as provided by the Regulations of the Company for the time being, with power to increase and reduce capital for the time being, into several classes and to attach thereto respectively such preferential deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company, and to vary modify or abrogate any such rights privileges or condition in such manner as may for the time being provided by the regulations of the company.

For and On behalf of the Board of Directors

Place : Surat
Date : 24.08.2012

SITARAM SABOO
CHAIRMAN

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **ANY INSTRUMENT APPOINTING A PROXY OR PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item 7 To 9 are appended hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 24th September, 2012 to Friday, 28th September, 2012 (both days inclusive).
5. Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available.
6. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pin code number, to the Registrar & Share Transfer Agent, Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059
7. The Shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.

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

Item No. 7

Ms. Simmi Nandwani is BBA Marketing. She is experienced and qualified enough to understand the ever changing economic environment and take the company to better position in the up coming Indian economy. Her place on board will bring new ideas and knowledge to help the company to study the world economy in a better way and achieve newer heights.

Bio-Data of Ms. Simmi Nandwani is attached herewith.

Board of Director recommends the resolution for adoption.

None of the directors is interested in the resolution.

This may also be considered as compliance of provisions of section 302 of the Companies Act, 1956.

Item No. 8

The Company's new state of the art plant for AAC block is ready and further growth cum expansion and diversification plans are also on the cards.

In order to be able to take up the proposed activities as the Board may decide, the Board of Directors consider that it may become necessary to raise funds at appropriate time(s) by issue of appropriate instruments in different mode, at such price or prices, however such amount shall not exceed Rs. 200 Crores, as stated in the resolution.

Consent of the Shareholders is sought to authorise the Board of Directors for issuing Securities as stated in the resolution, which would result in issuance of further shares of the Company.

As the Members are aware, as part of the liberalization in economic policies, the Government of India has permitted free pricing of Equity Issues. The Company, in consultation with its Merchant Bankers and Financial Institutions and other Advisors, will fix the detailed terms of the issue which will be in line with the requirements of guidelines issued by Securities and Exchange Board of India (SEBI).

The Resolution set out at Item No.8 is enabling resolution, conferring authority on the Board to cover all contingencies and corporate requirements.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in general meeting decide otherwise.

The Listing Agreement with the Stock Exchanges provide, inter alia, that the Company in the first instance should offer all the shares and debentures issue for subscription pro rata to the equity shareholders unless the shareholders decide otherwise in a general meeting.

Accordingly, consent of the Shareholder is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the various Stock Exchange in India where the Company's Securities are listed.

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

All the Directors of the Company may be deemed to be concerned or interested to the extent that they may be entitled to the Securities that will be offered to them on Rights basis.

Item No. 9

Company has expansions cum diversifications plans on cards and existing authorized capital of the Company is fully exhausted hence if any capital introduction will require Buy Back or further issue of shares, Board has decided to increase Authorised Capital of the Company.

Such Resolution needs consent of Shareholders hence this resolution is placed in the notice for your approval.

Board of Director recommends the resolution for adoption.

None of the directors is interested in the resolution.

For and On behalf of the Board of Directors

Place : Surat
Date : 24.08.2012

SITARAM SABOO
CHAIRMAN

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report together with the Audited Statements of Account of the Company for the year ended 31st March, 2012 and the Auditors' report thereon.

Financial Results:

(Rs. In Lakhs)

Particulars	<u>31.03.2012</u>	<u>31.03.2011</u>
Sales & other income	17,631.42	14,773.33
Profits before depreciation, interest and Tax	2,432.24	1,183.90
Less: Depreciation	306.42	374.12
Interest	198.72	377.35
Profit before Tax	1,927.10	432.43
Less: Provision for tax	556.62	155.75
Profit after tax	1,370.48	276.68

OPERATIONS

Company's progress speaks for itself, Turnover PBT & PAT has shown vertical growth. It also includes shares of slump sale of AACB Block unit. However, Management is confident that even in current year with new AACB Block unit product to start in current year.

Dividend :

Board of Directors are pleased share the growth of the company with shareholders by way of recommending dividend @ Rs.1.50 per share on equity shares of Rs. 10/- each.

Fixed Deposits :

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

Directors :

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

Audit Committee :

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

Director's Responsibility Statement :

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

- that applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- that the accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the company for the year ended on that date.

- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (d) that the annual accounts have been prepared on a going concern basis.

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

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

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

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

B. Foreign Exchange earnings and outgo :

During the year under review, there was no foreign exchange earning or outgo

Auditors' Report

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

Auditors :

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

Corporate Governance :

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

Acknowledgement :

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

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

For and On behalf of the Board of Directors

Place : Surat
Date : 24.08.2012

SITARAM SABOO
CHAIRMAN

Annexure

(Rs. in Lacs)

(A) Power and Fuel Consumption:	<u>2011-12</u>	<u>2010-11</u>
1. Electricity		
(a) Purchased		
Units	38.25 Lacs	81.10 Lacs
Total Amount	192.42 Lacs	352.51 Lacs
Rate/Unit (Rs.)	5.03	4.35
(b) Own Generation		
i) Through Diesel Generator		
Units	2.916 Lacs	0.112 Lacs
Units per Ltr. of Diesel Oil	3.5	3.5
Rate/Unit (Rs.)	11.09	11.84
ii) Through Steam/Turbine Generator	NIL	NIL
iii) Through Gas based Generator Set		
Units	64.74 Lacs	20.39 Lacs
Units per MMBTU	108	108
Rate/Unit (Rs.)	6.17	4.25
2. Gas	NIL	NIL
3. Oil (LDO)/Diesel	NIL	NIL
4. Furnace Oil	NIL	NIL
5. Other internal generation		
(B) Consumption per unit of Production :		
Product Grey Cloth (mtrs)		
Electricity	0.40	0.40
Product Yarn (kg.)		
Electricity	0.60	0.60

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

Foreign Exchange Earning/OUTGO

(Rs. in Lacs)

	<u>2011-12</u>	<u>2010-11</u>
Foreign exchange earned	3908.26	1919.71
Foreign Exchange Used:		
Purchase/Advance for capital Good	206.57	24.60
Trading Goods	NIL	NIL
Foreign Travel	NIL	NIL

CORPORATE GOVERNANCE REPORT

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

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

(B) Board of Directors

(i) Board Composition

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

The constitution of the Board is as given below:

Sr. No.	Name of the Directors	Category	No. of other Directorships #	Committee Membership # #	
				Member	Chairman
1	Mr. Sitaram N. Saboo	Chairman Executive	0	3	0
2	Mr. Narayan S. Saboo	Managing Director	3	0	0
3	Mr. Naresh S. Saboo	Jt. Managing Director	1	0	0
4	Mr. Jayesh R. Gandhi	Non-Executive Independent	0	0	0
5	Mr. Sachin Kumar Jain	Non-Executive Independent	0	3	2
6	Ms. Ayushi Sudhir Jain	Non-Executive Independent	0	3	1
7	Mr. Bharat Merchant	Non-Executive Independent	1	0	0
8	Mr. Dharmesh Patel	Non-Executive Independent	1	0	0
9	Mr. Manish Saboo	Executive Director	1	0	0

Excludes Directorships of Private Limited Companies, Foreign Companies and Alternate Directorships.

