



# MOHIT INDUSTRIES LTD.

AN ISO 9001:2015 CERTIFIED COMPANY

04<sup>th</sup> September, 2020

To,

Deptt. Of Corporate Service,  
BSE Limited,  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

REF: Script Code **531453**

Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, c-1 Block G  
Bandra- Kurla Complex, Bandra (E)  
Mumbai- 400050

REF: Script Code **MOHITIND**

**Sub: 30<sup>th</sup> Annual Report of the company for financial year 2019-20**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith 30<sup>th</sup> Annual Report for financial year 2019-20, of the members of Mohit Industries Limited ("the Company") scheduled to be held on 28<sup>th</sup> September, 2020 at the Registered Office of the Company at 6<sup>th</sup> Floor, A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat — 395002, Gujarat to consider and approve the business specified in notice convening the 30<sup>th</sup> Annual General Meeting.

You are requested to take note of the same and disseminated to all concerned

Thanking you

Yours faithfully,

For Mohit Industries Limited

Nikita Pedhiwal  
Company Secretary



**Enclosed: As Above**

CIN No. : L17119GJ1991PLC015074

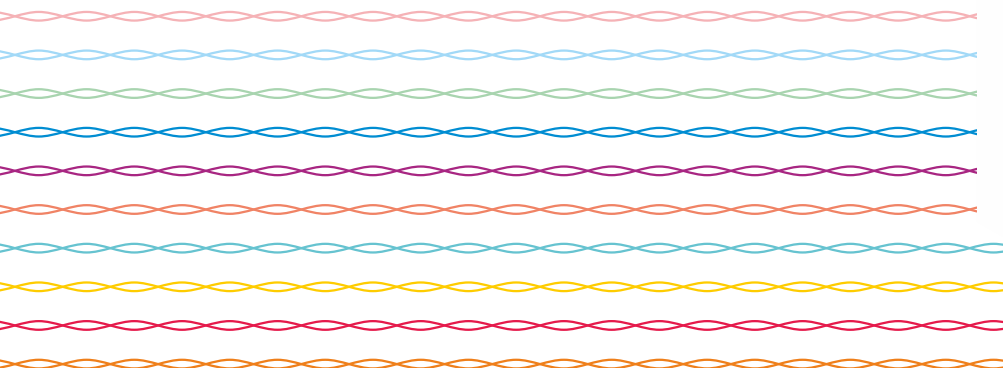
A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395 002.

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E-mail : [contact@mohitindustries.com](mailto:contact@mohitindustries.com) Visit us : [www.mohitindustries.com](http://www.mohitindustries.com)



One of the Top Notch Manufacturers  
of Fabrics & Texturised Yarns



30th Annual Report  
2019-2020





**One of the Top Notch Manufacturers and Exporters of Textile Yarns & Fabrics**

## MILESTONES

**1996**

- Initial Public Offer of 322.50 lakhs.
- Listing of Equity shares in BSE Ltd.
- Turnover exceeds 2,700 lakhs.

**2006**

- Right Issue of Equity shares of 1,373 lakhs.
- Remarkable growth in sales with 100% growth from last year.
- Turnover increased to 7,595 lakhs from 3,900 lakhs.
- 12% Interim Dividend.

**2009**

- New Project of AAC (Aerated Autoclave Concrete) Block started with Production capacity of one lac m3 per annum in Palghar.
- Total 14 Texturising machines, 144 looms, 100 shuttle less water jet loom and 17 TFO machines- production capacity of 18000 MT of Texturised Yarn and 8 million meters of Art Silk Cloth.

**2012**

- Sale of AAC Block Plant to Biltech Building Elements Limited (A Thapar Group Company) for an extraordinary profit.
- Export Earnings Increased to ₹ 3,908 lakhs
- 15 % Final Dividend.

**2013**

- Awarded by Government approved Export House Status.
- New Plant of AAC (Aerated Autoclave Concrete) Block started with Production capacity of three lac m3 per annum at umargaon.
- Listing of Equity shares in NSE.
- Turnover crossed to 19,668 lakhs.

**2015**

- Total 16 Texturising Machines, 144 looms, 150 shuttle less water jet loom and 17 TFO machines- production capacity of 22000 MT of Texturised Yarn and 12 million meters of Art Silk Cloth.
- Export sales recorded at 8,800 lakhs.

**2016**

- Demerger of AAC Block Division at Umargaon to Bigbloc Construction Ltd.
- 10 % Final Dividend.

**2018**

- Export Sales recorded at 6,928 lakhs.
- ISO certification 9001:2015

**2019**

- Export Sales Recorded at ₹ 10,062. 95 lakhs

**2020**

- Export Sales Recorded at ₹ 8,782. 51 lakhs



## Chairman's Letter to Shareholder

### Dear Shareholders,

I am pleased to share with you an update on your Company's performance for 2019-20. The year saw a challenging business environment with lower GDP growth and slowdown in consumption, as the entire value chain is impacted. This resulted into a weakening consumer sentiment and lower demand for the categories in which we operate. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large. Against this backdrop, your Company has delivered competitive, profitable and responsible growth.

I am pleased to inform you that your company has completed successfully financial year 2019-20 with Net profit after Tax for the year recorded ₹ 23.36 lakhs. During the year under review, your Company has recorded net revenue from operations as ₹ 17,501.02 lakhs against revenue recorded of ₹ 19,147.00 lakhs in the previous year.

During Financial year 2019-20, Your Company's export turnover has recorded ₹ 8,782.51 lakhs, against last year's figure of ₹ 10,062.95 lakhs. Your Company is successfully exporting DTY Yarn with a brand name to South Korea, Thailand, Czech Republic, Guatemala, Bulgaria, Indonesia, Japan, Vietnam, Malaysia, Mexico, Colombia and many more Countries.

World economy is likely to contract by 4.9% in Current Year 2020, as per the recent forecast of the International Monetary Fund (IMF). Most developed and developing economies are likely to record a contraction this year. These numbers are worse than during the Global Financial Crisis of 2008-09. On positive side, various Government initiatives and number of export promotion policies for the textile sectors were quick to respond to the crisis.

Details of our growth Strategies and your company's performances during Financial Year 2019-20 have been elaborated in the Directors' Report and Management Discussion Analysis Report Section of this Annual Report.

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

I extend my sincere thanks to all our consumers, Suppliers who are directly or indirectly associated with the company for their support and commitment and our loyal, hardworking and committed employees for their unstinted support, which helped us to reach where we are now.

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

**With Warm regards**  
**Mohit Industries Limited**

**Chairman**  
**Mr. Narayan Sitaram Saboo**



## BRIEF PROFILE OF DIRECTORS

**Mr. Narayan Sitaram Saboo (Managing Director)** is a Co-Founder of Mohit Industries Limited. He is a dynamic personality whose business acumen has enabled the Company to take swift strides forward and achieve new glories, year after year. He Holds degree of Bachelor of Laws (LLB). His function as Managing Director includes envisioning company's growth, Strategy, responsibility for the overall management of the Company. His proactive and practical strategies have been key drivers of company growth. He also oversees the financial aspects of the company. He is actively associated with various Social welfare and charitable Trusts. He is a Member of Surat Textile Association.

**Mr. Naresh Sitaram Saboo (Director)** is an Integral part of Mohit Industries and has been associated with the Company since 1998. His rich experience in Productions, Product Development, Modification of Equipment and system analysis has contributed to the success of MIL. He has international exposure and aware of the latest trends in the manufacturing industry. His role as a director ensures that all the manufacturing activities including procurement of yarn, other raw materials, production planning, control and packing happen in sync with company objectives and values. He has been instrumental in providing strategic direction in selection of technology and machineries in setting up new manufacturing facilities, improvement of production processes and new ventures. Mr. Naresh Saboo embarked upon a purposeful and systematic search for change and opportunity to expand textile business of the company.

**Mr. Manish Narayan Saboo (Director & CFO)** has been associated with the company since 2006 and become member of the board in September 2011. He has completed his Masters in finance from Nottingham University, London. He is responsible for smooth project delivery and coordination. He manages the company's financial, marketing operation in Textile Segment and export activities of the company. His functions as executive director include planning and execution of the company's marketing & Financial Strategy. His active and energetic participation is an inspiration for all members.

**Mr. Sachin Jain (Independent Director)** holds degree of Bachelor of Management Science. He has Rich experience in the field of Textile, Marketing, and Production.

**Mr. Jayesh Gandhi (Independent Director)** holds degree of Bachelor of Commerce. He has wide experience of Textile Industry and Operational Management.

**Mrs. Pragya Memani (Independent Director)** holds degree of Bachelor of Design. She has more than 5 years of experience in the field of fashion Designing.

**Mr. Harmil Shah (Independent Director)** is a qualified in MSc. International Business and Management from University of Bedfordshire, UK. He is having 9 Years' experience in Embroidery Machines and Spares. He is well aware in Facilitating Imports of vast variety of products from China and Asian Countries. His expertise lies in International Business and Handling affairs in China.

## CORPORATE INFORMATION

<b>Corporate Identity Number</b>	:	L17119GJ1991PLC015074	
<b>Board of Directors</b>	:	Mr. Narayan Sitaram Saboo	Managing Director
	:	Mr. Naresh Sitaram Saboo	Director
	:	Mr. Manish Narayan Saboo	Director & CFO
	:	Mr. Jayesh Rasiklal Gandhi	Independent Director
	:	Mr. Sachinkumar Pramod Jain	Independent Director
	:	Mr. Harmil jatimbhai Shah	Independent Director
	:	Mrs. Pragya Memani	Independent Director
<b>Company Secretary</b>	:	Miss. Nikita Kanhiyalal Padiwal	
<b>Statutory Auditors</b>	:	M/s. Rajendra Sharma & Associates, Chartered Accountant	
<b>Bankers</b>	:	South Indian Bank	
	:	The SVC Co-operative Bank Limited	
<b>Registered Office</b>	:	A-601/ B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat, India. Ph: +91 261 2463261, 2463262, 2463263   Fax: +91 261 2463264 Email id: contact@mohitindustries.com	
<b>Plants</b>	:	<b>Kim Plant</b>	
		Plot No. 14 & 15, Block No. 787   Plot No. 30 & 31, Block No. 787 Village: Kudsad, Olpad, Dist. Surat Gujarat India. Email id: factory_kim@mohitindustries.com	
<b>Registrar &amp; Share</b>	:	"Adroit Corporate Services Private Limited"	
<b>Transfer Agents</b>		17-20, Jafferbhoy, Industrial Estate, 1stFloor, Makwana Road, Marol Naka, Andheri (E) Mumbai - 400059, Maharashtra, India. Phone no.: +91 22 42270400 / 28596060   Fax: +91 22 28503748 Email id: info@adroitcorporate.com	
<b>Company Website</b>	:	www.mohitindustries.com	

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## NOTICE

**NOTICE** is hereby given that the **30th Annual General Meeting ("AGM")** of the Members of **MOHIT INDUSTRIES LIMITED (CIN No. L17119GJ1991PLC015074)** will be held on Monday, September 28, 2020 at 11.30 a.m. at 6th Floor, A-601/B, International Trade Centre, Majura Gate, Ring Road Surat- 395002, Gujarat, India to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Manish Narayan Saboo (holding DIN No. 01576187), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.

### SPECIAL BUSINESS:

3. To ratify the remuneration of the Cost Auditor(s) for the financial year ending 31st March, 2021 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Nainesh Kantliwala & CO., Cost Accountants (Registration No. 001303) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company pertaining to Textile Product for the financial year ending 31st March, 2021, amounting to Rs. 50,000/- (Rupees Fifty Thousands only) plus applicable service tax and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed;

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

4. To increase the Authorised Share Capital of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification (s) and reenactment (s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupee ten) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs Only) Equity Shares of Rs. 10/- ( Rupee ten) each;

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share Capital of the Company Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs Only) Equity Shares of Rs. 10/- ( Rupee ten) each.

**RESOLVED FURTHER THAT** Mr. Narayan Saboo, Managing Directors and/or Mr. Manish Narayan Saboo, Director & CFO, and/or Mr. Naresh Saboo, Directors of the Company either jointly or severally be and are hereby authorized to do all such other things, acts and deeds etc. as may be required to comply with all formalities in this regard."

5. To consider the re-appointment of Mr. Narayan Sitaram Saboo (DIN: 00223324) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Narayan Sitaram Saboo as Managing Director of the Company for a period of 5 Years with effect from 01st October, 2020 to 30th September, 2025 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Narayan Sitaram Saboo.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

6. To consider Issuance of equity Shares on Preferential Basis to the Promoter and person belonging to the Promoter Group and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("SEBI (ICDR) Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeover) Regulations 2011 ("SEBI SAST Regulations") as amended from time to time, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), the consent of the members of the company be and is hereby accorded to the Board to create, offer, issue and allot, on preferential basis ("Preferential Issue") to Promoter Group ("Proposed Allottee") upto maximum of 25,00,000 (Twenty Five Lakhs) Equity Shares of face value Rs. 10 (Rupees Ten) at Rs. 10 each per equity, aggregating to Rs. 2,50,00,000 (Rupees Two Crore Fifty Lakhs only) in one or more tranches, in such manner, at such price not being less than the price as may be arrived at in accordance with SEBI (ICDR) Regulations and on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter V of the SEBI (ICDR) Regulations or other applicable laws in this respect to the following persons/entities as mentioned below:

Sr. No.	Name of the Proposed Allottees	No. of proposed Equities to be allotted
1.	NARESH SITARAM SABOO	7,50,000
2.	NARAYAN SITARAM SABOO	5,00,000
3.	MANISH NARAYAN SABOO	6,50,000
4.	MOHIT NARAYAN SABOO	6,00,000
<b>Total</b>		<b>25,00,000</b>

At an exercise price to be determined in accordance with Regulation 164 of the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Relevant Date, as per regulation 161 of the SEBI (ICDR) Regulations, for the determination of issue price for Equity Shares to be issued and allotted be and is hereby fixed as Friday, 28th August, 2020 being the date which is 30 (thirty) days prior to the deemed date of passing of this Resolution at Annual General Meeting i.e. on Monday, 28th September, 2020.

