



and the growth continues

21st Annual Report
2010-2011



MOHIT
INDUSTRIES LTD.



FINANCIAL HIGHLIGHTS

(Rs.in Lacs)

Year Ended March 31	2007	2008	2009	2010	2011
Turnover	9380.19	12148.10	9667.93	10714.59	14542.53
Earning Before Depreciation, Interest and Tax (EBDIT)	605.10	762.59	587.82	642.52	1229.83
Depreciation	126.01	200.85	195.69	227.88	374.12
Profit Before Tax	355.25	387.70	171.41	202.35	432.46
Equity Dividend %	10%	0%	0%	9%	15%
Dividend Payout	116.58	0.00	0.00	104.92	174.86
Equity Share Capital	1165.76	1165.76	1165.76	1165.76	1306.38
Reserves & Surplus	1032.85	1285.53	1395.48	1389.33	1462.79
Net Worth	2181.58	2438.89	2553.48	2525.22	2747.42
Total Assets	4408.71	4871.16	4488.28	6437.51	7281.34
Total Outside Liabilities	2227.13	2432.27	1934.80	3912.29	4533.92
KEY INDICATORS					
EBDIT / Gross Turnover %	6.49	6.28	5.51	6.00	8.46
Net Profit Before Tax %	3.79	3.19	1.77	1.89	2.97
Earning Per Share	2.19	2.17	0.94	1.00	2.37
Book Value per Share (Rs.)	18.71	20.92	21.90	21.66	23.57
Debt : Equity Ratio	1.02	1.00	0.76	1.55	1.65
Current Ratio	1.89	1.52	1.71	1.31	1.14

**ANNUAL REPORT
2010-2011**

BOARD OF DIRECTORS : **Shri Sitaram N. Saboo** *Chairman*
Shri Narayan S. Saboo *Managing Director*
Shri Naresh S. Saboo *Jt. Managing Director*
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)

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NOTICE

NOTICE is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of the members of **MOHIT INDUSTRIES LIMITED** will be held on 29th day of September, 2011 at 10:00 A.M. at **Celebration Restaurant, L1, Platinum Plaza, Opp. V.T. Choksi Law College, Athwa Lines, Surat - 395007** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 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 divided for the financial year ended on 31st March, 2011.
3. To appoint Ms. Ayushi Sudhir Jain as a Director, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Mr. Jayesh Gandhi as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Mr. Narayan Saboo 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, Mr. Manish Saboo 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 a **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 ration 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 a **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of the Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors and/or Committee of Directors of the Company to create mortgages and/or charges over all or any of the Company's assets and properties, projects sites and assets, immovable and movable, book debts, charges, receivables actionable claims outstanding loans and advances and other assets and properties of the Company, both present and future including assignment of rights under all the projects agreements, rights under insurance policies and project guarantees on a pari passu first charge to be agreed upon between the company and the lenders to secure the loans/facilities with interest thereon at the respective agreed rates, penal/additional interest liquidated damages, costs, charges, expenses and or monies if any due thereon monies on the aforesaid securities already borrowed by the Company (apart from temporary loans obtained by the Company from the Bankers in the ordinary course of business) not to exceeding Rs. 250 Crores.

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

"**RESOLVED THAT** pursuant to the provisions of section 293 (1)(d) of the Companies act,1956,the Company hereby approves and gives consent to the Board of Directors for borrowing money from time to time in excess of paid up capital and free reserves, if any, provided however that the amount borrowed to be borrowed and outstanding at any time shall not exceed the sum of Rs.250,00,00,000/- (Rupees Two Fifty Crores only) exclusive of the temporary loans obtained from the companies Bankers in the ordinary course of business of the Company."

For and On behalf of the Board of Directors

Place : Surat
Date : 16.08.2011

SITARAM SABOO
CHAIRMAN

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **ANY INSTRUMENT APPOINTING A PROXY OR PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item 7 is appended hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26th September, 2011 to Friday, 30th September, 2011 (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

Mr. Manish Saboo is MA in Finance and Investment from Nottingham University U.K. and has been working with the group since 2006. He is young and energetic to understand the ever changing economic environment and take the company to better position in the upcoming Indian economy. His place on board will bring new ideas and new energy and will also help the company to study the world economy in a better way and achieve newer heights.

Company has received a letter from the member, proposing name of Mr. Manish Saboo as Director of the Company under section 257 of the Companies Act, 1956.

Bio-Data of Mr. Manish Saboo is attached herewith.

Board of Director recommends the resolution for adoption.

Mr. Sitaram Saboo, Mr. Narayan Saboo & Mr. Naresh Saboo being relatives of Mr. Manish Saboo are 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 is examining growth opportunities and also identified its future growth strategy.

In order to be able to take up the proposed activities as the Board may decide, the Board of Directors consider that it would become necessary to raise finance at appropriate time(s) by issue of appropriate instruments, 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 or otherwise and applied for and allotted to them.

Item No. 9 & 10

Company is planning to undertake new projects with sizable investment and for which company has to borrow money and create charge on the assets of the company. Consent of the members is required for creation of charge on the assets of the company and to borrow money in excess of paid up capital and free reserves of the company with upper limit of Rs.250 Crores.

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 : 16.08.2011

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, 2011 and the Auditors' report thereon.

Financial Results:

(Rs. In Lakhs)

Particulars	<u>31.03.2011</u>	<u>31.03.2010</u>
Sales & other income	14631.42	10788.50
Profits before depreciation, interest and Tax	1191.14	642.52
Less: Depreciation	374.12	227.88
Interest	384.56	212.30
Profit before Tax	432.46	202.34
Less: Provision for tax	155.77	86.14
Profit after tax	276.69	116.19

OPERATIONS

Indian economy has shown its strength during the previous year and per capita income of the country and saving habit of Indians and spending powers of middle class and Indian youth has continued to support Indian economy and Textile Industry has also not only survived but has achieved modest growth as well.

Your company has also achieved over all modest growth and total Turn Over and Profit after Tax has shown growth of 35.62 % and 138.13 % as compared to previous year.

The Company has sold the AAC Blocks Plant located at Palghar to Biltech Building Elements Limited on 30th June 2011. The reason behind the sale was that the Company was getting a very good profit from the said sale which will be reflected in the current Financial year.

Dividend :

Board of Directors are pleased to 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, Ms. Ayushi Jain, Mr. Jayesh Gandhi and Mr. Narayan Saboo are directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself / her self for re-appointment. The Board recommends his appointment.