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

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

(ii) Board Meetings and Attendance of Directors

During the financial year ended 31st March, 2012, Board of Directors met 25 times on (1) 30.04.2011, (2) 11.05.2011, (3) 06.06.2011, (4) 17.06.2011, (5) 26.06.2011, (6) 31.07.2011, (7) 02.08.2011, (8) 16.08.2011, (9) 29.08.2011, (10) 15.09.2011(11) 29.09.2011, (12) 30.10.2011, (13) 25.11.2011, (14) 30.11.2011, (15) 15.12.2011, (16) 17.12.2011, (17) 30.12.2011, (18) 09.01.2012, (19) 11.01.2012, (20) 30.01.2012, (21) 31.01.2012, (22) 13.02.2012, (23) 19.03.2012, (24) 27.03.2012, (25) 31.03.2012. The maximum time gap between any two meetings was not more than four calendar months.

Attendance of Directors at the Board Meetings held during the financial year 2011-2012 and the last Annual General Meeting :

Sr. No.	Name of the Directors	Attendance at Board Meetings		Attendance at last Annual General Meeting
		No. of Meetings held during the year 2011-2012	No. of the Meetings Attended	
1	Mr. Sitaram N. Saboo	25	25	Yes
2	Mr. Naraya N. Saboo	25	25	Yes
3	Mr. Naresh S. Saboo	25	25	Yes
4	Mr. Jayesh R. Gandhi	25	12	Yes
5	Mr. Sachin Jain	25	07	No
6	Ms. Ayushi Sudhir Jain	25	17	Yes
7	Mr. Bharat Merchant	25	20	No
8	Mr. Dharmesh Patel	25	05	No
9	Mr. Manish saboo	25	15	Yes

(iii) Directors seeking appointment/re-appointment :

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

(C) Committees of the Board

(i) Audit Committee

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

Three Audit Committee Meetings were held during the financial year 2011-2012 on 16/08/2011, 30/01/2012 and 31/03/2012. The Compositions of the Audit Committee and the attendance of each director at these meetings were as follows:

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

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

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

(ii) Remuneration Committee

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

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

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

The Remuneration Committee met once on 31/03/2012 during the Financial Year ended March 31, 2012 in which all the members were present.

Details of remuneration paid to the Directors during the year 2011-2012 are as follows:

Sr. No.	Name of the Directors	Sitting Fees(Rs.)	Salary and Perquisites (Rs.)	Commission (Rs.)	Total Remuneration (Rs.)
1	Mr. Sitaram N. Saboo	0	3,60,000.00	0	3,60,000.00
2	Mr. Narayan Saboo	0	1,20,000.00	0	1,20,000.00
3	Mr. Naresh Saboo	0	1,80,000.00	0	1,80,000.00
4	Mr. Manish Saboo	0	3,00,000.00	0	3,00,000.00

(iii) Shareholders/Investors Grievance Committee

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

(a) Share Transfers :

- i) Approve and register transfer and transmission of shares, in cases where applicable.
- ii) Sub-division/ consolidation of Share Certificates.
- iii) Issue of duplicate share certificates in lieu of lost share certificates.
- iv) Affix common seal on share certificates and maintain safe custody of common seal.

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

- i) Non-receipt of Shares after transfer.
- ii) Non-receipt of Annual Report.
- iii) Other matters related to or arising out of Shareholders'/Investors services.

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

During the financial year ended 31st March 2012, all the complaints, received by the Company, were resolved to the satisfaction of the Shareholders/Investors.

There are no pending share transfers as on 31st March, 2012 except for those cases which are constrained by dispute or legal proceedings.

(D) General Body Meeting

Year	Day and Date	Venue	Time
2009	29.09.2009	A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat 395 002	10.00 A. M.
2010	20.09.2010	---Do---	10.00 A. M.
2011	29.09.2011	Celebration Restaurant, L1, Platinum Plaza, Opp. V T Choksi Law College, Athwalines, Surat 395 007	10.00 A. M.

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

(E) Disclosures

(i) Related Party Transactions :

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large. However the transactions detailed in Note No. 14 of Schedule 'T' to the accounts may be considered as related party transactions.

(ii) Disclosure of Accounting Treatment :

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

(iii) Risk Management :

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

(iv) Proceeds from Right Issue :

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

(v) Compliances by the Company:

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

(F) Means of Communication

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

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

(G) General Shareholders' Information

- (i) Date, time and venue of Annual General Meeting of Shareholders : 28.09.2012
11:00 A.M.
A/601-B, International Trade Centre, Majura Gate,
Ring Road, Surat 395 002
- (ii) Financial Calendar (tentative and subject to change) : Financial reporting for quarter ended
June 30, 2012 : By July 31, 2012
September 30, 2012 : By October 31, 2012
December 31, 2012 : By January 31, 2013
March 31, 2013 : By April 30, 2013
Annual General Meeting for year ended
31st March 2013 By September 30, 2013.
- (iii) Dates of book closures : From 24th September, 2012 to 28th September, 2012
(both days inclusive)
- (iv) Listing on stock exchanges : The Company's shares are listed and traded on
The Stock Exchange, Mumbai.
- (v) Stock Exchange Code : 531453
- (vii) Stock Market price data
Monthly high and low at the Stock Exchange, Mumbai for financial year ended 31st March, 2012 :

Month	High Rs.	Low Rs.
April-2011	26.00	20.65
May-2011	28.65	20.10
June-2011	28.95	22.55
July-2011	37.10	27.70
August-2011	33.90	24.00
September-2011	36.70	29.50
October-2011	30.95	25.20
November-2011	31.75	21.00
December-2011	26.45	21.00
January-2012	30.00	21.60
February-2012	34.20	26.00
March-2012	29.70	24.15

- (viii) Registrar and Share Agents :

Adroit Corporate Services Pvt. Ltd.

19, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Andheri (East), Mumbai 400 059
Tel No.: (022) 2859 4060, 2859 6060
Fax No.: (022) 2850 3748
Email ID: adroits@vsnl.net

- (ix) Share Transfer System :

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

(x) Distribution of Shareholding as on March 31, 2012

No. of Equity Shares held	Shareholders			Shares	
	Number	% to total Shareholders	Number	% to total Capital	
1 - 500	1509	70.38	296740	2.10	
501 - 1000	247	11.52	215627	1.52	
1001 - 5000	264	12.32	645525	4.56	
5001 - 10000	51	2.38	372763	2.63	
10001 & above	73	3.40	12626920	89.19	
Total	2144	100.00	14157575	100.00	

(xi) Categories of Shareholding as on March 31, 2012

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	20	0.93	8355948	59.02
Banks				
Financial Institutions	0	0.00	0	0
Insurance Companies				
Foreign Institutional Investors	1	0.05	185850	1.31
Private Corporate Bodies	73	3.40	2521250	17.81
NRI	11	0.51	6676	0.05
Indian Public	2039	95.11	3087851	21.81
Total	2144	100.00	14157575	100.00

(xii) Dematerialization of shares and liquidity

About 82.04% of the Equity Shares have already been dematerialized upto 31st March, 2012 Mohit Industries Limited are listed at Mumbai Stock Exchange and being traded occasionally.

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

NIL

(xiv) Plant Location

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

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

(xv) Address for Correspondence :

Mohit Industries Limited

A/601 B, International Trade Center, Majura Gate,

Ring Road, Surat 395 002, Gujarat, India.