**RESOLVED FURTHER THAT** the issue and allotment of equity shares to the Proposed Allottees, shall be on the following terms and conditions:

- The equity shares shall be allotted within a period of 15 days from the date of passing of Special Resolution;
- Pursuant to Regulation 170 of the SEBI ICDR Regulations, the equity shares to be allotted, shall only be made in dematerialised form and shall, subject to receipt of necessary approvals, be listed and traded on the respective Stock exchange;
- The equity share shall be allotted to Proposed Allottees at a not being less than the price calculated in accordance with the provisions of Regulation 164 of Chapter V of the SEBI ICDR Regulations;
- The 100% of the price of the equity shares to be allotted shall be paid prior to the allotment date;
- The consideration for allotment of equity shares shall be paid to the Company from the Bank Account of the Proposed Allottees;



- f) The equity shares allotted on preferential basis shall remain locked-in from such date and for such periods as specified under Chapter V of the SEBI ICDR Regulations; and
- g) The entire pre-preferential allotment shareholding of the Proposed Allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of trading approval granted by the Stock Exchange for the equity shares allotted as specified under Chapter V of the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Equity Shares to be allotted by board shall rank pari passu in all respect (including as to entitlement to voting powers and dividend) with the existing fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price, reduction of the size of the issue as it may deem expedient, without being required to seek any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** the Equity Shares shall be issued and allotted by the Company pursuant to the aforesaid preferential allotment shall be issued in dematerialized form within a period of 15 days from the date of passing of this resolution, provided that where the issue and allotment of the equity shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** the existing holding of proposed allottee along with Equity Shares to be so allotted shall be subject to lock-in for such period as specified under Chapter V of SEBI (ICDR) Regulation relating to Preferential Issue;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors/Committee(s) of the Board be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the members of the company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any duly constituted and authorized Committee of Directors or any one or more Directors/officials of the Company to give effect to this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

Date : 28th August, 2020  
Place : Surat

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

**Regd. Office:**  
A-601/B, 06th Floor, International Trade Centre,  
Majura Gate, Ring Road, Surat-395002, Gujarat

Sd/-  
**Nikita Pediwal**  
(Company Secretary)

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, or with the physical presence after obtaining permissions from the relevant authorities to conduct the meeting in its registered office. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through physical presence of member after taking all the necessary precautions and approvals from the necessary authorities required for the said purpose.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to business under Item No. 3 to 6 set above in this Notice to be transacted at the AGM is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 30TH ANNUAL GENERAL MEETING. REVENUE STAMP SHOULD BE AFFIXED.**
4. **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. The shareholder needs to furnish the printed attendance slip along with a valid identity proof such as the PAN card, passport, AADHAAR card or driving license to enter the AGM hall. Members holding equity shares in electronic form and proxies thereof are requested to bring their DP Id and client id for identification.
6. Members/Proxies/Authorized Representatives are requested to bring to the AGM, the enclosed Attendance Slip sent along with the Annual Report duly completed and signed mentioning therein details of their DP ID and Client ID/Folio Number. Duplicate Attendance Slip and/or Copies of the Annual report shall not be issued/ available at the venue of the meeting.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Pursuant to provisions of section 91 of the Companies Act, 2013. The Register of Members and share Transfer Book shall remain closed from THURSDAY, 24TH SEPTEMBER, 2020 TO MONDAY, 28TH SEPTEMBER, 2020 (BOTH DAYS INCLUSIVE) for purpose of 30th AGM of the company.
9. Brief profile and other relevant information about Directors seeking appointment / re-appointment, in accordance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are attached to this Notice forming part of the Annual Report.
10. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transmission or transposition of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.
11. The Company and the RTA has been mandated by Securities and Exchange Board of India (SEBI) vide circular dated April 20, 2018 for submission of Permanent Account Number (PAN) by every participant in securities market to maintain copy of the Permanent Account Number (PAN) and the Bank Account details of all the Members. Members who has not yet submitted are, therefore, requested to submit their self-attested PAN and original cancelled cheque leaf/attested bank passbook showing name of the Account Holder and Aadhaar Card to the Company/RTA.
12. As per the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are advised to make nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with M/s Adroit Corporate Services Private Limited, Company's Registrar and Share Transfer Agents, whilst those Members holding shares in dematerialized mode should file their nomination with their Depository Participant(s).
13. Members holding shares in physical form are requested to promptly notify in writing any changes in their address/bank account details/e-mail address/mandates/nominations/power of attorney/ contact numbers etc., to the Adroit Corporate Services Pvt. Ltd., 19/20 Jaferbhoy Ind. Estate, 1st floor, Makwana Road, Marol, Andheri (E), Mumbai – 400 059, Tel : +91- 22-28596060/ 28594060.

14. Members holding shares in electronic form are requested to intimate immediately any changes pertaining to their address/ bank account details/ e-mail address/mandates, nominations/power of attorney/contact numbers etc., if any, directly to their Depository Participant(s) with whom they maintain their demat accounts.
15. Pursuant to the provisions of Section 124 of the Act and IEPF Rules 2016, the amount of dividend not encashed or claimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government.

Accordingly, during the financial year 2019-20 the Company has transferred the unpaid and unclaimed dividend amount, pertaining to Financial Year 2011-12 (Final Dividend) to the IEPF. Shareholders are requested to ensure that they claim the dividend(s) from the company before transfer of said dividend amount to the IEPF. Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2020 on the website of the Company ([www.mohitindustries.com](http://www.mohitindustries.com)). The details of unclaimed dividends for the financial year 2015-16 onwards and the last date for claiming such dividends are given below:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on 31st March, 2020	Due Date for transfer to IEPF
2015-2016 (Final Dividend)	23/08/2016	₹ 59,781.00	22/09/2023

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid after period of seven (7) years from the dates of they become due for payment.

16. Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires Company to transfer the equity shares on which the dividend has not been encashed or unclaimed for a continuous period of seven years or more to designated demat account of Investor Education and Protection Fund Authority ('IEPF Demat Account'). Accordingly, during financial year 2019-20 the Company has transferred 7,453 Equity Shares of Rs. 10/- each to the IEPF Account on which the dividends had remained unpaid or unclaimed for seven consecutive years or more after following the prescribed procedure. Details of these shares are available in the Company's website and can be viewed at [www.mohitindustries.com](http://www.mohitindustries.com). The Statement of Unclaimed Dividend amount for 7 consecutive years or more and Shares due for transfer to IEPF Demat Account is placed on the website of the Company at [www.mohitindustries.com](http://www.mohitindustries.com). The said Shares, once transferred to the said demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF rules.
17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with rules made there under, Soft copy of the Notice of AGM along with the copy of Annual Report has been sent to those shareholders who have registered their e-mail IDs with the company or whose e-mail IDs have been made available by the Depositories. The aforesaid documents can also be accessed on the Company's website: [www.mohitindustries.com](http://www.mohitindustries.com). Further, in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>
18. To support the "Green Initiative" and for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically, company requests those members who have not yet registered their e-mail address, to register the same along with the contact numbers directly with their DP, in case shares are held in electronic form or with the company by sending details to [investor\\_relations@mohitindustries.com](mailto:investor_relations@mohitindustries.com) or with Adroit Corporate Services Pvt. Ltd. at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
19. Members Seeking any information relating to the Accounts may write to the company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready, at following address: Accounts Department, Mohit Industries Limited, A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002 Ph: +91-261-2463261/62/63 Fax: +91-261-2463264 or [contact@mohitindustries.com](mailto:contact@mohitindustries.com).
20. The details of the directors seeking appointment/re-appointment at the 30th Annual General Meeting are provided at Annexure A to this Notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.
21. A route map showing directions to the venue of the 30th AGM is given at the end of this Notice as per the requirement of the Secretarial Standard-2 on "General Meetings".

#### E-VOTING FACILITY

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), and in terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting

Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

1. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights at the meeting through ballot paper.
2. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
3. The remote e-voting period commences on Thursday, 24th September, 2020 (9:00 am) and ends on Sunday, 27th September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 21st September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
4. Members desiring to vote through remote e-voting may refer to the following steps :

**Step 1 :** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2 :** Cast your vote electronically on NSDL e-Voting system.

**Step 1 : How to log in to the NSDL e-voting website?**

- I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- IV. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- V. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'.
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- VI. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password :

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com)

- b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

VIII. Now, you will have to click on "Login" button.

IX. After you click on the "Login" button, Home page of e-Voting will open.

#### **Step 2: How to cast your vote electronically on the NSDL e-voting system?**

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  - II. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  - III. Select "EVEN" of "Mohit Industries Limited".
  - IV. Now you are ready for e-Voting as the Voting page opens.
  - V. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  - VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
  - IX. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.
5. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mohitindustries@drdcs.net](mailto:mohitindustries@drdcs.net) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  6. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting Website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  7. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or contact Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. +91-22-24994600/24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email ID: [investor\\_relations@mohitindustries.com](mailto:investor_relations@mohitindustries.com) or contact at telephone no. 0261-2463261.
  8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date of Monday, 21st September, 2020.
  9. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of notice of AGM and holds shares as of the cut-off date i.e 21st September, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at [investor\\_relations@mohitindustries.com](mailto:investor_relations@mohitindustries.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  10. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the General Meeting through ballot paper. A person who is not a Member as on the cut-off date should treat this Notice as for information purpose only.
  11. Mr. Dhiren R Dave., Practicing Company Secretaries, FCS 4889, CP No. 2496, has been appointed as the Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner.
  12. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.



13. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.mohitindustries.com](http://www.mohitindustries.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

#### **Explanatory Statement setting out material facts under Section 102 of the Companies Act, 2013**

##### **Item No. 3**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Nainesh Kantliwala & CO., Cost Accountants (Registration No. 001303) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

Your Board recommends the resolution at Item No. 3 as on Ordinary Resolution for approval of the members.

None of the Directors and/or any Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

##### **Item No. 4**

The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten) each. Post the issue of Equity Shares of the Company, the Paid-up Capital of the Company will increase to Rs. 16,65,75,750/- therefore required to alter the Authorised Capital in order to raise further Capital by the Company. In order to avoid any delay in raising fund during any unforeseen exigencies on account of breach of Authorised Capital limit, it is proposed to raise the limit upto which the Company can issue further equity, by enhancing the Authorised Capital to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten) each.

Pursuant to section 61 of the Companies Act, 2013, the proposed increase in Authorised Capital and the consequential changes in Clause V of the Memorandum will require the approval of the Members of the Company.

The resolution is therefore proposed at Item No. 4 of the Notice to increase the Authorised Share Capital of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this resolution.

The Directors recommend the resolution at Item No.4 of the accompanying Notice for the approval of the Members of the Company.

##### **Item No. 5**

On 25th Annual General Meeting of the company, the Members had appointed Mr. Narayan Saboo as the Managing Director of the Company for a period of five years w.e.f. 01.10.2015 and his term as the Managing Director would be expiring on 30.09.2020. Concurring with the recommendations of the Nomination and Remuneration Committee, based on qualifications, experience and contribution of Mr. Narayan Saboo, the Board in its meeting held on 24th August, 2020, has decided to re-appoint him as Managing Director for a further period of 5 years w.e.f. 01st October, 2020, subject to the approval of members at the Annual General Meeting of the Company at the following remuneration fixed by the Nomination and Remuneration Committee for a period of 5 years from the date of his re-appointment:

1. Salary: Rs. 50,000/- Per Month
2. Perquisites : Mr. Narayan Saboo will be entitled to; - allowances like leave travel allowance, personal allowance, special allowance, grade allowance and/ or any other allowance; - perquisites such as furnished / unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits, amenities; -commission / incentive;
3. In the event of absence or inadequacy of profits in any financial year, Mr. Narayan Saboo, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment thereof.

4. Mr. Narayan Saboo will undertake such travel in and outside India as may be necessary from time to time in relation to the business of the Company.
5. Mr. Narayan Saboo shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company.
6. No sitting fee shall be paid to Mr. Narayan Saboo as Managing Director for attending the meetings of the Board of Directors or any Committee/s thereof.
7. Mr. Narayan Saboo will be subject to all other service conditions as applicable to any other employee of the Company.
8. A brief profile of independent Directors to be appointed, including nature of their expertise and other disclosure as required under clause 49 of listing agreement, is provided at Annexure A of this Notice.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company.

Your Directors recommend Resolution at Item No. 4 as a Special Resolution for approval of the members

Except Mr. Narayan Saboo and their relatives being an appointee, none of the Directors and/ or any Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

#### Item No. 6

The Company needs funds to meet its working capital requirements. It was therefore thought expedient to raise the funds through issue of equity shares to Person/entities forming part of the Promoter and Promoter group of the Company on Preferential basis.

The Board of Directors of the Company at its meeting held on August 28, 2020 has decided to issue, offer allot equity shares of face value Rs.10/- (Rupees Ten Only) each of the company at a Rs. 10/- (Rupees Ten only) each equity shares on preferential basis to Person/entities forming part of the Promoter and Promoter group of the Company in accordance with Chapter V of the SEBI ICDR Regulations, 2018 subject to approval of shareholders.

Equity shares shall be allotted within 15 days from the date of passing of special resolution.

Pursuant to the provisions of section 62 (1) (c) of Companies Act, 2013, preferential allotment of equity shares needs to be approved by the shareholders by passing special resolution. In terms of Regulation 163 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the following disclosures are made.

The disclosures under Resolution No. 6 of this Notice, as required in accordance with the Act, the SEBI (ICDR) Regulations, 2018 and other applicable Regulations in relation thereto are as under:

#### 1. A. The objects of the preferential issue:

The object of the issue is to will be utilized to finance the growth plans of the Company, market development, strengthen financial structure, enhancing liquidity, working capital resources and for General corporate purposes.

#### B. Maximum number of specified securities to be issued and pricing of Preferential Issue:

The resolution set out in the accompanying Notice authorizes the Board to issue upto 25,00,000 (Twenty five Lakhs) equity shares of face value of Rs. 10/- (Rupees Ten) each of the Company at Rs. 10/- (Rupees Ten Only) per Equity share to be issued to persons/entities belonging to Promoter and promoter Group on preferential basis.

#### C. The class or class of persons to whom the allotment is proposed to be made

The allotment is proposed to be made to Promoter and Promoter Group Category.

#### D. Proposal of the Promoters/ Directors/ Entities/Key Management Persons to subscribe to the offer

None of Director/ Key managerial personnel/ Entities except Mr. Narayan Saboo (Managing Director), Naresh Saboo (Director), Manish Saboo (Director & CFO) and Mohit Saboo, belongs to promoter group intends to subscribe to any equity shares. No other Directors and Key Managerial Personnel of the issuer is intending to subscribe the shares.