Audit Committee :

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

Director's Responsibility Statement :

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

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

- (b) that the accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 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 :

The detail of Foreign exchange earning/outgo is given in annexure forming part of this report.

Auditors' Report

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

Auditors Report regarding Sales tax and Entry Tax matters: Company has filed an appeal in the Appellate Court on the Law point of double taxation and Court has granted an unconditional Stay Order without payment of any amount which itself shows that there will not be any liability on the Company.

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 recommends their reappointment.

Corporate Governance :

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

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 : 16.08.2011

SITARAM SABOO
CHAIRMAN

Annexure

	<u>2010-11</u>	<u>2009-10</u>
(A) Power and Fuel Consumption:		
1. Electricity		
(a) Purchased		
Units	81.10 Lacs	95.83 Lacs
Total Amount	352.51 Lacs	446.07 Lacs
Rate/Unit (Rs.)	4.35	4.65
(b) Own Generation		
i) Through Diesel Generator		
Units	0.112 Lacs	0.112 Lacs
Units per Ltr. of Diesel Oil	3.5	3.5
Rate/Unit (Rs.)	11.84	10.34
ii) Through Steam/Turbine Generator	NIL	NIL
iii) Through Gas based Generator Set		
Units	20.39 Lacs	NIL
Units per MMBTU	108	NIL
Rate/Unit (Rs.)	4.25	NIL
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
Product	Yarn (kg.)	
	Electricity	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.

	<u>2010-11</u>	<u>2009-10</u>
(Rs. in Lacs)		
Foreign Exchange Earning/OUTGO		
Foreign exchange earned	1919.71	16.97
Foreign Exchange Used:		
Purchase/Advance for capital Good	24.60	442.28
Trading Goods	NIL	NIL
Foreign Travel	NIL	NIL

CORPORATE GOVERNANCE REPORT

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

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

(B) Board of Directors

(i) Board Composition

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

The constitution of the Board is as given below:

S r. 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	0	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 judgement of the Board, may affect independence of judgement of the director.*

(ii) Board Meetings and Attendance of Directors

During the financial year ended 31st March, 2011, Board of Directors met 10 times on (1) 30.04.2010, (2) 08.05.2010, (3) 31.07.2010, (4) 05.08.2010, (5) 20.09.2010, (6) 30.10.2010, (7) 18.01.2011, (8) 30.01.2011, (9) 10.02.2011, (10) 31.03.2011. 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 2010-2011 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 2010-2011	No. of the Meetings Attended	
1	Mr. Sitaram N. Saboo	10	10	Yes
2	Mr. Narayan N. Saboo	10	10	Yes
3	Mr. Naresh S. Saboo	10	10	Yes
4	Mr. Jayesh R. Gandhi	10	05	Yes
5	Mr. Sachinkumar Jain	10	07	No
6	Ms. Ayushi Sudhir Jain	10	10	Yes
7	Mr. Bharat Merchant	10	08	No
8	Mr. Dharmesh Patel	10	02	No

(iii) Directors seeking appointment/re-appointment:

Ms. Ayushi Jain, Mr. Jayesh Gandhi and Mr. Narayan Saboo retire by rotation and, being eligible offers himself/herself 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 2010-2011 on 05/08/2010, 18/01/2011 and 31/03/2011. 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 31/03/2011 during the Financial Year ended March 31, 2011 in which all the members were present.

Details of remuneration paid to the Directors during the year 2010-2011 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	3,60,000.00	0	3,60,000.00
3	Mr. Naresh Saboo	0	4,20,000.00	0	4,20,000.00
4	Ms. Ayushi Jain	0	1,80,000.00	0	1,80,000.00

(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 2011, 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, 2011 except for those cases which are constrained by dispute or legal proceedings.

(D) General Body Meeting :

Year	Day and Date	Venue	Time
2008	30.09.2008	A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat 395 002	10.00 A. M.
2009	29.09.2009	---Do---	10.00 A. M.
2010	20.09.2010	---Do---	10.00 A. M.

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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 | 29.09.2011
10:00 A.M.
Celebration Restaurant, L1, Platinum Plaza, Opp.V.T.
Choksi Law College, Athwa Lines, Surat - 395007, Gujarat. |
| (ii) Financial Calendar
(tentative and subject to change) | Financial reporting for quarter ended
June 30, 2011 : By July 31, 2011
September 30, 2011 : By October 31, 2011
December 31, 2011 : By January 31, 2012
March 31, 2012 : By April 30, 2012
Annual General Meeting for year ended 31 st
March 2012 By September 30, 2012. |
| (iii) Dates of book closures | From 26 th September, 2011 to 30 th September,
2011 (both days inclusive) |
| (iv) Listing on stock exchanges | The Company's shares are listed and traded on
The Bombay Stock Exchange. |
| (v) Scrip Code | 531453 |

(vii) Stock Market price data

Monthly high and low at the Stock Exchange, Mumbai for financial year ended 31st March, 2011:

Month	High Rs.	Low Rs.
April-2010	22.70	19.35
May-2010	29.70	16.00
June-2010	41.30	30.90
July-2010	44.55	36.25
August-2010	43.30	32.90
September-2010	37.85	31.90
October-2010	38.40	32.15
November-2010	38.00	28.30
December-2010	33.85	21.25
January-2011	32.50	20.70
February-2011	27.90	19.35
March-2011	24.05	17.00

(viii) Registrar and Share Agents:

Adroit Corporate Services Pvt. Ltd.

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

(ix) Share Transfer System:

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

(x) Distribution of Shareholding as on March 31, 2011

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 500	1635	69.72	331277	2.84
501 - 1000	280	11.94	243286	2.09
1001 - 5000	287	12.24	702520	6.02
5001 - 10000	56	2.39	423122	3.63
10001 & above	87	3.71	9957370	85.42
Total	2345	100.00	11657575	100.00

(xi) Categories of Shareholding as on March 31, 2011

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	12	0.51	6794998	58.29
Banks, Financial Institutions, Insurance Companies	0	0.00	0	0.00
Private Corporate Bodies	96	4.10	1050404	9.01
NRI	12	0.51	46476	0.40
Indian Public	2225	94.88	3765698	32.30
Total	2345	100.00	11657575	100.00

(xii) Dematerialization of shares and liquidity

About 99.99% of the Equity Shares have already been dematerialized upto 31st March, 2011 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.