Tel No : +91.261.2463261 : 62 : 63 Fax : +91.261.2463264

Email : contact@mohitindustries.com

C. S. CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

Mohit Industries Limited

I have examined the compliance of conditions of Corporate Governance by Mohit Industries Limited (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Place : Surat
Date : 24.08.2012

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

AUDITORS' REPORT

To,

The Members of

MOHIT INDUSTRIES LTD., SURAT

We have audited the attached Balance Sheet of MOHIT INDUSTRIES LTD., as at 31st March, 2012 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 *except for Accounting Standard-15 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans.*
- e) On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Without qualifying our report, we draw attention to Note No. 27(ii) & (iii) forming part of the financial statements.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and *subject to Note No. 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:-
 - 1) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012,
 - 2) In case of the Profit & Loss account, of the Profit of the company for the year ended on that date.
 - 3) In case of the cash flow statement, of the cash flows of the company for the year ended on that date.

For RKM & CO.

Chartered Accountants
Firm Registration No.: 108553W

(RAMESH KUMAR MALPANI)

Partner

M. No. 33840

Place : Surat

Date : 24-08-2012

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) During the year, the company has disposed off the AAC Blocks Unit at Palghar. In our opinion, the disposal of the Unit does not adversely affect the going on concern status of the company as the company is continuing its other businesses and is also in process of setting up another Unit of AAC Blocks at Umargam, Gujarat.
- ii. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on such physical verification.
- iii. (a) The company has granted advances in the nature of loans to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The numbers of parties to whom such advances have been granted are six. The maximum amount involved during the year was Rs. 107.65 Lakhs and the year end balance was Rs. 18.80 Lakhs.
- (b) In our opinion and as explained to us, the rate of interest and other terms and conditions on which the advances in the nature of loans have been granted to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, are, prima facie, *prejudicial to the interest of the company as no interest has been charged from them.*
- (c) As explained to us, the payment of principal and interest, wherever applicable, in respect of advances so given are regular.
- (d) As explained to us, there are no overdue amounts of principal or interest in respect of advances so given.
- (e) As explained to us, the company has taken loans from parties covered in the Register maintained under section 301 of the Companies Act, 1956. The number of parties from whom loans have been taken are four. The maximum amount involved during the year was Rs. 200.71 Lakhs and the year end balance is Rs. 0.03 Lakhs.
- (f) In our opinion, the rate of interest and other terms and conditions on which these loans have been taken are not, prima facie, prejudicial to the interests of the company.
- (g) As explained to us, the payment of principal and interest as applicable in respect of the loans taken is regular.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchases of inventories and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- v. (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered into during the financial year at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to information & explanation given to us, the company has not accepted any deposit from public.
- vii. As explained to us, the company has an in-house internal audit system commensurate with the size of the company and nature of its business.
- viii. As explained to us, the company is maintaining accounts and records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956. However, no such accounts/records were verified by us.
- ix. (a) *There has been delay in depositing the dividend distribution tax under section 115O of the Income Tax Act, 1961 of Rs. 28.37 Lakhs.* The company has not deducted E.S.I., hence question of its payment does not arise. In respect of other undisputed statutory dues including provident fund, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, the company has generally been regular in depositing these dues 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, 2012 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, service tax, excise duty and cess which have not been deposited on account of any dispute. The disputed income tax aggregating Rs. 31.47 Lakhs, VAT of Rs. 465.67 Lakhs and Entry Tax of Rs. 433.18 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
Income Tax Act, 1961	Income Tax	0.73	AY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	30.74	AY 2009-10	Commissioner of Income Tax (Appeals)
Sales Tax Law of Gujarat	Sales Tax	4.86	FY 2001-02	Gujarat Value Added Tax Tribunal
Gujarat VAT Act, 2003	Gujarat VAT	460.81	FY 2006-07	Gujarat Value Added Tax Tribunal
Gujarat Entry Tax Laws	Gujarat Entry Tax	433.18	FY 2006-07	Gujarat Value Added Tax Tribunal

- 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 *except investment in Government Securities (Kisan Vikas Patra) which are held in the name of directors on behalf of the company.*
- xv. The company has given guarantee to State Bank of Travancore in respect of loan taken by Mohit Overseas Limited, in which the company is one of the main promoters. According to information and explanations given to us, we are of the opinion that the terms and conditions of guarantee so given are not, prima facie, prejudicial to the interest of the company.
- xvi. 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. However, during the year the company has allotted the shares against share warrants issued in earlier years to the parties and companies covered in the register maintained under section 301 of the Act. The price at which the warrants were issued is in compliance with SEBI rules and regulations.
- xix. The company has not issued debentures during the year. Hence, the provisions of Clause 4(xix) of the Order are not applicable to the company.
- xx. The company has not made any public issue during the year. Hence, the provisions of Clause 4(xx) of the Order are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under consideration.

For RKM & CO.

*Chartered Accountants
Firm Registration No. : 108553W*

(RAMESH KUMAR MALPANI)

Partner

M. No. 33840

Place : Surat
Date : 24-08-2012

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE NO.	CURRENT YEAR ₹.	PREVIOUS YEAR ₹.
I EQUITIES & LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	3	141,575,750.00	116,575,750.00
(b) Money Against Share Warrant		-	14,062,500.00
(c) Reserves & Surplus	4	289,895,027.23	146,279,283.32
SUB TOTAL		431,470,777.23	276,917,533.32
2 Non- Current Liabilities			
(a) Long Term Borrowings	5	58,957,207.00	154,615,099.00
(b) Deferred Tax Liability		60,764,743.00	27,179,711.00
SUB TOTAL		119,721,950.00	181,794,810.00
3 Current Liabilities			
(a) Short Term Borrowings	6	263,163,215.92	240,585,313.57
(b) Trade Payables	7	43,320,970.17	69,277,067.33
(c) Other Current Liabilities	8	42,754,651.64	44,180,400.31
(d) Short Term Provisions	9	65,800,847.50	30,814,369.50
SUB TOTAL		415,039,685.23	384,857,150.71
TOTAL		966,232,412.46	843,569,494.03
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
	10		
(i) Tangible Assets		266,884,319.90	404,732,347.00
(ii) Capital Work In Progress		88,965,414.56	7,252,817.50
		355,849,734.46	411,985,164.50
(b) Non-Current Investments	11	71,744,422.19	27,914,386.59
(c) Long Term Loans & Advances	12	73,209,242.10	23,825,849.03
(d) Other Non-Current Assets	13	16,479,520.00	-
SUB-TOTAL		517,282,918.75	463,725,400.12
2 Current Assets			
(a) Inventories	14	116,531,320.00	120,721,355.00
(b) Trade Receivables	15	260,958,944.16	193,863,792.78
(c) Cash & Bank Balances	16	12,623,516.85	5,969,706.99
(d) Short Term Loans & Advances	17	58,835,712.70	59,289,239.14
SUB TOTAL		448,949,493.71	379,844,093.91
TOTAL		966,232,412.46	843,569,494.03
Statement of Accounting Policies			
	2		
Notes Forming Part of Financial Statements			
	3 to 39		

As per our Audit Report Attached

For RKM & CO.