#### E. Shareholding Pattern of the company before and after the Preferential Issue

The shareholding pattern before and after the allotment of 25,00,000 Equity Shares would be as under:

S. No.	Category	Pre- Issue As on 30TH June, 2020		Post – Issue #	
		No of shares	Percentage of Holding	No of Share	Percentage of Holding
<b>(A)</b>	<b>Shareholding of Promoter/ Promoter Group</b>				
<b>1)</b>	<b>Indian</b>	--	--	--	--
a	Individuals/ Hindu Undivided Family	--	--	--	--
<b>b</b>	<b>Bodies Corporate</b>	<b>5598112</b>	<b>39.54</b>	<b>5598112</b>	<b>33.61</b>
	Mask Investments Ltd	1428881	10.09	1428881	8.58
	Mohit Overseas Ltd	1598622	11.29	1598622	9.60
	Mohit Yarns Ltd	1970609	13.92	1970609	11.83
	Mohit Exim Pvt Ltd	600000	4.24	600000	3.60
c	Financial Institutions/ Banks	--	--	--	--
d	Any Others				
	<b>Director's Relatives</b>	<b>1746431</b>	<b>12.33</b>	<b>4246431</b>	<b>25.49</b>
	Madhu Narayan Saboo	431359	3.05	431359	2.59
	Sonia Naresh Saboo	60000	0.42	60000	0.36
	Sitaram Nandlal Saboo	240021	1.70	240021	1.44
	Ayushi Manish Saboo	60000	0.42	60000	0.36
	Mohit Narayan Saboo	162836	1.15	762836	4.58
	Narayan Sitaram Saboo HUF	27866	0.20	27866	0.17
	Sitaram Nandlal Saboo HUF	30100	0.21	30100	0.18
	Directors				
	Narayan Sitaram Saboo	580385	4.10	1080385	6.49
	Manish Narayan Saboo	75440	0.53	725440	4.36
	Naresh Sitaram Saboo	78424	0.55	828424	4.97
	Sub Total(A)(1)	7344543	51.87	9844543	59.10
<b>2</b>	<b>Foreign</b>				
a	Individuals (NRI/ Foreign Individuals)	-	-	-	-
b	Bodies Corporate	-	-	-	-
c	Institutions	-	-	-	-
d	Any Other	-	-	-	-
	<b>Sub Total(A)(2)</b>	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>				
<b>B)</b>	<b>Public shareholding</b>				
<b>B1</b>	<b>Institutional Investors</b>				
a	Mutual Funds	-	-	-	-
b	Venture Capital Funds	-	-	-	-
c	Alternate Investments Funds	-	-	-	-
d	Foreign Venture Capital Investors	-	-	-	-
e	Foreign Portfolio Investors	-	-	-	-
f	Financial Institutions/Banks	597	0.00	597	0.00
g	Insurance Companies	-	-	-	-
h	Provident Funds / Pension Funds	-	-	-	-
i	Any Other	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>597</b>	<b>0.00</b>	<b>597</b>	<b>0.00</b>
<b>B2</b>	<b>Non-institutional Investors</b>				
a	Indian Bodies Corporate	1069170	7.55	1069170	4.62
b	Resident Individuals	5687915	40.18	5687915	24.56
c	Clearing Member	2977	0.02	2977	0.01
d	NRI	31355	0.22	31355	0.14
e	Trust	5001	0.04	5001	0.02
f	Investor Education And Protection Fund	16017	0.11	16017	0.07
	<b>Sub-Total (B)(2)</b>	<b>6812435</b>	<b>48.13</b>	<b>6812435</b>	<b>40.90</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>6813032</b>	<b>48.13</b>	<b>6813032</b>	<b>40.90</b>
	<b>TOTAL (A)+(B)</b>	<b>1,41,57,575</b>	<b>100.00</b>	<b>16657575</b>	<b>100.00</b>

**Note:-**

1. The table shows the expected shareholding pattern of the Company upon assumption of the allotment and assumes that holding of all other shareholders shall remain the same post issue as they were on the date on which the pre issue shareholding pattern was prepared.

**f. Proposed time within which the preferential shall be completed**

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of the Equity Shares on or before the expiry of 15 (fifteen) days from the date of passing of Special Resolution by the Members granting consent for issue and allotment of the Equity Shares, and in the event the allotment of the Equity Shares requires any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s) or permission or within such further period as may be prescribed or allowed by the SEBI, Stock Exchanges or other regulatory authority or the Central Government, as the case may be.

**g. Identity of the natural persons/entities who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the Company consequent to the preferential issue**

The details of the Proposed Allottees are as per the following table. No change in control is contemplated consequent to the proposed preferential issue of Equity Shares. There will not be any change in the management control of the Company on account of the proposed preferential allotment of Equity Shares except a corresponding change in the shareholding pattern as well as the voting rights. The Company has not made any preferential allotment of Equity Shares or convertible securities during the current financial year.

Name of Proposed Warrant Allottees	Category	Pre Issue Shareholding		Proposed Allotment	Post issue *		Details of Ultimate Beneficial Owners
		No. of Equity Shares	%	No. of Equity shares	No. of Equity Shares	%	
Narayan Sitaram Saboo	Promoter	580385	4.10	500000	1080385	6.49	Narayan Sitaram Saboo
Naresh Sitaram Saboo	Promoter	78424	0.55	750000	828424	4.97	Naresh Sitaram Saboo
Manish Narayan saboo	Promoter	75440	0.53	650000	725440	4.36	Manish Narayan saboo
Mohit Narayan Saboo	Promoter	162836	1.15	600000	762836	4.58	Mohit Narayan Saboo

- h. The Company hereby undertakes that, It would re-compute the price of the equity shares mentioned above in accordance with SEBI ICDR Regulations, wherever it is required to do so;

- i. The Company hereby undertakes that, if the amount payable on account of re-computation of the price is not paid by the Proposed Allottees within the time specified under SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the Proposed Allottees.

**j. Disclosure as specified in under Regulation 163 (1) (i) of the SEBI (ICDR) Regulations.**

- It is hereby confirmed that neither the Company nor its promoters and Directors and to the Company's Knowledge any of its Promoters is a willful defaulter.
- It is hereby confirmed that neither the Company nor its promoters and Directors is declared as fugitive economic offender under Fugitive Economic Offender Act, 2018.
- Valuation for consideration other than cash: Not applicable.
- The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not applicable.
- The proposed securities on preferential basis shall be issued in cash to the proposed allottee of Persons/entities forming part of the Promoter and Promoters group of the Company at a price to be determined in accordance with the SEBI (ICDR) Regulations, 2018.

**h. Lock in Period**

The proposed allotment of equity shares shall be subject to lock-in as per the provisions of Chapter V of the SEBI (ICDR) Regulations, 2018. Further, the entire Pre-Preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date up to a period of six months from the date of the trading approval received from the Stock Exchanges. [Here the date of trading approval shall be reckoned as the latest date when trading approval has been obtained from the Stock Exchanges where it is listed].

**i. Pricing of the issue and Relevant Date**

The issue price will be determined in accordance with Regulation 164 of the SEBI (ICDR) Regulations. The issue of equity shares on preferential basis shall be made at a price not less than higher of the price derived in terms of chapter V of SEBI (ICDR) Regulations.

The Equity Shares of the Company are infrequently traded as per SEBI (ICDR) Regulations. The Preferential issue price has been

derived after considering the book value, comparable traded companies multiples and such other parameters as decided by the Board of the Company.

The "Relevant Date" as per the SEBI (ICDR) Regulations, for the determination of the offer, issue and allotment of the Equity Shares by way of preferential issue, for determination of minimum price for the issue of said equity shares is Friday, 28th August, 2020 being the date which is 30 (thirty) days prior to the deemed date of passing of special Resolution in the Annual General Meeting i.e. on Monday, 28th September, 2020.

**j. Auditor's Certificate**

A copy of the certificate from Mr. Jigar P. Shah, Company Secretary, and registered valuer certifying that the proposed preferential issue is being made in accordance with the requirements contained in Chapter V of the SEBI (ICDR) Regulations, 2018, shall be available for inspection at the Registered Office of the Company during office hours on all working days upto the last date Annual General Meeting i.e. on Monday, 28th September, 2020.

**k. No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

During the period from 1st April, 2019 till date of this Notice, the Company has not offered, issued and allotted any Equity shares on preferential basis to person/entities forming part of the promoter and promoter group of the Company.

**l. Terms of Issue of the Equity Shares, if any.**

1. The Equity Shares allotted in terms of this resolution shall rank pari-passu with existing equity shares of the Company in all respects.
2. The Proposed allottees have not sold/transferred any equity shares during the six months preceding the Relevant Date.
3. Price of Equity shares would be calculated at the price which is computed as per pricing formula specified under regulation 164 of SEBI ICDR Regulations.
4. 100% of consideration amount shall be payable before the allotment of Equity shares.
5. Upon receipt of payment as above the Board (or the committee authorized by the Board) shall allot equity share of Rs. 10/- each which shall be adjusted towards equity share capital and balance amount paid against each share towards share premium.
6. The equity shares to be issued and allotted by the Company in the manner aforesaid shall be in dematerialized form and subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing equity shares of the Company and be listed on the stock exchanges where the equity shares of the Company are listed.

**m. Listing:**

The Company will make an application to the Stock Exchanges at which the existing shares are listed, for listing of the equity shares. Such equity shares, once allotted, shall rank pari-passu with the then existing equity shares of the Company in all respects, including dividend.

The approval of the Members by way of Special Resolution is required in terms of the applicable provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI (ICDR) Regulations and accordingly the approval of the Members of the Company is being sought.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Act only after the approval of its shareholders by way of a special resolution has been obtained. Further in terms of Regulation 160 of SEBI (ICDR) Regulations, 2018 a special resolution needs to be passed by shareholders of a listed company prior to issue of specified securities on preferential basis.

The resolutions as set out in Item No. 6 and the terms stated therein and in the explanatory statement hereinabove shall be subject to the guidelines/ regulations issued/ to be issued by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other regulatory/ statutory authorities in that behalf and the Board shall have the absolute authority to modify the terms contained herein or in the said resolution, if required by the aforesaid regulatory/ statutory authorities or in case they do not confirm with the ICDR Regulations including any amendment, modification, variation or reenactment thereof.

The approval of the Members is being sought to enable the Board to decide on the issue of the Equity Shares on a preferential basis, to the extent and in the manner as set out in the respective resolutions and the explanatory statement. The Board believes that the proposed issue is in the best interest of the Company and its members and accordingly, it recommends passing of the Special resolution as set out at Item No.61 of this Notice, for the approval of the Members.

None of the directors, Key managerial personnel or any relative of any of the directors or key managerial personnel of the Company or entities is, in anyway, concerned or interested in the above resolution except Mr. Naresh Saboo, Narayan Saboo, Mohit Saboo and Mr. Manish Saboo and their relatives.

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

Sd/-

**Nikita Pedwal**

(Company Secretary)

**Date** : 28 August, 2020

**Place** : Surat



## ANNEXURE A TO THE NOTICE

## DISCLOSURE PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, RELATING TO DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AT THE AGM

<b>Particulars</b>	Mr. Narayan Sitaram Saboo	Mr. Manish Saboo
<b>Date of Birth</b>	12/12/1961	13/11/1984
<b>Date of First Appointment</b>	18/02/1991	29/09/2011
<b>Expertise in Specific General Functional Area</b>	<ul style="list-style-type: none"> <li>• He has 34 years of Experience in management and operations of Textile Business and 10 years of experience in AAC Block Business.</li> <li>• Providing industry wise leadership and management strategy are his key area of expertise.</li> <li>• He is Co-founder of Mohit Industries Limited and has invaluable contribution in the growth of Company.</li> <li>• He is actively associated with various social welfare and charitable trusts. He is also member of Surat Textile Association.</li> </ul>	<ul style="list-style-type: none"> <li>• Rich experience in Finance and Management</li> <li>• 9 years of experience in export of textile products</li> <li>• Expertise in dealing with International companies and agencies and having knowledge of international exposure for variety of Businesses.</li> </ul>
<b>Qualification</b>	B. COM & LLB	MBA in finance from Nottingham University, London
<b>Directorship held in other public limited Companies</b>	<ul style="list-style-type: none"> <li>• Mohit Industries Limited,</li> <li>• Bigbloc Construction Limited,</li> <li>• Mask Investment Limited,</li> <li>• Soul Clothing Private Limited,</li> <li>• Mohit Overseas Limited,</li> <li>• Mohit Exim Private Limited,</li> <li>• Starbigbloc Building Material Private Limited (Formerly known as 'Hilltop Concrete Private Limited')</li> </ul>	<ul style="list-style-type: none"> <li>• Mohit Industries Limited,</li> <li>• Bigbloc Construction Limited,</li> <li>• Mohit Overseas Limited,</li> <li>• Starbigbloc Building Material Private Limited (Formerly known as 'Hilltop Concrete Private Limited')</li> </ul>
<b>Membership/ Chairmanship of Committees of other Public Companies</b>	Nil	Nil
<b>No. Of Shares held in the company</b>	5,80,385	75,440
<b>Relationship between Directors/ KMP inter-se</b>	Mr. Narayan Saboo is Brother of Mr. Naresh Saboo, Director of the Company and Father of Mr. Manish Saboo, Director & CFO of the Company.	Mr. Manish Saboo is a Son of Mr. Narayan saboo, Managing Director of the company

**Route MAP to the Venue of the 30th Annual General Meeting of Mohit Industries Ltd to be held on September 28, 2020 at at 11.30 a.m. at 6th Floor, A-601/B, International Trade Centre, Majura Gate, Ring Road Surat- 395002, Gujarat**



## DIRECTORS' REPORT

To  
The Members  
**MOHIT INDUSTRIES LIMITED**

Your Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

### FINANCIAL RESULT AND PERFORMANCE:

(₹ in Lakhs except EPS)

PARTICULARS	STANDALONE		CONSOLIDATED	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Sales (net excise duty)	17501.02	19,147.00	17,501.02	19,147.00
Other income	308.73	395.91	308.73	395.91
Profit Before Interest & Depreciation	997.76	1300.73	997.76	1300.73
(-) Finance Cost	673.26	856.80	673.26	856.80
(-) Depreciation	311.46	383.36	311.46	383.36
Net Profit before tax & Exceptional items	13.05	60.57	13.04	60.57
(+) Exceptional Items	(1.939)	-	--	0.41
Net Profit Before prior period item & tax	11.11	60.57	13.04	60.99
(+) Prior period item	-	-	-	-
(-) Tax Expense	(12.25)	(7.83)	(12.25)	(7.83)
Share in Profit of Associates & Minority Interest	-	-	(30.16)	1.38
<b>Net Profit for the year after tax</b>	<b>23.36</b>	<b>68.40</b>	<b>(4.86)</b>	<b>70.19</b>
<b>Total Comprehensive Income for period</b>	<b>22.53</b>	<b>38.16</b>	<b>(187.27)</b>	<b>(3257.43)</b>
Earnings per share (Basic & Diluted) (In ₹)	0.16	0.48	(0.03)	0.50

#### 1. COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity resulting temporary closure of our manufacturing operations. The Company had resumed its operations in a gradual manner putting in place the mandatory protocols for all our employees as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India. The policies revolve around safety, for self, Safety at Home, Safety for family, Safety in Transit, Safety of Colleagues, Safety at Workplace and Safety for Community. There had been a temporary halt in the supply chain of the Company due to the lockdown regulations, however the supply chain now is slowly coming back to its normal phase; the problem of shortage of drivers for both inbound and outbound transport is being faced by the business at this time.