Company has 25,00,000 warrants outstanding for conversion as on date. Last date of conversion 9th January 2012 and on conversion proposed paid up Equity Capital of the Company will be Rs.141575750 divided into 14157575 equity shares of Rs.10/- each.

(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

Palghar Unit Plot No.112/2,Gowade, Palghar,Thane (Maharashtra)

(xv) Address for Correspondence:

Mohit Industries Limited

A/601 B, International Trade Cernter, 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, 2011, 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 : 16.08.2011

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, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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. 2(a)(ii) & (iii) in Schedule "T" on 'Significant Accounting Policies & Notes to Accounts' annexed to and 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. 1(E) of Schedule 'T' of Significant Accounting Policies and Notes on Accounts in respect of provision of Long Term Employee Benefits & Defined Benefit Plan, give a true and fair view in conformity with the accounting principles generally accepted in India:-*
 - 1) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011,
 - 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 : 26-07-2011

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year.
- ii. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on such physical verification.
- iii. (a) The company has granted advances in the nature of loans to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The numbers of parties to whom such advances have been granted are two. The maximum amount involved during the year was Rs. 191.31 Lac and the year end balance was Rs. 3.11 Lac.
- (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 three. The maximum amount involved during the year was Rs. 29.09 Lac and the year end balance is Rs. 12.58 Lac.
- (f) In our opinion, the rate of interest and other terms and conditions on which the loan has 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 loan 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. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
- viii. As explained to us, the company is maintaining accounts and records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956. However, no such accounts/records were verified by us.
- ix. (a) As explained to us, laws of Employee State Insurance are not applicable to the company. In respect of other undisputed statutory dues including provident fund, 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 the same with appropriate authorities. *According to the information and explanations given to us, no undisputed amounts in respect of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable except for Dividend Distribution Tax of Rs. 17.43 Lacs which is still payable.*

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(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. 9.79 Lac, sales tax of Rs.465.67 Lac and Entry Tax of Rs. 433.18 Lac have not been deposited on account of disputed matters pending before appropriate authorities as under:-

Name of The Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9.79	AY 2008-09	Commissioner of Income Tax (Appeals)
Sales Tax Law of Gujarat	Sales Tax	4.86	FY 2001-02	Commissioner (Appeals)
Gujarat VAT Act, 2003	Gujarat VAT	460.81	FY 2006-07	Commissioner (Appeals)
Gujarat Entry Tax Laws	Gujarat Entry Tax	433.18	FY 2006-07	Commissioner (Appeals)

- 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.
- 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 : 26-07-2011

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
I. SOURCES OF FUNDS			
1. Share Holders Fund:			
- Share Capital	A	116,575,750.00	116,575,750.00
- Share Warrant Money		14,062,500.00	-
- Reserve & Surplus	B	146,279,283.32	138,933,344.17
Sub Total		276,917,533.32	255,509,094.17
2. Loan Funds			
- Secured Loans	C	424,953,446.57	365,835,437.56
- Unsecured Loans	D	1,258,415.00	5,000,000.00
Sub Total		426,211,861.57	370,835,437.56
3. Deferred Tax Liability		27,179,711.00	20,394,578.00
Total		730,309,105.89	646,739,109.73
II. APPLICATION OF FUNDS			
1. Fixed Assets	E		
- Gross Block		548,068,319.45	490,116,463.48
- Less:- Depreciation		143,335,972.45	122,068,672.48
		404,732,347.00	368,047,791.00
- Add: Capital Work In Progress		7,252,817.50	3,359,138.50
		411,985,164.50	371,406,929.50
2. Investment	F	27,914,386.59	33,296,095.13
3. Current Assets, Loans And Advances			
Inventories	G	120,721,355.00	83,576,055.00
Sundry Debtors	H	170,244,313.78	145,919,790.61
Cash & Bank Balances	I	6,559,775.99	8,512,423.24
Loans & Advances	J	103,969,654.17	74,879,905.50
Sub Total		401,495,098.94	312,888,174.35
Less:- Current Liabilities & Provisions	K		
Current Liabilities		82,446,018.64	58,167,916.11
Provisions		30,814,369.50	15,670,927.50
Sub Total		113,260,388.14	73,838,843.61
Net Current Assets		288,234,710.80	239,049,330.74
4. Misc. Expenditure :	L		
(to The Extent Not Written Off Or Adjusted)		2,174,844.00	2,986,754.36
Total		730,309,105.89	646,739,109.73
STATEMENT OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	T		

As per our Audit Report of even date

For RKM & CO.

Chartered Accountants

(RAMESH KUMAR MALPANI)

Partner

Place : Surat

Date : 26-07-2011

FOR AND ON BEHALF OF BOARD

SITARAM SABOO

Director

NARAYAN SABOO

Director

NARESH SABOO

Director

Place : Surat

Date : 26-07-2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
I. INCOME			
- Income From Operations	M	1,454,253,196.70	1,071,459,440.00
- Other Income	N	8,888,692.19	7,391,489.73
Total Rs.		<u>1,463,141,888.89</u>	<u>1,078,850,929.73</u>
II. EXPENDITURE			
Operating Expenses	O	1,287,115,417.47	983,729,710.66
Administrative Expenses	P	34,146,995.69	20,048,441.44
Selling & Distribution Expense	Q	14,428,978.00	7,341,098.00
Repairs & Maintenance		2,912,820.00	2,320,569.00
Financial Charges	R	42,556,278.29	21,460,185.78
Loss On Trading Of Derivatives		466,686.46	464,785.26
Depreciation		37,411,913.97	22,788,238.03
Misc. Expenditure W/off	S	856,910.36	463,198.00
Total Rs.		<u>1,419,896,000.24</u>	<u>1,058,616,226.17</u>
III. PROFIT/LOSS (I-II)			
		43,245,888.65	20,234,703.56
Provision For Tax			
For Current Year		8,748,722.00	3,436,550.00
For Deferred Tax		6,785,133.00	4,833,967.00
Income Tax Of Earlier Years		41,004.00	338,733.00
Provision For Fringe Benefit Tax		-	5,609.00
Less:- Prior Period Adjustment		2,003.00	-
Profit After Tax		27,669,026.65	11,619,844.56
Balance B/f. From Previous Year		50,326,744.17	50,941,277.11
Amount Available For Appropriation		<u>77,995,770.82</u>	<u>62,561,121.67</u>
-> Proposed Dividend		17,486,362.50	10,491,817.50
-> Tax On Dividend		2,836,725.00	1,742,560.00
Balance Carried To Balance Sheet		<u>57,672,683.32</u>	<u>50,326,744.17</u>
Average Outstanding Shares During The Year		11,657,575.00	11,657,575.00
Face Value Of Shares		10.00	10.00
Basic Earnings Per Share		2.37	1.00
Diluted Earnings Per Share		2.37	1.00
STATEMENT OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
As per our Audit Report of even date	T	FOR AND ON BEHALF OF BOARD	
For RKM & CO.		SITARAM SABOO	<i>Director</i>
<i>Chartered Accountants</i>		NARAYAN SABOO	<i>Director</i>
(RAMESH KUMAR MALPANI)		NARESH SABOO	<i>Director</i>
<i>Partner</i>			
Place : Surat		Place : Surat	
Date : 26-07-2011		Date : 26-07-2011	