Chartered Accountants

Firm Registration No.: 108553W

(Ramesh Kumar Malpani)

Partner

M. No. 33840

Place : Surat

Date : 24-08-2012

FOR & ON BEHALF OF BOARD

SITARAM SABOO Chairman**NARAYAN SABOO** Managing Director**NARESH SABOO** Director**MANISH SABOO** Director

Place : Surat

Date : 24-08-2012

PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

PARTICULARS	NOTE NO.	Figures for the year ended on 31-03-2012	Figures for the year ended on 31-03-2011
I. Revenue from Operations			
Revenue from Operations	18	1,771,083,550.00	1,488,960,479.00
Less :- Excise Duty		7,941,517.50	11,627,424.00
Revenue from Operations (Net)		1,763,142,032.50	1,477,333,055.00
II. Other Income	19	14,446,746.11	15,615,240.19
III. Total Revenue (I+II)		1,777,588,778.61	1,492,948,295.19
IV. Expenses			
Raw Material Consumed	20	1,374,030,598.33	1,146,737,765.40
Purchase of Traded Goods		3,564,974.00	5,252,173.00
Changes in Inventories of Finished Goods & Trading Goods	24	7,952,435.00	(30,955,141.00)
Employee Benefit Expenses	21	58,328,730.00	59,826,881.00
Finance Costs	22	38,975,385.33	42,556,278.29
Depreciation & Amortization	10	30,642,808.00	38,268,824.33
Other Expenses	23	218,127,352.54	188,017,628.52
Total Expenses		1,731,622,283.20	1,449,704,409.54
V. Profit / (Loss) Before Exceptional Item & Tax		45,966,495.41	43,243,885.65
VI. Exceptional Item	25	146,743,581.00	-
		192,710,076.41	43,243,885.65
VII. Tax Expenses			
For Current Tax		38,282,160.00	8,748,722.00
Less:- MAT Credit Entitlement		16,479,520.00	-
Net Current Tax		21,802,640.00	8,748,722.00
For Deferred Tax		33,585,032.00	6,785,133.00
Income Tax of Earlier Years		274,698.00	41,004.00
SUB-TOTAL		55,662,370.00	15,574,859.00
VIII. Profit / (Loss) for the Period (After Tax)		137,047,706.41	27,669,026.65
IX. Earnings per share	38		
(of Face Value of Rs. 10/- each)			
(a) Basic		11.21	2.37
(b) Diluted		11.21	2.37

Statement of Accounting Policies 2
Notes Forming Part of Financial Statements 3 to 39

As per our Audit Report Attached
For RKM & CO.
Chartered Accountants
Firm Registration No.: 108553W

(Ramesh Kumar Malpani)
Partner

M. No. 33840

Place : Surat

Date : 24-08-2012

FOR & ON BEHALF OF BOARD

SITARAM SABOO Chairman

NARAYAN SABOO Managing Director

NARESH SABOO Director

MANISH SABOO Director

Place : Surat

Date : 24-08-2012

Notes Forming Part of Financial Statements for the year ended 31st March, 2012

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
3 Share Capital		
Authorized Share Capital		
1,60,00,000 equity shares of Rs. 10/- each (As at 31-03-2011, 1,60,00,000 equity shares)	160,000,000.00	160,000,000.00
Issued Share Capital		
1,46,82,900 Equity Shares of Rs. 10/- each (As at 31-03-2011, 1,21,82,900 equity shares)	146,829,000.00	121,829,000.00
Subscribed & Fully Paid Up		
1,41,57,575 equity shares of Rs. 10/- each, fully paid up (as at 31-03-2011, 1,16,57,575 equity shares of Rs. 10/- each)	141,575,750.00	116,575,750.00
TOTAL RS.	<u>141,575,750.00</u>	<u>116,575,750.00</u>

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, 2012 (Number)	As at 31st March, 2011 (Number)
Shares Outstanding at the Beginning of the Year	11,657,575.00	11,657,575.00
(+) Shares Warrants converted into equity shares during year	2,500,000.00	-
(-) Shares Buy-back During the year	-	-
Shares Outstanding at the End of the year	<u>14,157,575.00</u>	<u>11,657,575.00</u>

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 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mask Investments Limited	1,514,230	10.70%	860,450	7.38%
Mohit Overseas Private Limited	1,598,622	11.29%	1,598,622	13.71%
Mohit Yarns Limited	1,401,388	9.90%	1,401,388	12.02%
Narayan Saboo	693,746	4.90%	693,746	5.95%

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 Bombay Stock Exchange. The company is having its head quarters in Surat and plants at Kim, Silvassa and Palghar. 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). The AAC Blocks unit of the company at Palghar has been sold out during the year under consideration. The company is in process of commissioning another plant of AAC Blocks at Umargam which is still in Work in Progress stage.

2. SIGNIFICANT ACCOUNTING POLICIES**A. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

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

B. USE OF ESTIMATES

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

C. INVENTORIES

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

D. INVESTMENTS

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

E. DEPRECIATION

- 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. Further, the Depreciation on Plant & Machinery of Silvassa Unit & AAC Block Palghar Unit was charged as Triple Shift upto last year which has been changed to Single Shift in the Current Year.
- III) Depreciation on addition has been provided from the date of putting the assets into use.

F. EMPLOYEE BENEFITS

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

G. FIXED ASSETS

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

H. REVENUE RECOGNITION**SALE OF GOODS**

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

SALES OF SERVICE (JOB CHARGES)

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

I. BORROWING COST

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

J. VALUE ADDED TAX (VAT) :-

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

K. FOREIGN CURRENCY TRANSACTION

The Foreign Currency Transaction of the company includes Purchases of Fixed Assets and Sales of Texturized Yarn which are valued at the Rate prevailing at the time of the transaction. The gain/loss between foreign currency at time of transaction and at time of payment/receipts is charged to P&L account. Also, the amount outstanding of monetary items in Foreign Currency has been converted in INR at Closing Rate on 31-03-2012 and any gain/loss on same has also been charged to Profit & Loss Account.

L. TAXES ON INCOME

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

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
4 Reserves & Surplus		
(a) Securities Premium Account		
Amount as at Last Balance Sheet	86,284,000.00	86,284,000.00
Add:- Securities Premium on Share issue (against warrants)	31,250,000.00	-
Less:- Securities Premium Utilized	-	-
Closing Balance	<u>117,534,000.00</u>	<u>86,284,000.00</u>
(b) Surplus		
Amount as at Last Balance Sheet	57,672,683.32	50,326,744.17
Add:- Current Years' Net Profit (Loss)	137,047,706.41	27,669,026.65
	<u>194,720,389.73</u>	<u>77,995,770.82</u>
Less :- Appropriations		
(i) Proposed Dividend	21,236,362.50	17,486,362.50
(ii) Dividend Distribution Tax	3,445,600.00	2,836,725.00
(iii) Transferred to General Reserve	6,852,385.00	-
Closing Balance	<u>163,186,042.23</u>	<u>57,672,683.32</u>
(c) General Reserve		
Amount as at Last Balance Sheet	2,322,600.00	2,322,600.00
Add:- Transfer From P& L Appropriation A/c	6,852,385.00	-
Closing Balance	<u>9,174,985.00</u>	<u>2,322,600.00</u>
TOTAL	<u>289,895,027.23</u>	<u>146,279,283.32</u>
5 Long Term Borrowings		
(a) Secured Loans		
(i) Term Loans - from Banks		
-- State Bank of Travancore	27,306,511.00	110,216,420.00
-- Car Loans	4,172,590.00	4,518,442.00
(ii) Other Loans - From Banks		
-- Buyers' Line of Credit	27,478,106.00	39,880,237.00
TOTAL	<u>58,957,207.00</u>	<u>154,615,099.00</u>

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 State Bank of Travancore is secured by hypothecation of of all the fixed assetsof the company of Textile Division.