#### 2. DIVIDEND

With a view to conserve the resources for the Company's Business operations, your directors have deemed it prudent to not to recommend any dividend for the year ended 31st March, 2020. During the year under review, no amount from profit was transferred to General Reserve.

#### 3. SHARE CAPITAL

The Paid up equity share capital as on March 31, 2020 was ₹ 1415.76 lakhs divided into 14,157,575 equity shares of ₹ 10 each. During the year under review, the Company has neither issued any shares/convertible warrant nor has granted any stock options and nor sweat equity.

#### 4. STATE OF THE COMPANY'S AFFAIRS

During the year under review, your Company has recorded its net revenue from operations as ₹ 17501.02 lakhs against revenue recorded of ₹ 19,147.00 lakhs in the previous year. The EBITD recorded at ₹ 997.76 lakhs against last year's figure of ₹ 1300.73 lakhs. Net profit after tax is recorded at ₹ 23.36 lakhs against previous year net profit of ₹ 68.40 lakhs. Your company has 16 Texturising Machines, 150 High Speed Shuttle-less water jet Looms with a capacity to manufacture 18,000 tonnes of Draw Texturised Yarn (DTY) per annum and 14 Million meters Grey fabrics per annum respectively.

#### 5. EXPORT

The Company has exported DTY Yarn with a Premium and in its Brand Name to South Korea, Thailand, Czech Republic, Guatemala, Bulgaria, Indonesia, Japan, Vietnam, Malaysia, Mexico, Colombia and many more Countries. The Company is having star export house status. During the year under review, your company has recorded export turnover of ₹ 8,782.51 lakhs, against last year's figure of ₹ 10,062.95 lakhs. Your company also holds Certificate of Oeko-Tex® Standard 100.

**6. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in the prescribed format is annexed as Annexure- 1 to the Director's Report.

The web link for the Annual Return placed on the Company's website is [www.mohitindustries.com/downloads/annual-report/2019-2020](http://www.mohitindustries.com/downloads/annual-report/2019-2020).

**7. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of Mohit Industries Limited, its subsidiaries and its associates is prepared in accordance with Ind AS- 110 on Consolidated Financial statements and Equity method of accounting given in Ind AS - 28 on "Accounting of Investments in Associates in Consolidated Financial statements". The details of such subsidiary and associates are as follows:-

Sr. No.	Name of company	Nature of relation
2.	Mohit Overseas Limited	Associates
3.	Mohit Yarns Limited	Associates

**8. BUSINESS GROWTH**

Your Company has a dedicated team of Management and Operating Personnel who have been instrumental in the growth of the business over the years. Your Directors believe that the Company has the potential to further scale up its business volumes and profitability and are in the process of identifying new avenues of growth and effective utilization of its existing resources.

**9. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

There are two associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act") as on 31st March, 2020.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries/ Associate Companies and Joint Ventures is given in Form AOC-1 and forms an integral part of this Annual Report.

**10. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from Mr. Dhiren Dave, Company Secretary in practice, confirming compliance and Management Discussion Analysis Report forms an integral part of this Annual Report.

**11. FIXED DEPOSITS**

During the year under review the company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

**12. DIRECTORS**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manish Saboo, Director (DIN: 01576187) will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. The details of the aforesaid Directors, his expertise in various functional areas as required to be disclosed under Regulation 36 (3) of the Listing Regulations, form part of the Notice of the ensuing Annual General Meeting.

The Board of Directors at their meeting held on 28th August, 2020 had decided to re-appoint Mr. Narayan Saboo as managing Director for a term of 5 years with effect from 01st October, 2020, subject to approval of Members in the ensuing Annual General meeting.

During the financial year, other than as stated above no changes have been occurred in the Directors of the Company. The details of the aforesaid directors, his/her expertise in various functional areas as required to be disclosed under Regulation 36 (3) of the Listing Regulations, form part of the Notice of the ensuing Annual General Meeting.

**13. DECLARATION FROM INDEPENDENT DIRECTORS**

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with rules framed thereunder.

**14. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. The performance of the Board / Committee was evaluated after seeking inputs from all the Directors / Committee members on the basis of the defined criteria including composition and structure, effectiveness of meetings, information and functioning. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated, on the basis of relevant knowledge, expertise, experience, devotion of time and attention to company's long term strategic issues and understanding of duties, roles and function as Independent Director. The Directors expressed their satisfaction with the evaluation process.

**15. NUMBER OF MEETINGS HELD**

The Board met Eight times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulations.

**16. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes and other matters provided under sub section (3) of section 178 of the Companies Act 2013. The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure- 2 to the Director's Report and also available on Company's website [www.mohitindustries.com](http://www.mohitindustries.com).

**17. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a Vigil mechanism/ Whistle Blower Policy. This policy is also posted on the Company's website [www.mohitindustries.com](http://www.mohitindustries.com).

**18. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company has formulated a familiarization program for the Independent Directors to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of such program are available on the Company's website [www.mohitindustries.com](http://www.mohitindustries.com).

**19. COMPOSITION OF KEY MANAGERIAL PERSONNEL (KMP)**

The Company has the following KMP;

Name of KMP	Designation	Date of Appointment in current Designation	Date of Resignation
Mr. Narayan Saboo	Managing Director	28/09/2015	N.A
Mr. Manish Saboo	Director & CFO	30/05/2014	N.A
Miss. Nikita Pediwal	Company Secretary	15/04/2019	N.A

**20. COMPOSITION OF AUDIT AND NOMINATION & REMUNERATION COMMITTEE**

The Audit Committee comprises of Mr. Sachin Jain (Chairman), Mr. Jayesh Gandhi (Member) and Mr. Narayan Saboo (Member). The Nomination and Remuneration Committee comprises of Mr. Sachin Jain (Chairman), Mr. Jayesh Gandhi (Member) and Mrs. Pragya Memani (Member). Brief details on the committee are given in the Corporate Governance Report. All the recommendations of the audit committee are accepted by the Board.

**21. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013 that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures; the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended on that date;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**22. STATUTORY AUDITORS**

M/s. Rajendra Sharma & Associates, Chartered Accountants (FRN: 108390W) were appointed as the Statutory Auditors of the Company at the 27th Annual General Meeting of the Company held on 07th August, 2018 for a term of five consecutive years commencing from financial year 2017-18 up to Financial Year 2021-22, from conclusion of the 27th Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting of the Company and their appointment would be placed for ratification by the members at every Annual General Meeting during the said term.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

**AUDITORS' REPORT**

Members' attention is invited to the observation made by the Auditors under "Qualified Opinion" appearing in Auditors Reports.: The Company has not provided for Post-Employment Benefits and other long-term employee benefits under Defined Benefit Plans on accrual basis but provides the same as and when they become due for payment. This method of accounting of Post-Employment Benefits and other long-term employee benefits under Defined Benefit Plans is in deviation with Ind AS – 19 on Employee Benefits. As there is no actuarial report or basis of calculation available with the management of such Post-Employment Benefits and other long-term employee benefits, the quantum of deviation cannot be ascertained. If the company had followed the method accounting as per Ind AS – 19, then employee benefit expense would have increased and correspondingly Profit for the period would have reduced.

"The Board is of the opinion that the Provision for the Long term Employees are determined on the basis of actuarial Valuation Method & technique prescribed in the Accounting Standard. The Consulting fees by actuaries for determining the Provision for long term benefit Plan is even higher than the Annual Liability of the company for Long term benefits. The company has decided to pay the Long term benefits as and when it becomes due as the amount is negligible and it is not going to make any impact on the financial Position of the company. Considering the size of the company and negligible liability, the company has not made provisions for Long term employee benefits & Defined benefits plan"

**23. COST AUDITOR**

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Nainesh Kantliwala & CO, Cost Accountants, (Firm Registration Number 001303) as Cost Auditor to conduct the audit of company's cost records for the financial year 2020-21 at a remuneration of 50,000/- (Rupees Fifty Thousands only) plus applicable service tax and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting and in this connection resolution seeking member's approval forms part of the Notice convening the 30th Annual General Meeting.

**24. SECRETARIAL AUDIT**

Mr. Dhiren R Dave, Surat, Practising Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 read with rules framed there under. The Secretarial Audit Report for F.Y 2019-20 is annexed as Annexure-3 to the Director's Report. There is no secretarial audit qualification for the year under review.

**25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

**26. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The transactions with related parties as per requirements of Indian Accounting Standard (IND AS-24)– 'Related Party Disclosures' are disclosed in Note No. 36 of Notes to Accounts. All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained for transactions which are of repetitive nature. The policy on materiality of Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report. None of the Directors/KMP has any pecuniary relationship or transactions vis-à-vis the Company.

**27. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company by way of Risk Management Policy. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and mitigating risks associated with the business. The policy establishes a



structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks associated with business and for accomplishing the growth plans of the Company, are imperative. The common risks inter alia are risks emanating from; Regulations, Competition, Business, Technology obsolescence, Investments, retention of talent, finance, politics and fidelity. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same. The Risk Management Policy is also hosted on the Company's website [www.mohitindustries.com](http://www.mohitindustries.com).

**28. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

**29. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is commensurate with its size, scale and complexities of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**30. INSURANCE**

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

**31. LISTING OF SHARES AND LISTING FEES**

The Equity Shares of your Company are listed and actively traded on the BSE Limited and the National Stock Exchange of India Limited. The Company has paid annual listing fees to the both stock exchanges for the financial year 2020-21.

Pursuant to the approval of the Board of Directors of the Company at its meeting held on July 27, 2020, your Company had filed an application to BSE Limited ("BSE") for voluntary delisting of its equity shares from the BSE on July 29, 2020 in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations").

**32. REMUNERATION AND PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure -4 to the Director's Report.

**33. INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

**34. TRANSFER OF UNCLAIMED AMOUNTS TO IEPF**

During the period under review, the Company has transferred the unclaimed dividend amount of ₹ 299,914.5/-, pertaining to Financial Year 2011-12 (Final Dividend) to the IEPF pursuant to provision of Section 125 of the Companies Act, 2013. The Company has also transferred 5,265 Equity Shares of ₹ 10/- each to the IEPF Account on which the dividends had remained unpaid or unclaimed for seven consecutive years or more after following the prescribed procedure.

**35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed as Annexure- 5 to the Director's Report.

**36. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Directors further state that during the year under review, No complaint was received from any employee during F.Y 2019-20 and hence no complaint is outstanding as on 31st March, 2020 for redressal.

**37. DETAILS OF SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, there are not any significant or material orders passed by the Regulators or Courts or tribunals impacting the going concern status and your Company's operations in future.

**38. GREEN INITIATIVES**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 30th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s).

**39. ACKNOWLEDGMENT**

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees in the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and co-operation. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every member of the MIL family.

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**For and on behalf of the Board of Directors**

**Date** : 28th August, 2020  
**Place** : Surat

**For Mohit Industries Limited**  
Sd/-  
**(Narayan Saboo)**  
Managing Director

**For Mohit Industries Limited**  
Sd/-  
**(Manish Saboo)**  
Director & CFO

## ANNEXURE - 1 TO DIRECTORS' REPORT

### FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31/03/2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS

1.	CIN	<b>L17119GJ1991PLC015074</b>
2.	Registration Date	18/02/1991
3.	Name of the Company	<b>MOHIT INDUSTRIES LIMITED</b>
4.	Category/Sub-category of the Company	Public Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	601-B, "A" Wing, International Trade Centre, Majura Gate Crossing, Ring Road, Surat 395002, Gujarat, India Phone: +91-261-2463261/62/63 Fax: +91-261-2463264 E-mail : contact@mohitindustries.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>ADROIT CORPORATE SERVICES PVT. LTD.</b> 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India Phone : + 91-22-42270400 / 42270422 Fax :+ 91-22-28503748 E-mail: info@adroitcorporate.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. no	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FABRIC	1312	17.98%
2	YARN	1312	82.02%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
2	<b>MOHIT YARNS LIMITED</b> Registered office at 420,4th Floor, Corporate Avenue, Sonawala Road, Goregaon (East) Mumbai 400063 Maharashtra, India	U17119MH1993PLC302664	ASSOCIATE	46.69%	Section 2(6)
3	<b>MOHIT OVERSEAS LIMITED</b> Registered office at 420,4th Floor, Corporate Avenue, Sonawala Road, Goregaon (East) Mumbai 400063 Maharashtra, India	U17299MH1991PLC302663	ASSOCIATE	49.25%	Section 2(6)

**SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**  
**MOHIT INDUSTRIES LTD - Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	5598112	0	5598112	39.54	5598112	0	5598112	39.54	0.00
e) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
f) Any others (Specify)									
g) Directors	645381	0	645381	4.55	734249	0	734249	5.19	0.64
h) Directors Relatives	972613	0	972613	6.87	1012182	0	1012182	7.15	0.28
<b>Sub Total : A(1)</b>	<b>7216106</b>	<b>0</b>	<b>7216106</b>	<b>50.96</b>	<b>7344543</b>	<b>0</b>	<b>7344543</b>	<b>51.88</b>	<b>0.92</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A)(1) + (A)(2)</b>	<b>7216106</b>	<b>0</b>	<b>7216106</b>	<b>50.96</b>	<b>7344543</b>	<b>0</b>	<b>7344543</b>	<b>51.88</b>	<b>0.92</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/Fl	245676	0	245676	1.74	887	0	887	0.01	-1.73
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
<b>Sub Total : B(1)</b>	<b>245676</b>	<b>0</b>	<b>245676</b>	<b>1.74</b>	<b>887</b>	<b>0</b>	<b>887</b>	<b>0.01</b>	<b>-1.73</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corporates									
ai) Indian	1091323	0	1091323	7.71	1079810	0	1079810	7.63	-0.08
aii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
bi) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	4626381	17762	4644143	32.80	4674542	17362	4691904	33.14	0.34
bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	896929	0	896929	6.34	987914	0	987914	6.98	0.64
c) Any Other (Specify)									
c-1) Investor Education And Protection Fund	16017	0	16017	0.11	16017	0	16017	0.11	0.00
c-2) Non Resident Indians (Individuals)	33290	0	33290	0.24	30930	0	30930	0.22	-0.02
c-3) Trusts	5001	0	5001	0.04	5001	0	5001	0.04	0.00
c-4) Clearing Member	9090	0	9090	0.06	569	0	569	0.00	-0.06
<b>Sub Total : B(2)</b>	<b>6678031</b>	<b>17762</b>	<b>6695793</b>	<b>47.30</b>	<b>6794783</b>	<b>17362</b>	<b>6812145</b>	<b>48.12</b>	<b>0.82</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>6923707</b>	<b>17762</b>	<b>6941469</b>	<b>49.04</b>	<b>6795670</b>	<b>17362</b>	<b>6813032</b>	<b>48.13</b>	<b>-0.91</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Shares held by Custodian for GDRs &amp; ADRs (C)=(C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>14139813</b>	<b>17762</b>	<b>14157575</b>	<b>100.00</b>	<b>14140213</b>	<b>17362</b>	<b>14157575</b>	<b>100.00</b>	<b>0.00</b>

## Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		Number of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	Number of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish N. Saboo	75440	0.53	0.00	75440	0.53	0.00	0.00
2	Mohit Narayan Saboo	162836	1.15	0.00	162836	1.15	0.00	0.00
3	Mohit Exim Private Limited	600000	4.24	0.00	600000	4.24	0.00	0.00
4	Ayushi Manish Saboo	60000	0.42	0.00	60000	0.42	0.00	0.00
5	Naresh Sitaram Saboo	78424	0.55	0.00	78424	0.55	0.00	0.00
6	Madhu Narayan Saboo .	391790	2.77	0.00	431359	3.05	0.00	0.28
7	Sitaram Nandlal Saboo	240021	1.70	0.00	240021	1.70	0.00	0.00
8	Mask Investments Limited	1428881	10.09	0.00	1428881	10.09	0.00	0.00
9	Sonia Naresh Saboo	60000	0.42	0.00	60000	0.42	0.00	0.00
10	Narayan Sitaram Saboo	491517	3.47	0.00	580385	4.10	0.00	0.63
11	Mohit Yarns Limited	1970609	13.92	0.00	1970609	13.92	0.00	0.00
12	Mohit Overseas Limited	1598622	11.29	0.00	1598622	11.29	0.00	0.00
13	Narayan Sitaram Saboo Huf	27866	0.20	0.00	27866	0.20	0.00	0.00
14	Sitaram Nandlal Saboo Huf	30100	0.21	0.00	30100	0.21	0.00	0.00
	<b>TOTAL</b>	<b>7216106</b>	<b>50.97</b>	<b>0.00</b>	<b>7344543</b>	<b>51.89</b>	<b>0.00</b>	<b>0.91</b>

## Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>At the beginning of the year</b>	<b>MOHIT YARNS LIMITED</b>	31-03-2019	1970609	13.92	1970609	13.92
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	At the End of the year		31/03/2020	0	0.00	1970609	13.92
<b>2</b>	<b>At the beginning of the year</b>	<b>MASK INVESTMENTS LIMITED</b>	31-03-2019	1428881	10.09	1428881	10.09
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	1428881	10.09
<b>3</b>	<b>At the beginning of the year</b>	<b>MOHIT OVERSEAS LIMITED</b>	31-03-2019	1598622	11.29	1598622	11.29
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	1598622	11.29
<b>4</b>	<b>At the beginning of the year</b>	<b>MOHIT EXIM PRIVATE LIMITED</b>	31-03-2019	600000	4.24	600000	4.24
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	600000	4.24
<b>5</b>	<b>At the beginning of the year</b>	<b>NARESH SITARAM SABOO</b>	31-03-2019	78424	0.55	78424	0.55
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	78424	0.55



Sl. No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>6</b>	<b>At the beginning of the year</b>	<b>MADHU NARAYAN SABOO .</b>	31-03-2019	391790	2.77	391790	2.77
	Date wise Increase / Decrease in Promoters Share holding during the year		04/10/2019	39569	0.28	431359	3.05
			31/03/2020	0	0.00	431359	3.05
	<b>At the End of the year</b>						
<b>7</b>	<b>At the beginning of the year</b>	<b>NARAYAN SITARAM SABOO</b>	31-03-2019	491517	3.47	491517	3.47
	Date wise Increase / Decrease in Promoters Share holding during the year		28/02/2020	29973	0.21	521490	3.68
			06/03/2020	58775	0.42	580265	4.10
			13/03/2020	120	0.00	580385	4.10
			31/03/2020	0	0.00	580385	4.10
	<b>At the End of the year</b>						
<b>8</b>	<b>At the beginning of the year</b>	<b>SITARAM NANDLAL SABOO</b>	31-03-2019	240021	1.70	240021	1.70
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	240021	1.70
<b>9</b>	<b>At the beginning of the year</b>	<b>AYUSHI MANISH SABOO</b>	31-03-2019	60000	0.42	60000	0.42
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	60000	0.42
<b>10</b>	<b>At the beginning of the year</b>	<b>SONIA NARESH SABOO</b>	31-03-2019	60000	0.42	60000	0.42
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	60000	0.42
<b>11</b>	<b>At the beginning of the year</b>	<b>MANISH N. SABOO</b>	31-03-2019	75440	0.53	75440	0.53
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	75440	0.53
<b>12</b>	<b>At the beginning of the year</b>	<b>MOHIT NARAYAN SABOO</b>	31-03-2019	162836	1.15	162836	1.15
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	162836	1.15
<b>13</b>	<b>At the beginning of the year</b>	<b>NARAYAN SITARAM SABOO HUF</b>	31-03-2019	27866	0.20	27866	0.20
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	27866	0.20
<b>14</b>	<b>At the beginning of the year</b>	<b>SITARAM NANDLAL SABOO HUF</b>	31-03-2019	30100	0.21	30100	0.21
	Date wise Increase / Decrease in Promoters Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		31/03/2020	0	0.00	30100	0.21

## Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NXT FAB PRIVATE LIMITED	31-03-2019	654693	4.62	654693	4.62
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	654693	4.62
2	At the beginning of the year	AXIS BANK LIMITED	31-03-2019	245676	1.74	245676	1.74
	Date wise Increase / Decrease in Share holding during the year		05/04/2019	-60	0.00	245616	1.73
			12/04/2019	-240616	1.70	5000	0.04
			10/05/2019	-2000	0.01	3000	0.02
			13/09/2019	-2000	0.01	1000	0.01
	At the End of the year		31/03/2020	0	0.00	1000	0.01
3	At the beginning of the year	NXT POLYESTER PRIVATE LIMITED	31-03-2019	217244	1.53	217244	1.53
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	217244	1.53
4	At the beginning of the year	KARVY STOCK BROKING LTD-F-O MARGIN	31-03-2019	77450	0.55	77450	0.55
	Date wise Increase / Decrease in Share holding during the year		05/04/2019	-100	0.00	77350	0.55
			24/05/2019	4	0.00	77354	0.55
			31/05/2019	-4	0.00	77350	0.55
			05/07/2019	-5665	0.04	71685	0.51
			22/11/2019	-2354	0.02	69331	0.49
			29/11/2019	-49272	0.35	20059	0.14
			13/12/2019	-853	0.01	19206	0.14
			27/12/2019	-800	0.01	18406	0.13
			31/12/2019	-5208	0.04	13198	0.09
			10/01/2020	-5414	0.04	7784	0.05
			17/01/2020	-3132	0.02	4652	0.03
			24/01/2020	-1370	0.01	3282	0.02
			14/02/2020	-608	0.00	2674	0.02
			21/02/2020	-209	0.00	2465	0.02
	At the End of the year		31/03/2020	0	0.00	2465	0.02
5	At the beginning of the year	ASTRAL AUTO PARTS PVT LTD	31-03-2019	69222	0.49	69222	0.49
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	69222	0.49
6	At the beginning of the year	RAMASAMY KALAISELVAN	31-03-2019	68212	0.48	68212	0.48
	Date wise Increase / Decrease in Share holding during the year		30/08/2019	-1	0.00	68211	0.48
			06/09/2019	-1070	0.01	67141	0.47
			13/09/2019	-5686	0.04	61455	0.43
			25/09/2019	-1	0.00	61454	0.43
			25/10/2019	-9	0.00	61445	0.43
	At the End of the year		31/03/2020	0	0.00	61445	0.43

Sl. No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
7	<b>At the beginning of the year</b>	<b>ANAGHA AJAY TAMHANKAR</b>	31-03-2019	246	0.00	246	0.00
	Date wise Increase / Decrease in Share holding during the year		05/04/2019	4921	0.03	5167	0.04
			12/04/2019	415	0.00	5582	0.04
			19/04/2019	285	0.00	5867	0.04
			26/04/2019	5671	0.04	11538	0.08
			03/05/2019	2087	0.01	13625	0.10
			10/05/2019	3400	0.02	17025	0.12
			17/05/2019	176	0.00	17201	0.12
			24/05/2019	197	0.00	17398	0.12
			31/05/2019	1000	0.01	18398	0.13
			07/06/2019	3224	0.02	21622	0.15
			14/06/2019	10710	0.08	32332	0.23
			21/06/2019	550	0.00	32882	0.23
			28/06/2019	4000	0.03	36882	0.26
			05/07/2019	500	0.00	37382	0.26
			12/07/2019	3000	0.02	40382	0.29
			19/07/2019	1702	0.01	42084	0.30
			02/08/2019	940	0.01	43024	0.30
			09/08/2019	-472	0.00	42552	0.30
			30/08/2019	850	0.01	43402	0.31
			13/09/2019	12500	0.09	55902	0.39
			20/09/2019	128	0.00	56030	0.40
			25/09/2019	500	0.00	56530	0.40
			27/09/2019	334	0.00	56864	0.40
			04/10/2019	-10630	0.08	46234	0.33
			11/10/2019	224	0.00	46458	0.33
			18/10/2019	490	0.00	46948	0.33
			01/11/2019	-2600	0.02	44348	0.31
			13/12/2019	-500	0.00	43848	0.31
	<b>At the End of the year</b>		31/03/2020	0	0.00	43848	0.31
8	<b>At the beginning of the year</b>	<b>BHAJAN LAL JAMB</b>	31-03-2019	42000	0.30	42000	0.30
	Date wise Increase / Decrease in Share holding during the year		04/10/2019	-2000	0.01	40000	0.28
	<b>At the End of the year</b>		31/03/2020	0	0.00	40000	0.28
9	<b>At the beginning of the year</b>	<b>BALHAANS VINTRADE PRIVATE LIMITED</b>	31-03-2019	35000	0.25	35000	0.25
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2020	0	0.00	35000	0.25
10	<b>At the beginning of the year</b>	<b>SUKETU SUMTILAL SHAH</b>	31-03-2019	33499	0.24	33499	0.24
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2020	0	0.00	33499	0.24

## Shareholding of Directors and Key Managerial Personnel

Sl. No.	Each of Directors & KMP	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Narayan Saboo (Managing Director)</b>				
	<b>At the beginning of the year</b>	4,91,517	3.47	4,91,517	3.47
	24-02-2020	10,000	0.07	5,01,517	3.54
	25-02-2020	16,794	0.12	5,18,311	3.66
	26-02-2020	3,179	0.02	5,21,490	3.68
	28-02-2020	40,000	0.28	5,61,490	3.97
	02-03-2020	10,000	0.07	5,71,490	4.04
	03-03-2020	6,329	0.04	5,77,819	4.08
	05-03-2020	2,566	0.02	5,80,385	4.10
	<b>At the end of the year</b>			5,80,385	4.10
2	<b>Mr. Naresh Saboo (Director)</b>				
	<b>At the beginning of the year</b>	78,424	0.55	78,424	0.55
	No Changes	-	0.00	78,424	0.55
	<b>At the end of the year</b>			78,424	0.55
3	<b>Mr. Manish Narayan Saboo (CFO &amp; Director)</b>				
	<b>At the beginning of the year</b>	75,440	0.53	75,440	0.53
	No Changes	-	0.00	75,440	0.53
	<b>At the end of the year</b>			75,440	0.53
4	<b>Mr. Jayesh Gandhi (Independent Director)</b>				
	<b>At the beginning of the year</b>	414	0.00	414	0.00
	No Changes	-	0.00	414	0.00
	<b>At the end of the year</b>			414	0.00
5	<b>Mr. Sachin Jain (Independent Director)</b>				
	<b>At the beginning of the year</b>	-	0.00	-	0.00
	<b>At the end of the year</b>			-	0.00
6	<b>Mr. Harmil Shah (Independent Director)</b>				
	<b>At the beginning of the year</b>	-	0.00	-	0.00
	<b>At the end of the year</b>			-	0.00
7	<b>Mrs. Pragya Memani (Independent Director)</b>				
	<b>At the beginning of the year</b>	-	0.00	-	0.00
	<b>At the end of the year</b>			-	0.00
8	<b>Miss. Nikita Padiwal (Company Secretary)</b>				
	<b>At the beginning of the year</b>	-	0.00	-	0.00
	<b>At the end of the year</b>			-	0.00

<b>V) INDEBTEDNESS</b>				
<b>(Indebtedness of the Company including interest outstanding/accrued but not due for payment)</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	48,36,63,482	12,54,06,580		60,90,70,062
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,56,07,536	6,86,08,103		9,72,15,639
* Reduction	11,20,82,864	8,88,25,855		20,09,08,720
Net Change	(8,34,75,328)	(2,02,17,752)		(10,36,39,081)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	40,01,88,153	10,51,88,828		50,53,76,982
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>40,01,88,153</b>	<b>10,51,88,828</b>		<b>50,53,76,982</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager**

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/Manager Director</b>			<b>Total Amount</b>
		<b>Mr. Narayan Saboo (Managing Director)</b>	<b>Mr. Naresh Saboo ( Director)</b>	<b>Mr. Manish Saboo (Director &amp; CFO)</b>	
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
<b>2</b>	Stock option	-	-	-	-
<b>3</b>	Sweat Equity	-	-	-	-
<b>4</b>	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
<b>5</b>	Others, please specify	-	-	-	-
	<b>Total (A)</b>	-	-	-	-
<b>Ceiling as per the Act</b>		₹6.05 lakhs (being 10 % of the net profit of the company as per section 198 of the Companies Act, 2013)			

**B. Remuneration to other directors**

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of Directors</b>				<b>Total Amount</b>
		<b>Mr. Jayesh Gandhi</b>	<b>Mr. Sachin Jain</b>	<b>Mrs. Pragya Memani</b>	<b>Mr. Harmil Shah</b>	
<b>1</b>	<b>Independent Directors</b>					
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-



<b>2</b>	<b>Other Non Executive Directors</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
(a)	Fee for attending board committee meetings					
(b)	Commission	-	-	-	-	-
(c)	Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration (A+B)</b>	-				
	Overall Ceiling as per the Act :	₹ 6.66 lakhs (being 11 % of the net profit of the company as per section 198 of the Companies Act, 2013)				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration		Key Managerial personnel*			Total
			CEO	CFO (Mr. Manish Saboo)	Company Secretary (Ms. Nikita Padiwal)	
1	Gross Salary					
	(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	311600	311600
	(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2		Stock Option	-	-	-	-
3		Sweat Equity	-	-	-	-
4		Commission	-	-	-	-
		as % of profit	-	-	-	-
		others, specify	-	-	-	-
5		Others, please specify	-	-	-	-
	Total				311600	311600
* Remuneration to CEO/CFO is also already covered in Part A i.e. Remuneration to Managing Director, Whole-time Directors and/or Manager.						