MOHIT INDUSTRIES LIMITED

**SCHEDULES 'A' TO 'T' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH, 2011**

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'A' : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
1,60,00,000 equity shares of Rs. 10/- each (P.Y. 1,60,00,000 equity shares)	160,000,000.00	160,000,000.00
ISSUED SHARE CAPITAL		
1,21,82,900 Equity Shares of Rs. 10/- each (P.Y. 1,21,82,900 Equity Shares)	121,829,000.00	121,829,000.00
TOTAL RS.	<u>121,829,000.00</u>	<u>121,829,000.00</u>
SUBSCRIBED & PAID UP CAPITAL		
1,16,57,575 Equity Share of Rs.10/- each fully paid up (P.Y. 1,16,57,575 Equity Share of Rs. 10/- each)	116,575,750.00	116,575,750.00
	<u>116,575,750.00</u>	<u>116,575,750.00</u>
SCHEDULE 'B' : RESERVE & SURPLUS		
1) Share premium A/c.	86,284,000.00	86,284,000.00
2) General Reserve	2,322,600.00	2,322,600.00
3) Profit & Loss Account	57,672,683.32	50,326,744.17
	<u>146,279,283.32</u>	<u>138,933,344.17</u>
SCHEDULE 'C' : SECURED LOANS		
(A) TERM LOANS		
1) State Bank of Travancore (TL-II)	-	1,212,609.00
2) State Bank of Travancore (TL -III)	8,181,839.00	27,806,878.00
3) State Bank of Travancore (Corporate Loan)	4,632,853.00	10,003,219.00
4) State Bank of Travancore (TL - VI)	56,378,517.00	65,594,581.00
5) State Bank of Travancore (TL - VII)	61,735,545.00	67,315,834.00
6) State Bank of Travancore (TL - VIII)	6,026,562.00	-
6) State Bank of India (BLC)*	39,880,237.00	28,579,608.00
7) State Bank of Travancore (Expansion TL)	4,272,553.00	-
(B) CAR LOAN		
(1) City Bank	-	32,340.24
(2) Kotak Mahindra Prime Ltd.	554,533.00	-
(3) ICICI Bank	3,504,125.00	-
(4) Axis Bank	459,784.00	768,376.00
(C) WORKING CAPITAL LIMITS		
1) State Bank of Travancore (C.C. Limit)	193,882,650.57	164,521,992.32
2) State Bank of Travancore (EPC A/C)	30,274,264.00	-
3) State Bank Of Travancore (SBC CC-II)	15,169,984.00	-
	<u>424,953,446.57</u>	<u>365,835,437.56</u>

NOTES OF SCHEDULE 'C'

1. Cash Credit facilities from State Bank of Travancore are secured by hypothecation of all Stock & Book Debts of the Company
2. Term Loans from State Bank of Travancore are secured by hypothecation of all the Plant & Machineries of the company.
3. State Bank of India (BLC) is secured by undertaking given by State Bank of Travancore.
4. Cash Credit Facilities, Term Loans & Undertaking given by State Bank of Travancore are further secured by equitable mortgage over all the Factory Lands & Buildings of the Company and also by equitable mortgage over Flat No.802 & 902 Sofittel Tower, Parle Point, Surat; Office Premises at 601-B, International Trade Centre, Majura Gate, Ring Road, Surat; Land at Village : Gowade, Taluka : Palghar, Dist.: Thane and personal guarantee and security given by the Directors and Sister Concerns of the Company.
5. Car Loans are secured by hypothecation of Motor Car.

*Note:- Balance Outstanding in State Bank of India (BLC) Account as on 31-03-2011 is subject to confirmation.

SCHEDULE 'D' : UNSECURED LOANS (Other Loans)

From Directors & their Relatives	-	-
From Others	1,258,415.00	5,000,000.00
	<u>1,258,415.00</u>	<u>5,000,000.00</u>

SCHEDULE 'F' : INVESTMENTS (AT COST)

LONG TERM INVESTMENT	NUMBER	FACE VALUE	BOOK VALUE AS AT 31-03-2011	BOOK VALUE AS AT 31-03-2010
1) GOVERNMENT SECURITIES (UNQUOTED)				
Kisan Vikas Patra			300,000.00	300,000.00
2) INVESTMENTS IN EQUITY SHARES				
A) Qouted Shares:				
a) Fairdeal Filament Ltd.	11407	10	197,607.50	197,607.50
b) Trigyn Technology Ltd.	6	10	194.10	371,902.64
c) Sumeet Industries Ltd.		10	-	5,010,000.00
d) Birla Power Solutions Ltd.	5000	10	18,885.99	18,885.99
B) Unqouted and Fully Paid Up:				
a) Mohit Yarns Ltd.	663000	10	15,723,000.00	15,723,000.00
b) Mohit Overseas Ltd.	394000	10	3,799,000.00	3,799,000.00
c) Sasmi Co-op. Soc.			7,200.00	7,200.00
d) Mohit E-Waste Reocvery Pvt. Ltd.	19400	10	194,000.00	194,000.00
e) ITC Co.Op. Hsg Society	5		251.00	251.00
C) Shares Application Money with:				
a) Mohit Yarns Ltd.			1,000.00	1,000.00