5.3 Term Loan from State Bank of Travancore is also secured by Factory Land & Building of the company located at Kudsad-Kim, Olpad Taluka, Surat & Silvassa, Dadra & Nagar Haveli. It is also secured against Flat at Soffitel Tower, Surat and Office at International Trade Center, Surat of the company. Term Loan is also secured against peronal properties of directors and sister concern M/s Mohit Yarns Ltd.

5.4 Terms of Repayment of Term Loans:-

- (a) Term Loan of Rs. 419.19 Lakhs is Repayable in 35 number of installments of Rs. 11,72,000 each and will be repaid on February, 2015. The rate of interest as at year end is 14% p.a.
- (b) Term Loan of Rs. 25.60 Lakhs Repayable in 9 number of installments of Rs. 2,86,000/- each and will be repaid in December, 2012. The rate of interest as at year end is 14% p.a.
- (c) Car Loans from Kotak Mahindra Prime Limited are repayable in 12 & 33 installments of Rs. 25,200/- and Rs. 9,810/- respectively.
- (d) Car Loans from ICICI Bank are repayable in 23 & 32 installments of Rs. 1,15,050/- and Rs. 38,700/- respectively.

5.5 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, 2012	As At 31st March, 2011
6 Short Term Borrowings		
(a) Secured Loans		
(i) Cash Credit Limit From Banks	192,544,773.92	209,052,634.57
(ii) Export Packing Credit Limit	60,615,070.00	30,274,264.00
(b) Unsecured Loans		
(i) Loans repayable on demand from related parties		
-- From Directors & Their Relatives	-	800,000.00
-- From Body Corporates	3,372.00	-
(ii) Other Loans Repayable on Demand	10,000,000.00	458,415.00
TOTAL	<u>263,163,215.92</u>	<u>240,585,313.57</u>

6.1 Cash Credit Limit & Export Packing Credit Limit is secured against First paripassu charge on entire current assets of textile division of the company. It is also secured against collateral charge over assets mentioned in Note No. 5.3 above.

7 Trade Payables

(a) Sundry Creditors For Goods	15,171,116.00	27,124,462.00
(b) Sundry Creditors For Services	28,149,854.17	42,152,605.33
TOTAL	<u>43,320,970.17</u>	<u>69,277,067.33</u>

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
8 Other Current Liabilities		
(a) Current Maturities of Long Term Debt	16,638,000.00	30,193,000.00
(b) Interest Accured But Not Due	535,130.00	818,449.00
(c) Unclaimed Dividend	410,317.50	-
(d) Expenses Payable	8,773,135.48	4,380,423.00
(e) Statutory Dues Payable	3,164,417.50	3,627,736.81
(f) Advance from Customers	8,823,892.50	4,160,791.50
(g) Creditors for Capital Goods	4,409,758.66	1,000,000.00
TOTAL	<u>42,754,651.64</u>	<u>44,180,400.31</u>
9 Short Term Provisions		
Provision for Tax	38,282,160.00	8,748,722.00
Dividend Distribution Tax Payable	6,282,325.00	4,579,285.00
Proposed Dividend	21,236,362.50	17,486,362.50
TOTAL	<u>65,800,847.50</u>	<u>30,814,369.50</u>

SCHEDULE 'E' : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	Balance as at 1st April, 2011	Additions / Adjustments	Disposals / Retirements	Balance as at 31st March, 2012	Balance as at 31st March, 2011	Depreciation Charge for the year	On Disposals	Balance as at 31st March, 2012	Balance as at 31st March, 2011
TANGIBLE ASSETS (Not on Lease)									
Land	22571600.00	17668772.00	10670486.00	29569886.00	0.00	0.00	0.00	29569886.00	22571600.00
Factory Building	139802290.65	2274003.80	58439595.00	83636699.45	15189983.65	3240316.00	2380698.00	67587097.80	124612307.00
Office Building	3379800.00	0.00	0.00	3379800.00	224570.00	55091.00	0.00	3100139.00	3155230.00
Plant & Machinery	259919131.00	10235759.00	78550686.00	191604204.00	89496778.00	15983065.00	8279764.00	94404125.00	170422353.00
Generator Set	23135737.97	429748.00	1744053.00	21821432.97	1075977.97	2274928.00	107185.00	18577712.00	22059760.00
Water Jet Looms	69678915.00	0.00	0.00	69678915.00	30436373.00	7204800.00	0.00	32037742.00	39242542.00
Electric Installation	13633920.80	2589451.10	2789454.00	13433917.90	3520287.80	556577.00	168431.00	9525484.10	10113633.00
Office Equipments	3389689.00	520332.00	1114322.00	2795699.00	681815.00	125397.00	58313.00	2046800.00	2707874.00
Vehicles	8570682.00	1933552.00	943524.00	9560710.00	969118.00	808086.00	260639.00	8044145.00	7601564.00
Furniture	1881503.00	10000.00	56954.00	1924549.00	628832.00	115822.00	4396.00	1184291.00	1252671.00
Diesel Tank	161435.00	0.00	0.00	161435.00	94790.00	7668.00	0.00	58977.00	66645.00
Computer	1943615.03	200313.00	13350.00	2010578.03	1017447.03	271058.00	25848.00	747921.00	926168.00
Total	548068319.45	35951930.90	154442424.00	429577826.35	143335972.45	30642808.00	11285274.00	266884319.90	404732347.00
Previous Year	490116463.48	74109469.97	16157614.00	548068319.45	122068672.48	37411913.97	16144614.00	404732347.00	368047791.00

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
11 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	-
(b) Investment in Government Securities		
(i) Kisan Vikas Patra	300,000.00	300,000.00
B. Non- Trade Investments		
(a) Investment in Immovable Property		
(i) Flat at Soffitel Tower	7,673,248.00	7,673,248.00
(b) Investment in Equity Instruments		
(i) Unquoted (Fully Paid Up) No. of Share		
(a) Mohit Yarns Ltd. 663000	15,723,000.00	15,723,000.00
(b) Mohit Overseas Ltd. 394000	3,799,000.00	3,799,000.00
(c) Mohit E-Waste Recovery P. Ltd. 19400	194,000.00	194,000.00
(ii) Quoted No. of Share		
(a) Fairdeal Filament Ltd. 11407	197,607.50	197,607.50
(b) Trigyn Technology Ltd. 6	194.10	194.10
(c) Sumeet Industries Ltd. 1530044	43,827,535.60	-
(d) Birla Power Solutions Ltd. 5000	18,885.99	18,885.99
(c) Investment in Share Application Money	1,000.00	1,000.00
(a) Mohit Yarns Ltd.		
TOTAL	71,744,422.19	27,914,386.59
Aggregate Amount of Unquoted Shares	27,700,199.00	27,697,699.00
Aggregate Amount of Quoted Shares	44,044,223.19	216,687.59
Aggregate Market Value of Quoted shares	35,827,802.75	221,340.45
12. Long Term Loans & Advances		
(Unsecured, Considered Good by Directors)		
(a) Capital Advances	43,382,252.10	50,000.00
(b) Security Deposits	6,441,870.03	5,283,704.03
(c) Other Advances	23,385,119.97	18,492,145.00
TOTAL	73,209,242.10	23,825,849.03