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	N.A	N.A
Punishment	NIL	NIL	NIL	N.A	N.A
Compounding	NIL	NIL	NIL	N.A	N.A
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	N.A	N.A
Punishment	NIL	NIL	NIL	N.A	N.A
Compounding	NIL	NIL	NIL	N.A	N.A
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	N.A	N.A
Punishment	NIL	NIL	NIL	N.A	N.A
Compounding	NIL	NIL	NIL	N.A	N.A

## ANNEXURE-2 TO DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY

#### NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of Mohit Industries Limited ("the Company") constituted the "Nomination and Remuneration Committee"

#### COMPLIANCE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### ROLE OF THE COMMITTEE

##### The role of the committee will be the following

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) To devise a policy on Board diversity, composition, size.
- h) Succession planning for replacing Key Executives and overseeing.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

##### Key Managerial Personnel ("KMP") means:

- I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- II. Chief Financial Officer;
- III. Company Secretary; and Such other officer as may be prescribed.

Senior Managerial Personnel means Personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

#### OBJECTIVE

##### The objective of the policy is to ensure that

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### APPOINTMENT CRITERIA FOR DIRECTOR/KMP AND SENIOR MANAGEMENT

- a) A person who is proposed to be appointed as a Director and/or Senior Management as a KMP should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- b) A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- c) The Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- d) Appointment of Independent Director is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder the Act and SEBI Listing Regulations as amended from time to time.
- e) On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.
- f) Appointment of key Managerial Personnel ("KMP") is subject to compliance of Section 203 of the Companies Act, 2013, read with Rules made thereunder the Act (as amended from time to time).
- g) The appointment of Senior Management Personnel (excluding KMP) will be decided by the Managing Director and their terms of appointment will be in accordance with the company policy.

**TERM / TENURE OF APPOINTMENT FOR DIRECTORS/KMP AND SENIOR MANAGEMENT****a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its, Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**c) Senior Management**

In case of Senior Management (excluding KMPs at senior level) term/tenure of appointment will be as per Company rules and policy.

**RETIREMENT AND REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. Due to reasons for any disqualification mentioned in the Act or the Rules made thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.

**POLICY FOR REMUNERATION TO DIRECTORS / KMP / SENIOR MANAGEMENT PERSONNEL****1. Remuneration to Managing Director / Whole-time Directors**

- a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors/Executive Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole time Directors/Executive Directors.

**2. Remuneration to Non-Executive/Independent Directors:**

The Non-Executive/ Independent Directors may receive sitting fees as per the provisions of Companies Act, 2013. The amount of sitting fees, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**3. Remuneration to Key Managerial Personnel and Senior Management:**

The remuneration to Key Managerial Personnel and Senior Management, shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

**FIXED PAY**

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

**INCENTIVE PAY**

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**POLICY ON BOARD DIVERSITY**

- a) The Board of Directors shall have an optimum combination of Directors from different areas / fields as may be considered appropriate, as well as gender.

- b) The Board shall have at least one board member who has accounting or related financial management expertise and other members of the Board should be financially literate.
- c) The board shall have at least one woman director.
- d) To the extent feasible, the composition of the Board should be of individual from different functional domain areas.

**DISCLOSURE OF THE POLICY**

The remuneration policy and evaluation criteria of the committee shall be disclosed in the Board's report forming a part of the Annual Report of the Company.

**FREQUENCY OF MEETINGS**

The meetings of the Committee could be held at such regular intervals as may be required.

**QUORUM**

Minimum two (2) members shall constitute a quorum for the Committee meeting.

**CHAIRMAN**

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman of Nomination and Remuneration Committee meeting could be present at the Annual General Meeting, to answer the Members queries. However it would be upto the Chairman to nominate some other member to answer the Members' queries.

**MISCELLANEOUS**

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder, SEBI Listing Obligations or any other applicable enactment for the time being in force.

**ANNEXURE-3 TO DIRECTORS' REPORT****Form No. MR-3****Secretarial Audit Report For the financial year ended March 31, 2020 [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

The Members

**Mohit Industries Limited**

601-B, "A" Wing, International Trade Centre,  
Majuragate crossing, Ring Road, Surat – 395 002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MOHIT INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2020 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - There are no events occurred during the year which attracts provisions of these Act, Rules and Regulations and hence not applicable.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
    - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
    - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- (vi) Factories Act, 1948
- (vii) Industrial Disputes Act, 1947
- (viii) The Payment of Wages Act, 1936
- (ix) The Minimum Wages Act, 1948
- (x) Employees State Insurance Act, 1948
- (xi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (xii) The Payment of Bonus Act, 1965
- (xiii) The Payment of Gratuity Act, 1972
- (xiv) The Contract Labour (Regulation and Abolition) Act, 1970
- (xv) The Maternity Benefit Act, 1961
- (xvi) The Child Labour (Prohibition and Regulation) Act, 1986
- (xvii) The Employees Compensation Act, 1923
- (xviii) The Apprentices Act, 1961
- (xix) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- (xx) The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986)
- (xxi) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.
- (xxii) The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975)
- (xxiii) The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982)

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above subject to the following observations:.

1. Fine was imposed by National stock exchange of India limited and BSE limited for violation of Regulation 34 of SEBI (Listing of Obligations and Disclosure Requirements) Regulations, 2015. Thereafter, fine was withdrawn by BSE and NSE vide letter/email dated 07.01.2020 and 01.01.2020 respectively
2. I further report that:  
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.  
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.  
Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
3. I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. I further report that during the audit period the company has not taken major steps or enter into events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This report is to be read with our letter dated 28th Day of August, 2020 which is annexed and forms an integral part of this report.

Place : SURAT  
Date : 28.08.2020

**DHIREN R DAVE**  
**COMPANY SECRETARY**  
FCS: 4889  
CP: 2496  
UDIN: F004889B000629271

## ANNEXURE-4 TO DIRECTORS' REPORT

### DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013

#### PART-(A) Disclosure as required under Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (1) Ratio of the Remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2020 and the percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive officer, Company Secretary for the financial year ended 31st March, 2020:

Name of the Director/KMP	Remuneration received (In ₹)	% Increase in Remuneration in F.Y 2019-20	Ratio to median remuneration
Mr. Narayan Sitaram Saboo, (Managing Director)	--	--	--
Mr. Naresh Sitaram Saboo (Director)	--	--	--
Mr. Manish Narayan Saboo (Director & CFO)	--	--	--
Miss. Nikita Pediwal (Company Secretary) **	3,11,600	--	NA

\*\* Miss. Nikita Pediwal (Company Secretary) was appointed w.e.f 15th April, 2019.

No remuneration/ sitting fees paid to independent Directors during F.Y 2019-20.

- (2) During the financial year 2019-20, there was no increase in the median remuneration of employees.
- (3) There were 132 permanent employees on the rolls of the company as on 31st March, 2020.
- (4) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 10 %.
- (5) It is affirmed that the remuneration paid is as per remuneration policy of the company.

#### PART-(B) information as per Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) Details of top ten employee in terms of gross remuneration paid during the year ended 31st March, 2020.

Sr No	Name of Employee	Designation	Remuneration received (In ₹)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age / DOB	Last employment held before joining company	% of equity shares held	whether any such employee is a relative of any director or manager of the company
1.	D M Kulkarni	In charge	6,35,600	Permanent	Textile Engineer	41 Years	01/04/2015	19/03/1955	Anuba Fabrics Pvt. Ltd.	-	-
2.	Suresh Kumar Agiwal	GM	5,85,000	Permanent	B.com	31 Years	01/05/2011	04/08/1967	Santosh Chemfine Chemical Pvt. Ltd	-	-
3.	Rajesh D. Panghal	Sales Manager	5,80,000	Permanent	Diploma Mechanical engineer	27 Years	05/07/1995	13/01/1968	Globe Synthetics Limited	-	-
4.	Bhavin Bardoliwala	IT Executive	5,36,500	Permanent	BCA	15 Years	16/11/2015	26/11/1984	Sarin Technologies India Pvt. Ltd.	-	-
5.	Sarveswar Das	Plant In charge	5,14,800	Permanent	BA	25 Years	01/08/2011	09/10/1975	Jigisha Texo Fab Ltd	-	-
6.	Narpat Singh	Electrician	5,00,500	Permanent	Higher Secondary	27 Years	09/07/1997	30/06/1972	Viral Filament Ltd.	-	-
7.	Sanjay Butani	Production Manager	4,94,000	Permanent	B.Tech (Textile)	17 Years	07/04/2017	04/04/1978	Parth Tex Fab, Surat	-	-
8.	Mallikarjun B. Pattanshetty	TECH. Manager	4,55,000	Permanent	B. Tech (Textile)	27 Years	01/08/2011	10/04/1968	Sanica Industries Ltd	-	-
9.	Dilip Gagrani	GM	4,50,000	Permanent	B.A	20 Years	13/03/2019	01/12/1976	Self Employed	-	-
10.	Moolchand Mohanlal Saini	Export Manager	4,42,250	Permanent	B.A	11 Years	01/04/2012	15/07/1988	Shree Sainath Motors Pvt Ltd	-	-

- b) Details of every employee, who was employed throughout the financial year, was in receipt of gross remuneration for that year which, in the aggregate, was not less than One Crores Two lakhs rupees;- (Nil) hence, Not applicable
- c) Details of every employee, who was employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakhs fifty thousand rupees per month; (Nil) hence, not applicable
- d) Details of every employee, who was employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, Not less than two percent of the equity shares of the company. (Nil) hence, Not applicable.

## ANNEXURE-5 TO DIRECTORS' REPORT

**Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with companies (Accounts) Rules, 2014 are provided hereunder**

### A. CONSERVATION OF ENERGY

Energy Conservation is an ongoing process in the Company. The Company continued its efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy (energy consumed per unit of production), specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.

#### I. Steps taken or impact on conservation of energy:

- Use of energy efficient equipment and Replacement of inefficient motor
- Intensified Internal Audit aimed at detecting wastage of electricity.
- More usage of electricity purchased from DGVCL.

#### II. Steps taken for utilizing alternate sources of energy

- No alternative source of energy was used during the period under review.

#### III. Capital investment on energy conservation equipment during the year: NIL

### B. TECHNOLOGY ABSORPTION

Your company is keeping a close eye on the new product development and up gradation of technology in existing products. Up gradation in various areas of plant and machinery is continuously carried out.

#### I. Efforts made towards technology absorption: NIL

#### II. Benefits derived: NIL

#### III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.

##### a. Details of Technology: N.A.

##### b. Year of Import: N.A.

##### c. Whether the technology has been fully absorbed: N.A.

##### d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

#### IV. Expenditure incurred on Research and Development: NIL

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has exported DTY Yarn with a Premium and in its Brand Name to South Korea, Thailand, Czech Republic, Guatemala, Bulgaria, Indonesia, Japan, Vietnam, Malaysia, Mexico, Colombia and many more Countries.

(₹ in Lakhs)

Particulars	31/03/2020	31/03/2019
Foreign Exchange Earning	8,782.51	10,062.95
Foreign Exchange Outgo	491.55	99.72

## CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### 1. CORPORATE GOVERNANCE PHILOSOPHY

Mohit Industries Limited is committed to the Corporate Governance Philosophy and believes in following, in letter and spirit best corporate governance practices. The Corporate Governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder while protecting the interests of all the stakeholders. The Company has established procedures and systems for fairness, transparency, accountability and responsibility to meet the requirements of good corporate governance practices.

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

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

### 2. THE BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Managing Director and has business / functional heads as its members, which look after the day-to-day affairs of the Company.

#### I. Board Composition

The composition of the Board is in conformity with requirement of Regulation 17 of the Listing Regulations laying down an optimum combination of Executive and Non-Executive Directors, with at least one woman director and not less than fifty per cent of the Board comprising of Non-Executive Directors and at least one-half comprising of Independent Directors for a Board Chaired by Executive Chairman. The Board consist of seven directors comprising Managing Director, 2 executive director and 4 Independent Directors. The composition of the Board represents an optimal mix of professionalism, Knowledge and experience.

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

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Mr. Narayan Saboo	Law, Business Strategy and Corporate Management.
Mr. Naresh Saboo	Textile Industry and Export, Product Development,
Mr. Manish Saboo	Financial Strategy & Management, Marketing. Market Operation in Textile segment and Export,
Mr. Jayesh Gandhi	Textile Industry and Operational Management.
Mr. Sachin Jain	Textile, Marketing, Production.
Mrs. Pragya Memani	Designing
Mr. Harmil Shah	Business Management

**II. Number of Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, if any, shorter notice of board meeting is given to directors subject to presence of at least one Independent Director in meeting.

**During the Financial year ended 31st March, 2020, Board of Directors met Eight times on:**

15/04/2019	27/05/2019	23/07/2019	13/08/2019	28/09/2019	25/10/2019	14/11/2019	12/02/2020
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The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

**III. Directors' Attendance Record and Directorships held**

Details of Composition of the board of directors of Mohit Industries Limited and attendance of directors at Meeting of Board and Annual General Meeting and Directorship and Membership and chairmanship in committees pertaining to each director during the year ended 31st March, 2020.

SR. No.	Name of Directors	Category #	Attendance at Board Meetings/ No. of Meetings eligible to Attend during year or tenure of director	Attendance at the AGM held on 28/09/2019	No. of Other Directorship *		No. of Committees of other companies in which Member \$ %*	No. of Committees of other companies in which Chairman \$ %*
					Indian Public Limited companies	Other Companies / LLPs		
1	Mr. Narayan Saboo	MD/PD/ED/Chairman	8/8	Attended	4	3	2	-
2	Mr. Naresh Saboo	PD & ED	8/8	Attended	3	5	2	-
3	Mr. Manish Saboo	ED/CFO	8/8	Attended	3	1	-	-
4	Mr. Jayesh Gandhi	ID/NED	4/8	Attended	1	-	2	1
5	Mr. Sachin Jain	ID/NED	6/8	Attended	2	-	2	1
6	Mrs. Pragya Memani	ID/NED	8/8	Attended	1	-	-	-
7	Mr. Harmil Shah	ID/NED	8/8	Attended	2	1	2	1

**Notes:**

**\*\* Mohit E-Waste Recovery Private Limited has not been considered in determining the Directorship of Directors as the Company had been struck off and certificate for the same received from respective ROC as on 15.11.2019**

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

\$ Pursuant to Regulation 26 of Listing Regulation, for purpose of considering the limit of the committee in which directors are members/ chairman, all public limited companies, whether listed or not, are included, Private Limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 are excluded.

% For purpose of determination of the number of committees of other companies, chairpersonship and membership of only the Audit committee and the stakeholders Relationship committee have been considered. As mandated by Regulation 26 of Listing Regulations, none of the Directors is member of more than 10 Board level committees, or act as Chairman of more than five committees in which he is member.

\* Including directorship in Mohit Industries Ltd / chairpersonship and membership of the Audit committee and the stakeholders Relationship committee In Mohit Industries Ltd.