SCHEDULE 'E' : FIXED ASSETS

Particulars	Rate of Depn	Gross Block			Depreciation Block			Net Block		
		As on 01/04/10	Addition	Deduction	As on 31/03/11	As on 01/04/10	Provided during the year	Deduction	As on 31/03/11	As on 31/03/10
Land & Land Devlp.	-	22126185.00	458415.00	13000.00	22571600.00	0.00	0.00	0.00	22571600.00	22126185.00
Factory Building	3.34%	126383729.65	13418561.00	0.00	139802290.65	10868185.65	4321798.00	0.00	15189983.65	115515544.00
Office Building	1.63%	3379800.00	0.00	0.00	3379800.00	169479.00	55091.00	0.00	224570.00	3210321.00
Plant & Machinery	10.34%	245742453.00	51712976.97	16144614.00	281310815.97	82436593.00	24194302.97	16144614.00	90486281.97	163305860.00
Water Jet Looms	10.34%	69678915.00	0.00	0.00	69678915.00	23231573.00	7204800.00	0.00	30436373.00	46447342.00
Electric Inst.	4.75%	13868221.80	1509752.00	0.00	15377973.80	2916929.80	689832.00	0.00	3606761.80	10951292.00
Office & Fact. Equip.	4.75%	1985894.00	1403795.00	0.00	3389689.00	545159.00	136656.00	0.00	681815.00	1440735.00
Vehicle	9.50%	3353366.00	5217316.00	0.00	8570682.00	559024.00	410094.00	0.00	969118.00	2794342.00
Furniture	6.33%	1825989.00	55514.00	0.00	1881503.00	514907.00	113925.00	0.00	628832.00	1311082.00
Diesel Tank	4.75%	161435.00	0.00	0.00	161435.00	87292.00	7498.00	0.00	94790.00	74143.00
Computer	16.21%	1610475.03	333140.00	0.00	1943615.03	739530.03	277917.00	0.00	1017447.03	870945.00
Total		490116463.48	74109469.97	16157614.00	548068319.45	37411913.97	16144614.00	143335972.45	404732347.00	368047791.00
Previous Year		304359938.45	199553182.03	13795657.00	490116463.48	112701683.45	22788238.03	13421249.00	368047791.00	191657255.00

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PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
3) INVESTMENTS IN IMMOVABLE PROPERTY		
Flat at Soffitel Tower	<u>7,673,248.00</u>	7,673,248.00
	<u>27,914,386.59</u>	<u>33,296,095.13</u>
Aggregate Book value of Quoted Investments	216,687.59	5,598,396.13
Aggregate Book value of Un-Quoted Investments	27,697,699.00	27,697,699.00
Aggregate market value of Quoted Investments	221,340.45	8,444,279.75
SCHEDULE 'G' INVENTORIES		
(As taken valued & certified by a Director)		
1) Raw Materials & Work in progress	59,634,381.00	52,462,068.00
2) Finished Goods	58,193,295.00	27,238,154.00
3) Oil & lubricant	1,017,320.00	703,060.00
4) Packing Material	1,394,386.00	2,565,980.00
5) Stores & Spares	481,973.00	606,793.00
TOTAL RS.	<u>120,721,355.00</u>	<u>83,576,055.00</u>
SCHEDULE 'H' SUNDRY DEBTORS		
(Unsecured but considered good by Directors)		
1) Debts outstanding for a period Exceedings Six Months	37,157,441.00	10,535,703.00
2) Others	133,086,872.78	135,384,087.61
TOTAL RS.	<u>170,244,313.78</u>	<u>145,919,790.61</u>
SCHEDULE 'I' CASH AND BANK BALANCE		
a) Cash on hand	2,308,324.35	5,229,684.35
b) HDFC Bank	428,198.18	149,029.87
c) Balance with Surat People's Co.Op. Bank	10,819.73	7,772.73
d) Balance with Bank of Baroda	13,452.44	27,643.00
e) F.D. With State Bank of Travancore	3,743,319.00	3,062,553.00
f) Development Credit Bank	16,869.50	16,869.50
g) State Bank of Travancore (CA)	12,009.00	8,178.00
h) Axis Bank Ltd.	18,783.79	10,692.79
i) State Bank Of Travancore Dividend a/c	8,000.00	-
	<u>6,559,775.99</u>	<u>8,512,423.24</u>
SCHEDULE 'J' LOANS AND ADVANCES		
(Unsecured but considered good by Directors)		
a) Loans Given	26,910,343.57	8,446,954.00
b) Deposits	5,283,704.03	4,287,167.00
C) Advance Given for Capital Goods	50,000.00	878,598.00
d) Advance Recoverable in cash or in kind or for value to be recd.	71,725,606.57	61,267,186.50
	<u>103,969,654.17</u>	<u>74,879,905.50</u>

MOHIT INDUSTRIES LIMITED

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'K' CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
1) Advance from customers	4,160,791.50	1,317,714.50
2) Sundry Creditors for Goods	27,124,462.00	19,946,243.00
3) Sundry Creditors for Expenses & Capital Goods	48,264,751.14	36,705,502.61
4) Sundry Creditors for Others	2,896,014.00	198,456.00
TOTAL RS.	82,446,018.64	58,167,916.11
B) PROVISIONS		
Provision for Tax	8,748,722.00	3,436,550.00
Provision for Dividend Distribution Tax	4,579,285.00	1,742,560.00
Proposed Dividend	17,486,362.50	10,491,817.50
TOTAL RS.	30,814,369.50	15,670,927.50
SCHEDULE 'L' MISC. EXPENDITURE		
Preliminary Expenses	-	313,200.00
Pre-Operative Expenses	2,174,844.00	2,673,554.36
TOTAL RS.	2,174,844.00	2,986,754.36
SCHEDULE 'M' INCOME FROM OPERATIONS		
Job Charges Received	13,990,533.00	9,527,459.00
Sales	1,431,237,278.00	1,072,505,040.00
Export Benefits Recd. (Net)	30,655,895.00	-
Duty Drawback Received	105,076.00	-
Other Sales	951,570.00	901,485.00
Interest Received from Debtors	6,726,548.00	4,722,078.00
	1,483,666,900.00	1,087,656,062.00
Less:- Discount Allowed	13,805,963.50	8,342,971.00
Cartage	15,607,739.80	7,853,651.00
	1,454,253,196.70	1,071,459,440.00
SCHEDULE 'N' OTHER INCOME		
Dividend Received	347,383.75	13,786.75
Misc. Balance W/off	116,184.45	76.68
Interest	721,426.92	4,687,235.30
Service Charges	88,792.00	82,532.00
Profit on sale of Assets/Investments	7,207,771.07	2,125,592.00
Foreign Exchange Fluctuation Gain (net)	-	175,717.00
Export Benefits Received	-	258,346.00
Other Income	407,134.00	48,204.00
	8,888,692.19	7,391,489.73