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
13 Other Non-Current Assets		
MAT Credit Receivable	16,479,520.00	-
TOTAL	16,479,520.00	-
14 Inventories		
<i>(As taken valued & certified by a Director)</i>		
(a) Raw Materials & work in progress	63,590,558.00	59,634,381.00
(b) Finished Goods	50,240,860.00	58,193,295.00
(c) Oil & lubricant	658,127.00	1,017,320.00
(d) Packing Material	1,496,500.00	1,394,386.00
(e) Stores & Spares	545,275.00	481,973.00
TOTAL	116,531,320.00	120,721,355.00
15 Trade Receivables		
<i>(Unsecured, considered good by Directors)</i>		
(a) Outstanding for more than 6 months from due date	32,848,660.25	37,157,441.00
(b) Others	189,815,564.91	133,086,872.78
Other Trade Receivables		
<i>(Unsecured, considered good by Directors)</i>		
(a) Other Trade Receivables (Export Benefits)	38,294,719.00	23,619,479.00
TOTAL	260,958,944.16	193,863,792.78
16 Cash & Bank Balances		
<i>Cash & Cash Equivalents</i>		
(a) Cash on Hand	2,840,776.35	2,308,324.35
(b) Balances in Bank in Current Account	935,586.83	508,132.64
<i>Bank Balances</i>		
(c) Balances with Bank in F.D. (As margin Deposits) -- F.D. with State Bank of Trvancore	8,847,153.67	3,153,250.00
TOTAL	12,623,516.85	5,969,706.99
17 Short Term Loan & Advances		
<i>(Unsecured, considered good by Directors)</i>		
(a) Interest Accrued on Bank FDR	457,776.00	590,069.00
(b) Advance to Supplier	9,432,969.70	3,337,914.00
(c) Balances with Revenue / Government Authorities	26,761,735.88	10,698,582.97
(d) Loans Given		
-- To Related Parties	1,879,300.47	310,633.57
-- To Others	5,606,040.00	26,599,710.00
(e) Other Advances	14,697,890.65	17,752,329.60
TOTAL	58,835,712.70	59,289,239.14

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
18 Revenue from Operations		
(a) Sales of Services (Job Charges Received)	6,841,503.00	13,990,533.00
(b) Sales of Products		
-- Finished Goods	1,724,404,628.00	1,443,257,405.00
-- Traded Goods	4,114,115.00	-
(c) Other Operating Revenues		
-- Export Benefits	33,028,508.00	30,760,971.00
-- Brokerage Received	153,033.00	-
-- Other Sales (scrap/wastage)	2,541,763.00	951,570.00
TOTAL	<u>1,771,083,550.00</u>	<u>1,488,960,479.00</u>
<i>Details of Products Sold & services provides is given vide Note No. 31</i>		
19 Other Income		
Dividend Received	1,373,443.75	347,383.75
Net Gain from Foreign Currency Transaction & Translation	-	-
Profit from Derivative Trading	251,773.16	-
Interest Received from Debtors	8,303,850.00	6,726,548.00
Interest Received on Bank FD & Loans given	4,292,814.39	721,426.92
Profit on Sale of Fixed Assets	2,883.00	2,300,000.00
Profit on Sale of Investment	12,120.00	4,907,771.07
Miscellaneous Income	209,861.81	612,110.45
TOTAL	<u>14,446,746.11</u>	<u>15,615,240.19</u>
20 Raw Material Consumed		
Raw Material Consumed	1,374,030,598.33	1,146,737,765.40
TOTAL	<u>1,374,030,598.33</u>	<u>1,146,737,765.40</u>
<i>Details of Raw Material Consumed is given by Note No. 32</i>		
21 Employee Benefit Expenses		
Salary, Wages & Bonus	56,975,971.00	58,428,907.00
Staff Welfare Expenses	950,150.00	1,086,005.00
Contribution to Provident Fund & other Funds	402,609.00	311,969.00
TOTAL	<u>58,328,730.00</u>	<u>59,826,881.00</u>
22 Finance Costs		
Interest Paid	32,465,725.20	38,455,990.07
Net Foreign Exchange Fluctuation Loss on Transaction & Translation	3,556,989.87	2,937,027.53
Other Bank & Finance Charges	2,952,670.26	1,163,260.69
TOTAL	<u>38,975,385.33</u>	<u>42,556,278.29</u>

(Amount in Rupees)

PARTICULARS	As At 31st March, 2012	As At 31st March, 2011
23 Other Expenses		
Manufacturing Expenses		
Stores & Spares consumed	11,333,695.36	10,563,163.30
Power & Fuel	63,478,759.32	48,583,536.90
Oil & Lubricant Consumed	33,749,015.00	22,655,617.00
Packing Material Consumed	34,924,575.00	28,252,146.00
Other Manufacturing Expenses	10,983,918.00	19,189,300.87
(a)	<u>154,469,962.68</u>	<u>129,243,764.07</u>
Administrative Expenses		
Repairs to Machinery	1,987,216.00	2,912,820.00
Repairs to Building	421,914.00	-
Travelling & Conveyance Exps.	2,734,344.00	1,483,555.56
Auditors Remuneration	280,900.00	220,600.00
Legal & Professional Expenses	1,758,506.00	1,334,577.00
Insurance Exps.	646,561.00	385,406.00
Rates & Taxes	1,479,794.04	689,314.00
Professional Tax	2,400.00	2,400.00
Rent	350,000.00	457,400.00
Security Service Charges	2,105,026.00	2,299,613.00
Loss on Derivative Trading	-	466,686.46
Other Administrative Expenses	7,165,975.32	4,651,582.13
(b)	<u>18,932,636.36</u>	<u>14,903,954.15</u>
Selling & Distribution Expenses		
Commission & Brokerages	9,772,951.00	6,898,698.00
Discount Allowed	6,019,311.50	14,198,666.50
Cartage	23,891,144.00	15,607,739.80
Claims A/c	1,429,690.00	-
Other Selling & Distribution Expenses	3,611,657.00	7,164,806.00
(c)	<u>44,724,753.50</u>	<u>43,869,910.30</u>
TOTAL (a+b+c)	218,127,352.54	188,017,628.52
24 Changes in Inventories of Finished Goods		
Opening Stock of Finished Goods	58,193,295.00	27,238,154.00
Less :- Closing Stock of Finished Goods	50,240,860.00	58,193,295.00
TOTAL	<u><u>7,952,435.00</u></u>	<u><u>(30,955,141.00)</u></u>
25 Exceptional Item		
Profit On Sale of all Fixed Assets of AAC Block Unit of the company at Palghar	146,743,581.00	-
TOTAL	<u><u>146,743,581.00</u></u>	<u><u>-</u></u>

PARTICULARS	Deffered Tax (Assets)/Liability as at 01-04-2011	Current Year Charge/(credit)	Deffered Tax (Assets)/Liability as at 31-03-2012
26 DEFERRED TAX LIABILITY			
Deffered Tax Liability			
Effect of Depreciation Losses C/f	-	-	-
Deffered Tax Liability			
Tax effect on excess of net block over written down value as per the provisions of the I.T. Act, 1961	27,179,711.00	33,585,032.00	60,764,743.00
	<u>27,179,711.00</u>	<u>33,585,032.00</u>	<u>60,764,743.00</u>

Deffered 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 deffered 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.