**IV. List of Directorship held in other Listed Companies and Category of Directorship :**

Sr No	Name of the Director	Name of the Listed Company	Category of Directorship
1	Mr. Narayan Saboo	MOHIT INDUSTRIES LIMITED BIGBLOC CONSTRUCTION LIMITED MASK INVESTMENTS LIMITED	Chairman, Executive, Managing Director Executive, Director Executive, Director
2	Mr. Naresh Saboo	MOHIT INDUSTRIES LIMITED BIGBLOC CONSTRUCTION LIMITED MASK INVESTMENTS LIMITED	Executive, Director Executive, Managing Director Executive, Director

Sr No	Name of the Director	Name of the Listed Company	Category of Directorship
3	Mr. Manish Saboo	MOHIT INDUSTRIES LIMITED BIGBLOC CONSTRUCTION LIMITED	Executive, Director & CFO Executive, Director
4	Mr. Jayesh Gandhi**	MOHIT INDUSTRIES LIMITED	Non-Executive, Independent Director
5	Mr. Sachin Jain**	MOHIT INDUSTRIES LIMITED MASK INVESTMENTS LIMITED	Non-Executive, Independent Director Non-Executive, Independent Director
6	Mrs. Pragya Memani**	MOHIT INDUSTRIES LIMITED	Non-Executive, Independent Director
7.	Mr. Harmil Shah	MOHIT INDUSTRIES LIMITED MASK INVESTMENTS LIMITED	Non-Executive, Independent Director Non-Executive, Independent Director

**\*\* Re-appointed as Independent Director for a second term w.e.f 01st October, 2019.**

#### **V. Director Seeking appointment/re-appointment**

In terms of Section 152 of the Companies Act, 2013, Mr. Manish Saboo shall retire by rotation at the 30th Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their reappointment to the Shareholders of the Company.

The Board of Directors of the Company decided in their held on 28th August, 2020 to re-appoint Mr. Narayan Saboo as Managing Director for a period of 5 years with from 01st October, 2020 subject to approval of Members in the ensuing Annual General meeting.

#### **VI. Board Independence**

Our definition of 'Independence' of Directors is derived from, Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

#### **VII. Disclosure of relationships between Directors inter-se**

Mr. Narayan Saboo (Managing Director) and Mr. Naresh Saboo (Director) are brothers. Mr. Manish Saboo (Director & CFO) is son of Mr. Narayan Saboo and nephew of Mr. Naresh Saboo.

#### **VIII. Familiarization program for Independent Directors**

The Company has conducted a Familiarization Program for Independent Directors. The details for the same have been disclosed on the website of the Company at [www.mohitindustries.com](http://www.mohitindustries.com).

### **3. CODE OF CONDUCT**

The Board has lay down a Code of Conduct for Directors and members of Senior Management. The Code is posted on Company's website. The code of conduct includes the duties of Independent Directors as per companies Act, 2013. The Board members and Senior Management personnel have affirmed compliance with the Code. A declaration to that effect signed by Mr. Narayan Saboo, (MD) and Mr. Manish Saboo (CFO) forms part of this Report.

### **4. COMMITTEES OF THE BOARD**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities, which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles, which are considered to be performed by members of the Board, as a part of good governance practice. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The Board has currently established the following statutory Committees.

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

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



**I. Audit Committee****a. Composition**

Presently, Audit Committee Comprise of the following members:

Sr. No.	Members of Audit Committee	Designation	Category
1.	Mr. Sachin Jain	Chairman	Non-Executive Independent Director
2.	Mr. Jayesh Gandhi	Member	Non-Executive Independent Director
3.	Mr. Narayan Saboo	Member	Executive Director

**b. Meeting**

Audit Committee held four meeting during F.Y 2019-20. These were held on:

1) 27/05/2019	2) 13/08/2019	3) 14/11/2019	4) 12/02/2020
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**c. Attendance Record**

Attendance Record of each member of audit Committee during F.Y 2019-20

Sr. No.	Members of Audit Committee	Designation	No. Of Meetings	
			Meeting Held	Meeting Attended
1.	Mr. Sachin Jain	Chairman	4	4
2.	Mr. Jayesh Gandhi	Member	4	4
3.	Mr. Narayan Saboo	Member	4	4

The Company Secretary acted as the Secretary of the Committee.

**d. Term of Reference**

The terms of reference of Audit Committee include overseeing the Company's financial reporting process and disclosure of financial information, reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval; reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control systems and all other roles specified under Regulation 18 of Listing regulations and as per Section 177 of the Companies Act, 2013 read with rules framed thereunder.

**II. Nomination & Remuneration Committee****a. Composition**

Presently, Nomination & Remuneration Committee Comprise of the following members:

Sr. No.	Members of Nomination & Remuneration Committee	Designation	Category
1.	Mr. Sachin Jain	Chairman	Non-Executive Independent Director
2.	Mr. Jayesh Gandhi	Member	Non-Executive Independent Director
3.	Mrs. Pragya Memani	Member	Non-Executive Independent Director

**b. Meeting**

Nomination & Remuneration Committee held four meeting during F.Y 2019-20. These were held on:

1) 27/05/2019	2) 13/08/2019	3) 14/11/2019	4) 12/02/2020
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**c. Attendance Record**

Attendance Record of each member of Nomination & Remuneration Committee during F.Y 2019-20

Sr. No.	Name of Member	Designation	No. Of Meetings	
			Meeting Held	Meeting Attended
1.	Mr. Sachin Jain	Chairman	4	4
2.	Mr. Jayesh Gandhi	Member	4	4
3.	Mrs. Pragya Memani	Member	4	4

**d. Term of Reference**

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board and Identify candidates who are qualified to become Directors and who may be appointed in the Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;

- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;
- Structure and design a suitable retaining Policy for board and senior management team.

**e. Performance Evaluation criteria for Independent Directors**

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Independent Directors and the same has been approved by the Board of Directors. The criteria for performance evaluation of Independent Directors has been disclosed in the Directors' Report.

**f. Remuneration Policy**

The remuneration is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record etc. and is decided by the Board of Directors. The Board, on the recommendations of the Remuneration Committee, approves the annual increments within the prescribed ceiling as stipulated in Section 197 of the Companies Act, 2013. The perquisites package is recommended by the Remuneration Committee to the Board. The Remuneration Policy of the Company takes into account the individual performance and contribution of the Director, the profitability of the Company, prevalent industry standards and government policy in this regard. The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is displayed on Company's website at [www.mohitindustries.com](http://www.mohitindustries.com).

**g. Remuneration paid/payable to Directors During Financial Year 2019-20**

Sr. No.	Name of Directors	Salary & perquisites (₹)	Commission/other benefits	Total Remuneration (₹)
1.	Mr. Narayan Saboo	-	-	-
2.	Mr. Naresh Saboo	-	-	-
3.	Mr. Manish Saboo	-	-	-

- During the year under review, no remunerations/Sitting fees paid to Non-executive Independent Directors.
- The Company does not have any Stock Options Scheme. There is no provision for payment of severance fees.
- Non-executive Directors don't have any pecuniary relationship or transactions with the Company.

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2020 are as under:

Sr. No.	Name of Non-executive Director	No. of Shares held
1	Mr. Jayesh Gandhi	414
2	Mr. Sachin Jain	Nil
3	Mr. Harmil Shah	Nil
4	Mrs. Pragya Memani	Nil

**III. Shareholders/Investors Grievance & Stakeholders Relationship Committee**

**a. Composition**

Presently, Shareholders/Investors Grievance & Stakeholders Relationship Committee Comprise of the following members:

Sr. No.	Members of Shareholders / Investors Grievance & Stakeholders Relationship Committee	Designation	Category
1.	Mr. Jayesh Gandhi	Chairman	Non-Executive Independent Director
2.	Mr. Sachin Jain	Member	Non-Executive Independent Director
3.	Mr. Narayan Saboo	Member	Executive Director

**b. Meeting**

**Shareholders/Investors Grievance & Stakeholders Relationship Committee held five meeting during F.Y 2019-20. These were held on:**

1) 27/05/2019	2) 13/08/2019	3) 14/11/2019	4) 12/02/2020
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**c. Attendance Record**

Attendance Record of each member of Shareholders/Investors Grievance & Stakeholders Relationship Committee during F.Y 2019-20.

Sr. No.	Name of Member	Designation	No. Of Meetings	
			Meeting Held	Meeting Attended
1.	Mr. Jayesh Gandhi	Chairman	4	4
2.	Mr. Sachin Jain	Member	4	4
3.	Mr. Narayan Saboo	Member	4	4

**Name & Designation of Compliance Officer**

Miss Nikita Padiwal, Company Secretary of the Company acts as the Compliance Officer appointed w.e.f 15th April, 2019.

**d. Term of Reference**

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

**The Committee performs the following functions:-**

- Transfer/Transmission of shares.
- Split-up/Sub-division and Consolidation of shares.
- Dematerialization/ Rematerialization of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, Probate, Letters of Transmission or similar other documents.
- To open/close bank account(s) of the Company for depositing share/debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors.

**Status of Shareholders' Complaints during the Financial Year 2019-20**

1.	Number of Pending Complaints at the beginning of the Financial Year	Nil
2.	Number of Complaints received during the Financial Year	Nil
3.	Number of Complaints resolved during the Financial Year	Nil
4.	Number of Complaints not solved to the satisfaction of Shareholders	Nil
5.	Number of Complaints pending at the end of the Financial Year	Nil

**IV. Independent Directors' Meeting**

- During the year under review, the Independent Directors met on 13th August, 2019 inter alia, to discuss:
- Evaluation of performance of Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**5. GENERAL BOARD MEETING**

Year	Date	Venue	Time	Special Business Transacted
2017 (27th AGM)	07.08.2017	A/601-B, International Trade Centre, Majura Gate, Ring Road, Surat.	10.30 a.m.	(1) To determine the fees for delivery of any document through a particular mode of delivery to a member under section 20 of the Companies Act, 2013. (passed as an Ordinary Resolution) (2) To ratify the remuneration of the Cost Auditor for financial year ending 31st March, 2018. (passed as an Ordinary Resolution)
2018 (28th AGM)	28.09.2018	204, 2nd Floor, Jay Sagar Complex, Behind J. K. Tower, Near Sub- Jail, Khatodara, Surat - 395002, Gujarat	10.30 a.m.	(1) To ratify the remuneration of the Cost Auditor for financial year ending 31st March, 2019. (passed as an Ordinary Resolution)
2019 (29th AGM)	30.09.2019	204, 2nd Floor Jay Sagar Complex, Behind J. K. Tower, Near Sub- Jail, Khatodara, Surat - 395002, Gujarat	10.00  a.m.	(1) To ratify the remuneration of the Cost Auditor for financial year ending 31st March, 2020. (passed as an Ordinary Resolution) (2) To consider re-appointment of Mr. Sachinkumar Pramod Jain (DIN: 01634303) as an Independent Director of the Company. (passed as an Special Resolution) (3) To consider re-appointment of Mr. Jayesh Rasiklal Gandhi (DIN: 01588775) as an Independent Director of the Company. (passed as an Special Resolution) (4) To consider re-appointment of Mrs. Pragya Memani (DIN: 06846968) as an Independent Director of the Company. (passed as an Special Resolution)

No postal Ballot was conducted during F.Y 2019-20. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

**6. DISCLOSURE****I. Related Party Transaction**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Indian Accounting Standard (IND AS-24) – 'Related Party Disclosures' are disclosed in Note No. 36 of Notes to Accounts in the Annual Report. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. [www.mohitindustries.com](http://www.mohitindustries.com). None of the transactions with Related Parties were in conflict with the interest of the Company.

**II. Statutory Compliances Penalties And Strictures**

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

The letter received from BSE Limited via Mail LIST/COMP/531453/Reg. 34-Mar19/206/2019-20 dated 15th October, 2019 and from National Stock Exchange of India Limited via Mail and Letter NSE/LIST-SOP/REG-34/FINES/92402 dated 15th October, 2019 in respect to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, according to which the listed entity shall submit to the stock exchange a copy of annual report not later than the day of commencement of dispatch to its shareholders

**Further Fine was withdrawn by BSE and NSE vide letter/email dated 07.01.2020 and 01.01.2020 respectively.**

**III. Accounting Treatment**

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

**IV. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

The Certificate from Company Secretary in Practice is annexed herewith as a part of the report.

**V. Vigil Mechanism Policy (Whistle Blower Policy)**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.mohitindustries.com](http://www.mohitindustries.com).

**VI. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to the fees paid to statutory Auditor for the Standalone Financial Statements and Consolidated Financial Statements are given under Note 33.

**VII. Disclosure Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal), Act, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Directors further state that during the year under review, No complaint was received from any employee during F.Y 2019-20 and hence no complaint is outstanding as on 31st March, 2020 for redressal.

**VIII. Policy for Material Subsidiaries**

In accordance with the provisions of the Listing Regulations, the Company has framed a policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. The said policy has been placed on the website of the Company [www.mohitindustries.com](http://www.mohitindustries.com).

**IX. Details of Compliance with Mandatory requirements and adoption of Non-mandatory / discretionary requirements**

The Company has Complied with all the mandatory requirements of the Listing Regulations.

**X. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.****XI. This corporate governance report of the Company for the financial year ended as on March 31, 2020 is in compliance with the requirements of Corporate Governance under Listing Regulations.****7. MEANS OF COMMUNICATION**

Quarterly Result	The Unaudited Quarterly Results are announced within 45 days from the end of the quarter and the Annual Audited Results are announced within 60 days from the end of the financial year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
Newspapers wherein results normally published	The Financial Express (English Newspapers having nationwide circulation and & one in Gujarati newspaper)
Any website, where displayed	<a href="http://www.mohitindustries.com">www.mohitindustries.com</a>
Voluntary delisting of Equity Shares from the BSE Limited	Pursuant to the approval of the Board of Directors of the Company at its meeting held on July 27, 2020, the Company had filed an application for voluntary delisting of its equity shares from the BSE Limited on July, 29 2020 in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations").  In this regard, the Company has made necessary disclosures required under SEBI Delisting Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the stock exchanges.
The Company's website also displays official News releases.	
No Presentations were made to Institutional Investors or to Analyst during the year under review.	