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PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'O' OPERATING EXPENSES		
Raw Material Consumed	1,146,737,765.40	879,502,625.16
Finished Goods Purchased	5,252,173.00	-
Stores & Spares consumed	10,563,163.30	8,325,286.00
Wages	36,836,856.00	21,933,116.00
Power & Fuel charges	48,583,536.90	45,059,659.50
Job Charges	2,489,277.00	2,316,204.00
Carriage Inward	16,223,492.87	2,909,357.00
Oil & Lubricant Consumed	22,655,617.00	21,060,309.00
Packing Material Consumed	28,252,146.00	20,937,095.00
Other Factory Cost	476,531.00	2,301.00
	1,318,070,558.47	1,002,045,952.66
Add: Opening Stock of Finished Goods & Trading Goods	27,238,154.00	8,921,912.00
	1,345,308,712.47	1,010,967,864.66
Less: Closing Stock of Finished Goods & Trading Goods	58,193,295.00	27,238,154.00
	1,287,115,417.47	983,729,710.66
SCHEDULE 'P' ADMINISTRATIVE EXPENSES		
Salary & Bonus	20,272,051.00	12,429,708.00
Staff Welfare	1,086,005.00	436,695.00
Travelling & Conveyance Exps.	1,483,555.56	530,520.00
Postage & Telegram & Telephone	942,017.00	719,946.00
Printing & Stationery	512,020.00	328,058.00
Auditors & Remuneration	220,600.00	187,510.00
Directors Remunerations	1,320,000.00	804,000.00
Legal & Professional Expenses	1,334,577.00	640,555.00
Electric Exps.	565,968.00	408,366.00
Insurance Exps.	385,406.00	213,682.00
Vehicle Expenses	1,510,861.13	512,747.44
Annual Listing Fee	88,240.00	36,641.00
Charity & Donation	33,100.00	1,000.00
Rates & Taxes	353,349.00	49,106.00
Office & General Exps.	423,793.00	408,946.00
Computer Exps.	289,655.00	360,797.00
Professional Tax	2,400.00	4,900.00
Provident Fund Contribution	311,969.00	291,495.00
Cost Audit fees	-	11,000.00
Demat Expenses	130,779.00	90,398.00
Membership fees	123,637.00	12,285.00
Rent Expenses	457,400.00	114,900.00
Security Service Charges	2,299,613.00	1,455,186.00
	34,146,995.69	20,048,441.44

MOHIT INDUSTRIES LIMITED

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SCHEDULE 'Q' SELLING & DISTRIBUTION EXPENSES		
Brokerage & Commission	6,898,698.00	7,197,445.00
Advertisement	119,150.00	106,460.00
Octroi & Freight	6,751,062.00	5,526.00
Other Selling Expenses	654,618.00	23,537.00
Sales Tax Exps.	5,450.00	8,130.00
	14,428,978.00	7,341,098.00
SCHEDULE 'R' FINANCIAL CHARGES		
Interest Paid	38,455,990.07	21,230,162.90
Foreign Exchange Fluctuation Loss	2,937,027.53	-
Bank Charges	1,163,260.69	230,022.88
	42,556,278.29	21,460,185.78
SCHEDULE 'S' MISC. EXPENDITURE WRITTEN OFF		
Preliminary Expense	856,910.36	463,198.00
	856,910.36	463,198.00

SCHEDULE 'T' : STATEMENT OF ACCOUNTING POLICIES & NOTES ON ACCOUNTS**1. 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. INVENTORIES

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

C. INVESTMENTS

Long Term Investments are stated at cost. Current Investments are carried at lower of Cost or Net realisable Value.

D. DEPRECIATION

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

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

E. 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.

F. FIXED ASSETS

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

G. CAPITAL ISSUE EXPENDITURE/PRELIMINARY EXPENSES

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

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

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H. 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.

I. 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 31-03-2011 and any gain/loss on same has also been charged to Profit & Loss Account.

J. DEFERRED TAX LIABILITY

	Deffered Tax (Assets)/Liability as at 01-04-2010	Current Year Charge/(credit)	Deffered Tax (Assets)/Liability as at 31-03-2011
Deferred Tax Liability			
Effect of Depreciation Losses C/f	(66,792.00)	66,792.00	-
Deferred Tax Liability			
Tax effect on excess of net block over written down value as per the provisions of the I.T. Act, 1961	20,461,370.00	6,718,341.00	27,179,711.00
	<u>20,394,578.00</u>	<u>6,785,133.00</u>	<u>27,179,711.00</u>

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.

2. a) CONTINGENT LIABILITY not provided for in Books of Accounts:-

- (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. Rs.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. Rs. 4,86,462/-); disputed Gujarat VAT demand of F.Y. 2006-07 of Rs. 4,60,80,888/- (P.Y. Rs. Nil) and disputed Entry Tax under Gujarat Laws of Rs. 4,33,18,045/- (P.Y. Rs. Nil) (including interest and penalty) has not been provided.
- (iv) Disputed Income Tax Demand of Rs. 9.79 Lacs (P.Y. Rs. 29.31 Lacs).

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

3. REMUNERATION TO AUDITORS

	31/03/2011	31/03/2010
Audit Fees (Including Tax Audit Fees)	200,000.00	170,000.00
Service Tax	20,600.00	17,510.00
TOTAL	<u>220,600.00</u>	<u>187,510.00</u>

MOHIT INDUSTRIES LIMITED

4. REMUNERATION TO DIRECTORS	31/03/2011	31/03/2010
Executive Directors	1,320,000.00	804,000.00
Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956		
Net Profit Before Taxation	43,245,888.65	20,234,703.56
Add:- Loss on Derivative & Share Trading	466,686.46	464,785.26
Managerial Remuneration	1,320,000.00	804,000.00
	45,032,575.11	21,503,488.82
Less:- Profit on Sales of Assets	7,207,771.07	2,125,592.00
	37,824,804.04	19,377,896.82
Maximum Remuneration Allowable (Sec. 198)	4,160,728.44	2,131,568.65
Remuneration Paid According to Resolution	1,320,000.00	804,000.00

5. LICENSED AND INSTALLED CAPACITY

ITEM	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Art Silk Cloth	MTRS.	N.A.	9500000 (9500000)	8110695.40* (8366841.50)
Texturised Yarn	KGS.	N.A.	22537000 (20137000)	12280572.016** (11683590.285)**
AAC Block	NO. OF BLOCKS	N.A.	N.A. N.A.	2476331 (32902)

* Includes Job Work done for outside parties of 2164950.50 Mtrs. (P.Y. 1565723.25 Mtrs.) for outsiders.