27 CONTINGENT LIABILITY & COMMITMENTS:-

- (i) Guarantee given to State Bank of Travancore for loans/credit facilities taken by associate company namely Mohit Overseas Ltd., Rs 1,00,00,000/- (P.Y. Rs 1,00,00,000/-). To secure this guarantee and loan so taken by Mohit Overseas Ltd., the bank has extended the first charge on entire fixed assets of the Kim unit of the company.
- (ii) Liability in respect of loss in Foreign Exchange Swap Contract with ICICI Bank Ltd., which matured on 18th September, 2009, of Rs. 134.28 Lacs (P.Y. 134.28 Lacs on Mark to Market basis), which liability has not been acknowledged and provided by the the company as in the opinion of the management of the company the Swap Contract was void in law ab initio.
- (iii) Disputed Sales Tax Demand of F.Y. 2001-02 of Rs. 4,86,462/- (P.Y. 4,86,462/-); disputed Gujarat VAT demand of F.Y. 2006-07 of Rs. 4,60,80,888/- (P.Y. Rs. 4,60,80,888/-) and disputed Entry Tax under Gujarat Laws of Rs. 4,33,18,045/- (P.Y. Rs. 4,33,18,045) (including interest and penalty) has not been provided. The management states that Tribunal has granted stay in respect of above demand raised of F.Y. 2006-07.
- (iv) Disputed Income Tax Demand of Rs. 31.47 Lakhs (P.Y. Rs. 9.79 Lakhs).
- (v) **Commitments :-**
 - (a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 500 Lakhs (P.Y. Rs. NIL) against which advance paid is Rs. 410.35 Lakhs (P.Y. Rs. 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)

28 REMUNERATION TO AUDITORS	31/03/2012	31/03/2011
Audit Fees (Including Tax Audit Fees)	250,000.00	200,000.00
For Taxation Matter	10,000.00	-
Service Tax	31,930.00	20,600.00
TOTAL	<u><u>291,930.00</u></u>	<u><u>220,600.00</u></u>

29 PRODUCTION DETAILS

ITEM	UNIT	ACTUAL PRODUCTION
Art Silk Cloth	MTRS.	7365868.00* (8110695.40)
Texturised Yarn	KGS.	13962402.366** (12280572.016)**
AAC Block	NO. OF BLOCKS	2356753 (2476331)

* Includes Job Work done for outside parties of 948610.50 Mtrs. (P.Y. 2164950.50 Mtrs.) for outsiders.

** Includes wastage yarn of 75111.000 Kgs. (P.Y. 63008.000 Kgs.)

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

ITEM	UNIT	OPENING STOCK		CLOSING STOCK	
		QTY.	AMT.	QTY.	AMT.
ART SILK CLOTH	MTRS.	538064.75 (635221.00)	16366769.00 (17556735.00)	562967.50 (538064.75)	15031399.00 (16366769.00)
TEXTURISED YARN	KGS.	324777.134 (91477.490)	38797607.00 (8166925.00)	322598.440 ** (324777.134)	34921887.00 (38797607.00)
AAC BLOCKS	NO. OF BLOCKS	11358 (30186)	445422.00 (1514494.00)	6888 (11358)	287574.00 (445422.00)
RUBBLE	M.TONNE	948.854 (--)	2583497.00 (--)	0.000 (948.854)	0.00 (2583497.00)

** Out of Production, 38441.389 Kgs. was transferred to Cloth Division.

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

ITEM	UNIT	PURCHASE		SALES	
		QTY.	AMT.	QTY.	AMT.
ART SILK CLOTH	MTRS.	0 (--)	0 (--)	6386968.95 (6038173.96)	199769767.00 (175462343.00)
GARMENTS	MTR.	30138.00 (10776.00)	3332086.00 (994948.00)	30138.00 (10776.00)	3381454.00 (1016177.00)
TEXTURISED YARN	KGS.	0 (--)	0 (--)	13853707.720 (12005378.621)	1471257678.00 (1136354708.00)
PLASTIC RECYCLED	KGS.	0.000 (105000.000)	0.00 (4257225.00)	0.000 (105000.000)	0.00 (4222800.000)
AAC BLOCK	NO. OF BLOCKS	3000 (--)	232888 (--)	2364223 (2495159)	48856160.00 (126201377.00)
RUBBLE	M.TONNE	0 (--)	0 (--)	2469.210 (--)	5253684.00 (--)

32 CONSUMPTION OF RAW MATERIALS

Item	Unit	Opening Stock		Purchase/Tranf		Resale		Consumption		Closing Stock	
		QTY	Amt.	Qty.	Amt	Qty.	Amt	Qty.	Amt	Qty.	Amt
YARN	KGS.	399746.323	51396795	14560189.220	1358891657	0.000	0	14487603	1346697894	472332.045	63590558
FOR MFG.		(582140.404)	(50872568)	(12745329.009)	(1098974287)	--	--	(12927723)	(1098450060)	(399746.323)	(51396795)
R.M. FOR	KGS	--	8237586	--	20217042.03	--	1121924	--	27332704.03	--	0
BLOCKS**		--	(1589500)	--	(54935791.40)	--	--	--	(48287705.4)	--	(8237586)

** 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.

33 a) Value of imports on C.I.F. Rs. 206.57 Lacs (P.Y. NIL)

b) Expenditure in Foreign Currency NIL (P.Y. NIL)

c) Amount remitted in Foreign NIL (P.Y. NIL)

currency on dividend A/c.

34 a) Exports on F.O.B. Rs. 3908.26 Lacs (P.Y. Rs.1919.71 Lacs)

b) Earnings in Foreign Currency NIL (P.Y. NIL)

35 (i) Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.

(ii) No provision for dimunition in value of non-current investments has been made as in the opinion of management the dimunition is of temporary nature.

36 RELATED PARTY RELATIONSHIP AND TRANSACTION

NAME OF RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	AMT. (RS. IN LACS)
Mohit Overseas Ltd.	Key Management Personal & Relatives & Their Concerns	Guarantee Given	100.00
		Purchases	15.21
		Investments (Shares)	37.99
		Sales	97.13
		Trade Receivables	37.00
		Loans Given	17.16
Mohit Yarns Ltd.	Key Management Personal & Relatives & Their Concerns	Investments (Shares)	157.23
		Investments (Application Money)	0.01
		Loans Given	0.02
		Dividend Paid	21.02
Mask Investments Ltd.	Key Management Personal & Relatives & Their Concerns	Loans Given	1.00
		Dividend Paid	17.88
Aayushi Jain	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	3.00
		Creditor for Expenses	2.97
Naresh Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	1.80
		Creditor for Expenses	8.36
Narayan Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	1.20
		Creditor for Expenses	6.65
Manish Saboo	Key Management Personal & Relatives & Their Concerns	Salary Paid	3.00
		Creditor for Expenses	2.98
Mohit Saboo	Key Management Personal & Relatives & Their Concerns	Salary Paid	3.00
		Creditor for Expenses	3.25
Sitaram Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	3.60
		Creditor for Expenses	3.57
Soul Clothing Pvt. Ltd.	Key Management Personal & Relatives & Their Concerns	Loan Given	0.22
Narayan Saboo HUF	Key Management Personal & Relatives & Their Concerns	Loan Given	0.40
Mohit E-Waste Recovery Pvt. Ltd.	Key Management Personal & Relatives & Their Concerns	Investment (Shares)	1.94