** Includes wastage yarn of 63008.000 Kgs. (P.Y. 58007.520 Kgs.)

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

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

ITEM	UNIT	OPENING STOCK		CLOSING STOCK	
		QTY.	AMT.	QTY.	AMT.
ART SILK CLOTH	MTRS.	635221.00 (325012.00)	17556735.00 (5117013.00)	538064.75 (635221.00)	16366769.00 (17556735.00)
TEXTURISED YARN	KGS.	91477.490 (52617.220)	8166925.00 (3804899.00)	324777.134** (91477.490)	38797607.00 (8166925.00)
AAC BLOCKS	NO OF BLOCKS	30186 (--)	1514494.00 (--)	11358 (30186)	445422.00 (1514494.00)
RUBBLE	M.TONNE	0 (--)	0 (--)	948.854 (--)	2583497.00 (--)

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

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

ITEM	UNIT	PURCHASE		SALES	
		QTY.	AMT.	QTY.	AMT.
ART SILK CLOTH	MTRS.	0 [3272.25]	0 (219506.00)	6038173.96 (6463370.82)	175462343.00 (140191001.00)
GARMENTS	MTR.	10776.00 (--)	994948.00 (--)	10776.00 (--)	1016177.00 (--)
TEXTURISED YARN	KGS.	0 [0]	0 [0]	12005378.621 (11604113.203)	1136354708.00 (932201140.00)
PLASTIC RECYCLED	KGS.	105000.000 [0]	4257225.00 [0]	105000.000 (--)	4222800.00 (--)
AAC BLOCK	NO OF BLOCKS	0 [0]	0 [0]	2495159 (1876)	114181250.00 (112899.00)

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8. 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 FOR MFG.	KGS.	582140.404 (367727.314)	50872568 (27491832)	12745329.009 (12628974.481)	1098974287 (901834752)	0.000 (5423.790)	0 (261720)	12927723 (12409138)	1098450060 (878192296)	399746.323 (582140.404)	51396795 (50872568)
R.M. FOR BLOCKS**	KGS	- (--)	1589500 (--)	- (--)	54935791.40 (2899829.16)	- (--)	0 (--)	- (--)	48287705.40 (1310329.16)	- (--)	8237586 (1589500)

** 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.

- 9) a) Value of imports on C.I.F. NIL (P.Y. Rs. 4,42,28,079/-)
 b) Expenditure in Foreign Currency NIL (P.Y. NIL)
 c) Amount remitted in Foreign currency on dividend A/c. NIL (P.Y. NIL)
- 10) a) Exports on F.O.B. Rs. 1919.71 Lacs (P.Y. Rs. 16.98 Lacs)
 b) Earnings in Foreign Currency NIL (P.Y. NIL)
- 11) Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.
- 12) Loans & Advances include a sum of Rs. 3.11 Lacs (P.Y. Rs. 191.31 Lacs) due from companies in which directors of this company are directors and which is a company under the same management under section 370(1B) of the Companies Act, 1956.

13) 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	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1 SEGMENT REVENUE						
External Turnover	13,498.27	10,713.47	1,044.26	1.13	14,542.53	10,714.60
Inter Segment Turnover	(96.60)	-	96.60	-	-	-
Gross Turnover	13,401.67	10,713.47	1,140.86	1.13	14,542.53	10,714.60
2 SEGMENT RESULTS						
Segment Profits	739.99	372.44	69.81	(4.66)	809.80	367.78
Before Interest & Tax	271.23	209.10	113.33	3.20	384.56	212.30
Less: Interest Expense	7.21	46.87	-	-	7.21	46.87
Add: Interest Income	0.02	-	-	-	0.02	-
Profit Before Tax	475.95	210.21	(43.52)	(7.86)	432.43	202.35
Current Tax	87.90	37.81	-	-	87.90	37.81
Deferred Tax	67.85	48.34	-	-	67.85	48.34
Profit After Tax	320.20	124.06	(43.52)	(7.86)	276.68	116.20
3 OTHER INFORMATION						
Segment Assets	6,553.64	6,124.70	1,860.31	1,513.70	8,413.95	7,638.40
Segment Liabilities	4,350.72	3,572.74	1,315.80	1,540.44	5,666.52	5,113.18
Non - Cash Expenditure to be w/off	-	3.13	21.75	26.74	21.75	29.87
Capital Expenditure	611.18	654.27	168.72	1,341.26	779.90	1,995.53
Depreciation	280.83	223.78	93.29	4.10	374.12	227.88

- (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 no activity is done outside India.

14) 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	Unsecured Loans	8.00
		Guarantee Given	100.00
		Purchases	61.34
		Sundry Creditors	3.01
		Investments (Shares)	37.99
		Sales	53.31
		Sundry Debtors	86.73
		Loans Given	2.11
Mohit Yarns Ltd.	Key Management Personal & Relatives & Their Concerns	Investments (Shares)	157.23
		Investments (Application Money)	0.01
Mask Investments Ltd.	Key Management Personal & Relatives & Their Concerns	Loans Given	1.00
Aayushi Jain	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	1.80
		Creditor for Expenses	1.80
Naresh Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	4.20
		Creditor for Expenses	5.38
Narayan Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	3.60
		Creditor for Expenses	5.03
Manish Saboo	Key Management Personal & Relatives & Their Concerns	Salary Paid	4.20
		Creditor for Expenses	4.04
Mohit Saboo	Key Management Personal & Relatives & Their Concerns	Salary Paid	1.80
		Creditor for Expenses	1.80
Sitaram Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	3.60
		Creditor for Expenses	3.58
Mohit E-Waste Recovery Pvt. Ltd.	Key Management Personal & Relatives & Their Concerns	Investment (Shares)	1.94
Mohit Exim Pvt. Ltd.	Key Management Personal & Relatives & Their Concerns	Unsecured Loans	4.58

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

16) EVENTS OCCURRING AFTER BALANCE SHEET DATE :

The company after the date of balance sheet but before the approval of accounts has sold out its AAC Block Unit at Palghar. The company has sold the unit in June, 2011. Hence, the Unit of AAC Block of Palghar as on the date of approval of accounts has already been sold and there will be no operations with respect to the same after June, 2011.

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

(I) REGISTRATION DETAILS

Registration No. : L17119GJ1991PLC15074
 State Code : 04
 Balance Sheet Date : 31/03/2011

(II) CAPITAL RAISED DURING THE YEAR (AMT. Rs. in ' 000)

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

(III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT Rs. in ' 000)

Total Liabilities	730309	Total Assets	730309
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Sources of Funds

Paid up Capital	116576	Reserve & Surplus	146279
Secured Loans	424953	Unsecured Loans	1258
Deferred Tax Laibility	27180	Warrant Application	14063

Application of Funds

Net Fixed Assets	411985	Investments	27914
Net Current Assets	288235	Misc. Exps.	2175

(IV) PERFORMANCE OF COMPANY (AMT. Rs. in ' 000)

Turnover	1463142	Total Exps.	1419896
Profit Before Tax	43246	Profit After Tax	27669
Earning per share (Rs.)	2.37	Dividend Per Share	1.50

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

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

Item Code No. (ITC Code) 54023300
 Product Description TEXTURISED YARN

Item Code No. (ITC Code) N.A.
 Product Description AAC BLOCKS

As per our Audit Report of even date

For RKM & CO.

Chartered Accountants

(RAMESH KUMAR MALPANI)

Partner

Place : Surat

Date : 26-07-2011

FOR AND ON BEHALF OF BOARD

SITARAM SABOO

Director

NARAYAN SABOO

Director

NARESH SABOO

Director

Place : Surat

Date : 26-07-2011

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	43,245,888.65	20,234,703.56
ADJUSTMENTS FOR:		
1 Depreciation	37,411,913.97	22,788,238.03
2 Preliminary Exp. w/off	856,910.36	463,198.00
3 Priod Period Adjustments	(2,003.00)	-
4 Interest Paid/Payable	38,455,990.07	21,230,162.90
5 Interest, Dividend & Rent Received	(1,068,810.67)	(4,701,022.05)
6 Profit on sale of investments/assets	(7,207,771.07)	(2,125,592.00)
7 (Profit)/Loss on derivative transactions	466,686.46	464,785.26
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	112,158,804.77	58,354,473.70
ADJUSTMENTS FOR:		
1 Trade & Other Receivable		
a) Debtors	(24,324,523.17)	(49,469,328.85)
b) Loans & Advances	(8,977,339.07)	34,139,663.87
2 Inventories	(37,145,300.00)	(44,013,120.00)
3 Trade Payables	24,278,102.53	18,252,349.97
CASH GENERATED FROM OPERATIONS	65,989,745.06	17,264,038.69
1 Interest Paid	(38,455,990.07)	(21,230,162.90)
2 Direct Taxes Paid	(4,130,037.00)	(5,500,561.00)
3 Pre-Operative Expenses Incurred	(45,000.00)	(2,673,554.36)
NET CASH FROM OPERATING ACTIVITIES A	23,358,717.99	(12,140,239.57)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
1 Purchase of Fixed Assets	(77,990,148.97)	(200,233,886.53)
2 Sale/Credit for Fixed Assets	2,300,000.00	2,500,000.00
3 Investments made during the year	-	(213,136.99)
4 Investments Sold during the year	10,289,479.61	6,250,000.00
5 Profit (Loss) on speculative trading of shares/derivative	(466,686.46)	(464,785.26)
6 Loans & Deposits	(20,140,692.60)	(899,145.91)
7 Interest, Dividend & Rent Recd.	1,068,810.67	4,701,022.05
NET CASH USED IN INVESTMENT ACTIVITIES B	(84,939,237.75)	(188,359,932.64)
C. CASH FLOW FROM FINANCING ACTIVITIES		
1 Increase/(Decrease) in Working Capital from Bank	74,804,906.25	57,726,816.72
2 Increase/(Decrease) in Term Loans	(15,686,897.24)	130,189,003.81
3 Unsecured Loans	(3,741,585.00)	5,000,000.00
4 Warrant Application Money Received	14,062,500.00	-
5 Dividend Paid	(10,491,817.50)	-
NET CASH FROM FINANCING ACTIVITIES C	58,947,106.51	192,915,820.53
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(2,633,413.25)	(7,584,351.68)
CASH AND CASH EQUIVALENTS (OPENING)	5,449,870.24	13,034,221.92
CASH AND CASH EQUIVALENTS (CLOSING)	2,816,456.99	5,449,870.24

As per our Audit Report of even date

For RKM & CO.

Chartered Accountants

(RAMESH KUMAR MALPANI)

Partner

Place : Surat

Date : 26-07-2011

FOR AND ON BEHALF OF BOARD

SITARAM SABOO Director**NARAYAN SABOO** Director**NARESH SABOO** Director

Place : Surat

Date : 26-07-2011

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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 Celebration Restaurant, L1, Platinum Plaza, Opp. V.T. Choksi Law College, Athwa Lines, Surat - 395007 Gujarat on Thursday, the 29th day of September, 2011.

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 abovenamed Company,

hereby appoint _____ or failing him _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2011 and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this _____ day of _____ 2011

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





FINANCIAL HIGHLIGHTS

(Rs.in Lacs)

Year Ended March 31	2007	2008	2009	2010	2011
Turnover	9380.19	12148.10	9667.93	10714.59	14542.53
Earning Before Depreciation, Interest and Tax (EBDIT)	605.10	762.59	587.82	642.52	1229.83
Depreciation	126.01	200.85	195.69	227.88	374.12
Profit Before Tax	355.25	387.70	171.41	202.35	432.46
Equity Dividend %	10%	0%	0%	9%	15%
Dividend Payout	116.58	0.00	0.00	104.92	174.86
Equity Share Capital	1165.76	1165.76	1165.76	1165.76	1306.38
Reserves & Surplus	1032.85	1285.53	1395.48	1389.33	1462.79
Net Worth	2181.58	2438.89	2553.48	2525.22	2747.42
Total Assets	4408.71	4871.16	4488.28	6437.51	7281.34
Total Outside Liabilities	2227.13	2432.27	1934.80	3912.29	4533.92
KEY INDICATORS					
EBDIT / Gross Turnover %	6.49	6.28	5.51	6.00	8.46
Net Profit Before Tax %	3.79	3.19	1.77	1.89	2.97
Earning Per Share	2.19	2.17	0.94	1.00	2.37
Book Value per Share (Rs.)	18.71	20.92	21.90	21.66	23.57
Debt : Equity Ratio	1.02	1.00	0.76	1.55	1.65
Current Ratio	1.89	1.52	1.71	1.31	1.14



Mohit Industries Ltd.

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Majura Gate, Ring Road,

Surat - 395002, Gujarat, India

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