37 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 Lakh**

Particulars	Textiles Division		AAC Block Division		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1 SEGMENT REVENUE						
External Turnover	17,174.00	13,725.16	457.42	1,048.17	17,631.42	14,773.33
Inter Segment Turnover	(27.28)	(96.60)	27.28	96.60	-	-
Gross Turnover	17,146.72	13,628.56	484.70	1,144.77	17,631.42	14,773.33
2 SEGMENT RESULTS						
Segment Profits Before Exceptional Items	729.93	739.99	(71.55)	69.81	658.38	809.80
<i>Add:- Exceptional Item</i>	-	-	1,467.44	-	1,467.44	-
Segment Profit Before Interest & Tax	729.93	-	1,395.89	-	2,125.82	-
Less: Interest Expense	292.84	271.23	31.81	113.33	324.65	384.56
Add: Interest Income	125.44	7.21	0.49	-	125.93	7.21
Less: Prior Period Adjustment	-	0.02	-	-	-	0.02
Profit Before Tax	562.53	475.95	1,364.57	(43.52)	1,927.10	432.43
Current Tax (Net of MAT Credit)	182.51	87.90	38.26	-	220.77	87.90
Deferred Tax	-	67.85	335.85	-	335.85	67.85
Profit After Tax	380.02	320.20	990.46	(43.52)	1,370.48	276.68
3 OTHER INFORMATION						
Segment Assets	8,172.51	6,553.64	1,489.81	1,860.31	9,662.32	8,413.95
Segment Liabilities	5,117.63	4,350.72	229.98	1,315.80	5,347.61	5,666.52
Non - Cash Expenditure to be w/off	-	-	-	21.75	-	21.75
Capital Expenditure	257.00	611.18	936.68	168.72	1,193.68	779.90
Depreciation	292.30	280.83	14.12	93.29	306.42	374.12

(ii) The reportable segments are further described below:

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

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

38 EARNINGS PER SHARE

PARTICULARS	UNIT OF MEASUREMENT	March 31, 2012	March 31, 2011
1 Net Profit / (Loss) after tax	Rs.	137,047,706.41	27,669,026.65
2 Weighted Average Number of Equity Shares	Number	12,224,515	11,657,575
3 Earnings Per Share - Basic & Diluted	1/2	11.21	2.37

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

As per our Audit Report Attached
For RKM & CO.
 Chartered Accountants
 Firm Registration No.: 108553W

(Ramesh Kumar Malpani)
 Partner
 M. No. 33840
 Place : Surat
 Date : 24-08-2012

FOR & ON BEHALF OF BOARD

SITARAM SABOO *Chairman*
NARAYAN SABOO *Managing Director*
NARESH SABOO *Director*
MANISH SABOO *Director*

Place : Surat
 Date : 24-08-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

PARTICULARS	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	192,710,076.41	43,245,888.65
ADJUSTMENTS FOR :		
1 Depreciation & Amortization	30,642,808.00	38,268,824.33
2 Prior Period Adjustments	-	(2,003.00)
3 Interest Paid/Payable	32,465,725.20	38,455,990.07
4 Interest, Dividend & Rent Received	(5,666,258.14)	(1,068,810.67)
5 Profit on sale of investments & Fixed assets	(146,758,584.00)	(7,207,771.07)
6 (Profit)/Loss on derivative transactions	(251,773.16)	466,686.46
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	103,141,994.31	112,158,804.77
ADJUSTMENTS FOR :		
1 Trade & Other Receivable		
a) Debtors	(67,095,151.38)	(38,473,747.17)
b) Loans & Advances	(62,736,863.73)	11,877,226.93
2 Inventories	4,190,035.00	(37,145,300.00)
3 Trade Payables & Current Liabilities	(27,381,845.83)	17,572,760.53
CASH GENERATED FROM OPERATIONS	(49,881,831.63)	65,989,745.06
1 Interest Paid	(32,465,725.20)	(38,455,990.07)
2 Direct Taxes Paid	(15,225,820.00)	(4,130,037.00)
3 Pre-Operative Expenses Incurred	-	(45,000.00)
NET CASH FROM OPERATING ACTIVITIES	(97,573,376.83)	23,358,717.99
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
1 Purchase of Fixed Assets	(117,664,527.96)	(77,990,148.97)
2 Sale Consideration of Fixed Assets Sold	290,250,000.00	2,300,000.00
3 Escrow Account expenses for transfer of Fixed Assets	(350,000.00)	-
4 Pre-operative Expenses & Creditors Adjusted From sale of FA	3,614.00	-
5 Investments made during the year	(43,955,076.98)	-
6 Investments Sold during the year	137,161.38	10,289,479.61
7 Profit (Loss) on speculative trading of shares/derivative	251,773.16	(466,686.46)
8 Loans & Deposits	12,572,933.43	(20,140,692.60)
9 Interest, Dividend & Rent Recd.	5,666,258.14	1,068,810.67
NET CASH USED IN INVESTMENT ACTIVITIES	146,912,135.17	(84,939,237.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
1 Increase/(Decrease) in Working Capital from Bank	13,832,945.35	74,804,906.25
2 Increase/(Decrease) in Term Loans	(95,657,892.00)	(15,686,897.24)
3 Unsecured Loans	8,744,957.00	(3,741,585.00)
4 Receipts towards Share Capital on conversion of Warrants	42,187,500.00	14,062,500.00
5 Dividend Paid	(17,486,362.50)	(10,491,817.50)
NET CASH FROM FINANCING ACTIVITIES	(48,378,852.15)	58,947,106.51
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	959,906.19	(2,633,413.25)
CASH AND CASH EQUIVALENTS (OPENING)	2,816,456.99	5,449,870.24
CASH AND CASH EQUIVALENTS (CLOSING)	3,776,363.18	2,816,456.99

As per our Audit Report Attached
For RKM & CO.
Chartered Accountants
Firm Registration No.: 108553W

(Ramesh Kumar Malpani)
Partner
M. No. 33840
Place : Surat
Date : 24-08-2012

FOR & ON BEHALF OF BOARD
SITARAM SABOO Chairman
NARAYAN SABOO Managing Director
NARESH SABOO Director
MANISH SABOO Director

Place : Surat
Date : 24-08-2012



MOHIT INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

Folio No. : _____

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

No. of Shares held : _____

I hereby record my presence at the Annual General Meeting of the Company at the Registered office of the Company at A/601 B, International Trade Centre, Majura Gate, Surat 395 002, Gujarat on Friday, the 28th day of September, 2012.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

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

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

MOHIT INDUSTRIES LIMITED

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

Proxy Form

I/We _____

of _____ being a Member/Members of the above named Company,

hereby appoint _____ or failing him _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, the 28th day of September, 2012 and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this _____ day of _____ 2012

Folio No. : _____ No. of Shares : _____

Signature _____

Affix
1 Re.
Revenue
Stamp

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

TERE HEAR



*"Growth is never by mere chance; it is the result of forces working together."
James Cash Penney*



MOHIT[®]
INDUSTRIES LTD.

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

Ph. : 91.261.2463231 / 2 / 3 F : 91.261.2463234

E : narayansaboo@mohitindustries.com

W : www.mohitindustries.com