## 8. GENERAL SHAREHOLDERS INFORMATION

### I. Annual General Meeting

Day, Date and Time	Monday, 28th September, 2020 at 11.30 a.m.	
Venue	601-B, "A" Wing, International Trade Centre, Maguragate Crossing, Ring Road, Surat Gujarat 395002 In	
Financial year	April 1 to March 31 as the financial year of the company	
Date of Book Closure	Thursday, 24th September, 2020 to Monday, 28th September, 2020 (Both Days Inclusive)	
Listing on Stock Exchange	<b>Name:</b> BSE Limited (BSE) <b>Address:</b> 1st Floor, P J Tower, Dalal Street, Mumbai - 400 001	<b>Name:</b> National Stock Exchange of India Limited (NSE) <b>Address:</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051.
	The Annual Listing fees for Financial Year 2020-21 have been paid to both the Exchanges. The Securities of the Company have not been Suspended from trading during the Financial Year.	
Voluntary delisting of Equity Shares from the BSE Limited	Pursuant to the approval of the Board of Directors of the Company at its meeting held on July 27, 2020, the Company had filed an application for voluntary delisting of its equity shares from the BSE Limited on July, 29 2020 in terms of regulation 6 and 7of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations").  In this regard, the Company has made necessary disclosures required under SEBI Delisting Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the stock exchanges.	
Script Code for BSE	531453	
Script code for NSE	MOHITIND	
ISIN for CDSL & NSDL	INE954E01012	
Tentative Calendar for Financial Year ending March 31, 2021		
Result for the Quarter ending	Tentative Time of Reporting	
30th June 2020	On or before 14th August 2020	
30th September 2020	On or before 14th November 2020	
31st December 2020	On or before 14th February 2021	
31st March 2021	On or before 30th May 2021	

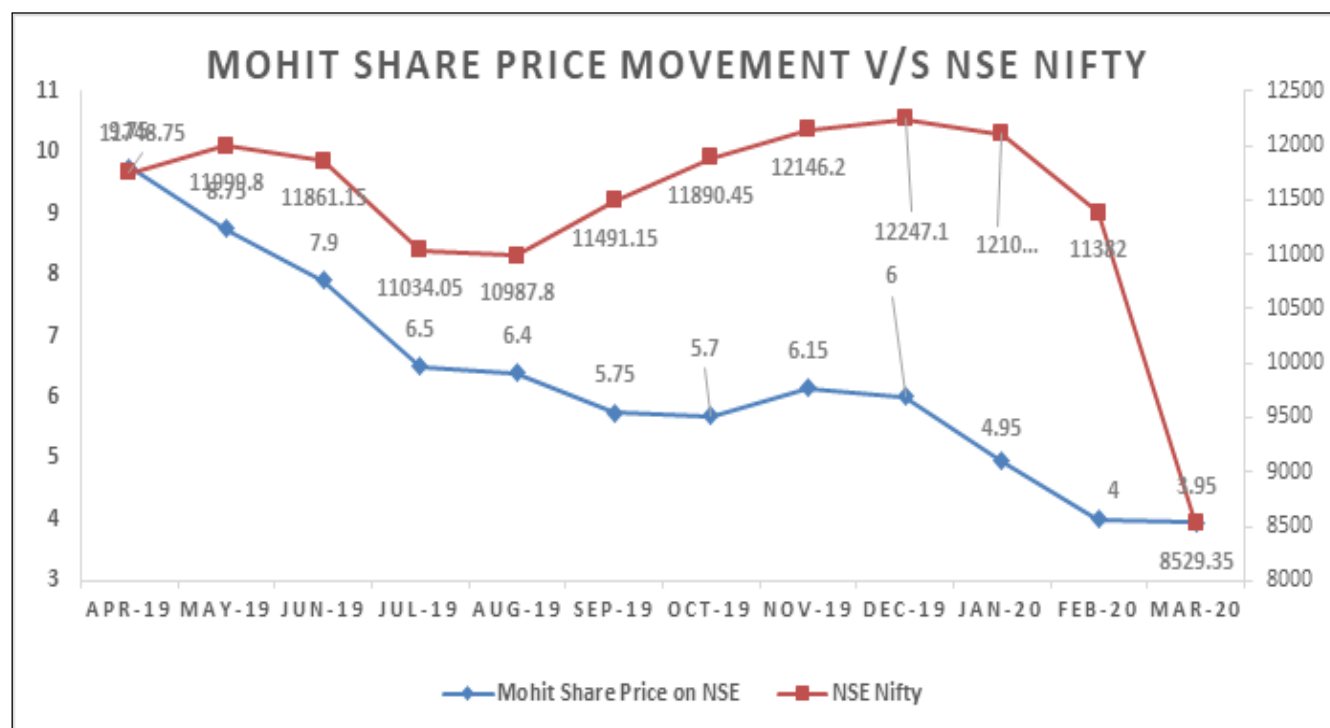
### II. Stock Market Price Data

Month wise data of Market Price (high & low) and Volume of Shares traded in stock exchanges where Company's shares are listed during the financial year 2019-20:

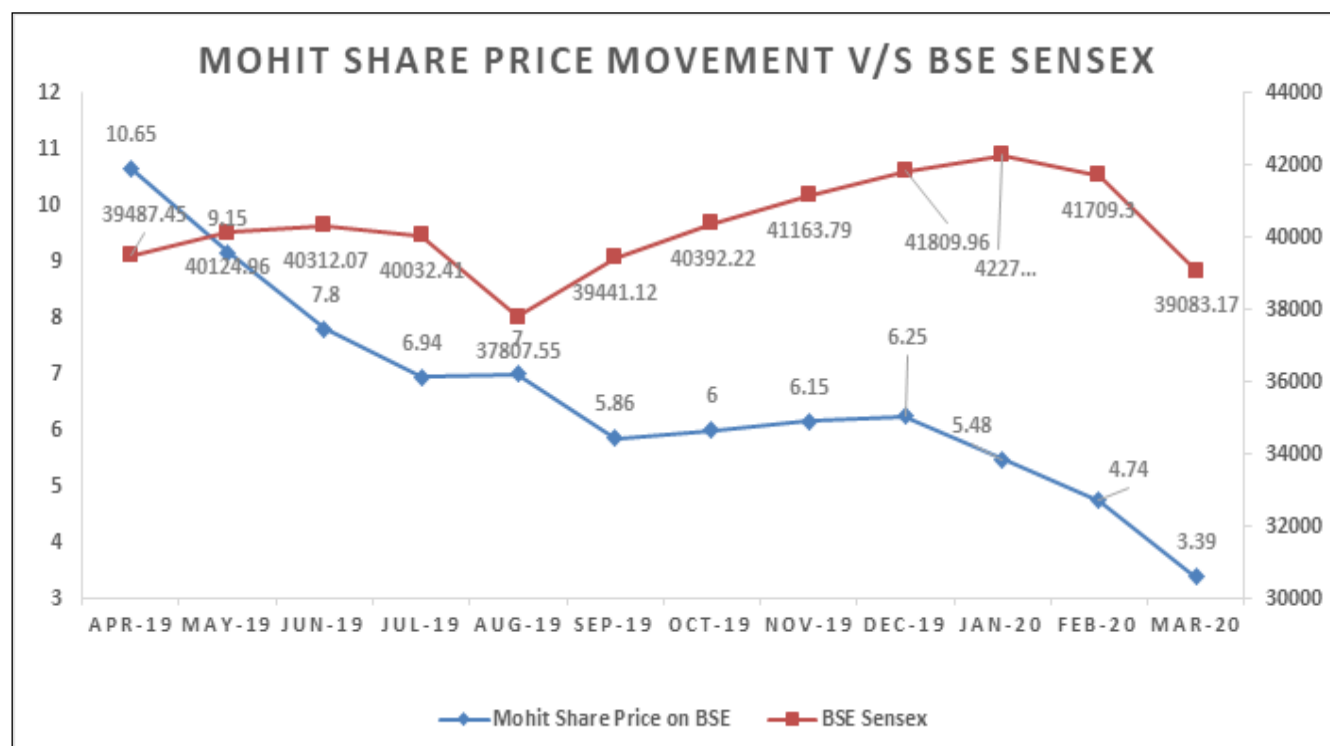
Month	BSE Limited			National Stock Exchange of India Limited		
	High Price	Low Price	No. of Shares (Volume)	High price	Low Price	No. of Shares (Volume)
April 2019	10.65	7.31	8,623	9.75	7.30	206,444
May 2019	9.15	6.42	13,107	8.75	7.20	1,25,986
June 2019	7.80	5.77	27,048	7.90	5.55	1,22,813
July 2019	6.94	5.13	17,246	6.50	4.60	1,25,708
Aug 2019	7.00	4.80	3,515	6.40	4.60	87,313
Sep 2019	5.86	4.20	31,113	5.75	3.90	2,52,329
Oct 2019	6.00	4.28	15,335	5.70	4.20	46,173
Nov 2019	6.15	4.33	12,717	6.15	4.50	34,548
Dec 2019	6.25	5.00	3,033	6.00	4.10	63,721
Jan 2020	5.48	4.14	10,375	4.95	3.40	87,070
Feb 2020	4.74	3.02	50,489	4.00	3.15	82,608
March 2020	3.39	3.05	12,141	3.95	3.40	25,765



## Performance in comparison to board-based indices viz. BSE Sensex



## Performance in comparison to board-based indices viz. NSE Nifty



**III. Registrar and Share Transfer Agent****“Adroit Corporate Service Private Limited”**

**Address:** 19 /20, Jaferbhoy Industrial Estates, Makwana Road, Marol Naka, Andheri (East) Mumbai- 400059.

Ph: +91-22- 42270400 / 28596060 / 28594060 | Fax: +91-22-28503748 | Email: info@adroitcorporate.com

In-House Share Transfer Registered with SEBI as Category I Share Transfer Agent vide Registration No. INR000002227

**IV. Share Transfer system**

All share transfer and other communications regarding share certificates, dematerialization request, transmission, change of address, dividends, etc should be addressed to Registrar and Transfer Agents. Shareholders/Investor Grievance Committee is authorized to approve transfer of shares in the physical segment. The Shareholders/Investor Grievance and Share Transfer Committee have delegated the authority for approving transfer and transmission of shares and other related matters to the Managing Director of the Company. Such transfers take place on fortnightly basis. A summary of all the transfers/transmissions etc. so approved by Managing Director of the Company is placed at every Committee meeting. All Share Transfer, Transmission, Duplicate issue of Shares in physical form and request for dematerialization of securities of the company are completed/processed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half-yearly basis have been issued by a Company Secretary-in-Practice for due compliance of Share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulation, 1996, certificates have been received from a Company Secretary-in-Practice for timely dematerialization of Shares and for reconciliation of the Share Capital of the Company on a quarterly basis.

**V. Distribution of Shareholding as on 31st March 2020**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% shareholding
UPTO - 5000	7904	78.79	12,61,776	8.91
5001 - 10000	1063	10.60	8,80,431	6.22
10001 - 20000	552	5.50	8,59,147	6.07
20001 - 30000	183	1.82	4,71,016	3.33
30001 - 40000	97	0.97	3,52,941	2.49
40001 - 50000	65	0.65	3,09,382	2.19
50001 - 100000	89	0.89	6,53,619	4.62
100001 & above	79	0.79	93,69,263	66.18
<b>Total :</b>	<b>10,032</b>	<b>100.00</b>	<b>1,41,57,575</b>	<b>100.00</b>

**VI. Categories of Shareholding as on 31st March 2020**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% shareholding
Promoter/ Promoter Group	14	0.14	73,44,543	51.88
Banks/Financial Institution	1	0.01	887	0.01
Indian Corporate Bodies	54	0.55	10,67,310	7.54
NRIs	37	0.37	30,930	0.22
Clearing Members	2	0.02	569	0.00
Trust	2	0.02	5,001	0.04
Investor Education & Protection Fund	1	0.01	16,017	0.11
Resident Individual	9792	98.88	56,92,318	40.21
<b>TOTAL</b>	<b>9,903</b>	<b>100.00</b>	<b>1,41,57,575</b>	<b>100.00</b>

**VII. Dematerialization of Shares and Liquidity**

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to provide trading of shares in dematerialized form. About 99.88% of the Equity shares were in dematerialized form as on March 31, 2020.

Physical and Demat Shares as on 31st March 2020			
	No. of Share Holders	No. of Shares	% of
Shares held by CDSL	4,880	4854347	34.29
Shares Held By NSDL	5118	9285866*	65.59
Physical Shares	34	17362	0.12
<b>Total</b>	<b>10,032</b>	<b>1,41,57,575</b>	<b>100.00</b>

**VIII. Outstanding GDRs/ADRs/Warrants or any Convertible Instrument, Conversion date and Likely impact on equity: Nil****IX. Commodity Risk or Foreign Exchange Risk and Hedging Activities:**

The Company has not made any commodity risk or hedging activities during the year under review.

**X. Plant Location :**

Plot No. 14 & 15, Block No. 792, Plot No. 30 & 31, Block No. 787, Village: Kudsad, Taluka Olpad, Dist. Surat  
Email : factory\_kim@mohitindustries.com

**XI. Address for Correspondence****Mohit Industries Limited**

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

Phone no. : +91-261-2463261/62/63 | Fax: +91-261-2463264

E-mail: contact@mohitindustries.com / investor\_relations@mohitindustries.com

Website: www.mohitindustries.com

**C. S. CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Member of  
**Mohit Industries Limited**

I have examined the compliance of conditions of Corporate Governance by Mohit Industries Limited (the Company) for the year ended March 31, 2020, as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the company's management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that

- a. the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
- b. none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

**Dhiren R. Dave**  
**Company Secretary**  
**M. No. FCS 4889**  
**C. P. No. 2496**  
**UDIN: F004889B000629304**

**Date : 28.08.2020**  
**Place : Surat**

**CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To  
The Board of Directors,  
**Mohit Industries Limited**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Mohit Industries Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and to the best of our knowledge and belief, we state that:
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - I. Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - II. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting
  - III. significant changes in internal control over financial reporting during the year.

**Date : 28th August, 2020**  
**Place : Surat**

**Narayan Saboo**  
**Managing Director**  
**DIN No. 00223324**

**Manish Saboo**  
**CFO & Director**  
**DIN No. 01576187**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW OF THE ECONOMY

Global headwinds and challenges in the domestic financial sector moderated the growth of Indian economy in 2019-20. The real GDP growth moderated to 5.0 percent in 2019-20 as compared to 6.8 percent in 2018-19 (Source: World Economic Outlook by IMF). The growth of the economy appears to have bottomed out due to the Pandemic COVID 19 break down in the second half of March affected the numbers adversely and all the markets have literally been stopped across the globe. The COVID-19 pandemic may see multiple waves of outbreaks in the coming period and sovereign debt and financial crises cannot be ruled out.

Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment towards the end of Q3:2019-20, only to be halted by COVID-19 that made government enforce country-wide lockdown in late March 2020. Green shoots had appeared with Index of Industrial Production (IIP), Index of Core Industries (ICI) and merchandize exports rebounding with positive growth in February 2020 along with signs of revival in consumer sentiment. However, sharp negative growth of merchandize exports and imports in March 2020 gave first signs of distress having already entered the country's economic space. With the imposition of lockdown from 24 th March, FY 2019-20 closed with a seven-day period of economic inactivity. Besides trade, negative growth in IIP and ICI indices and particularly the decline in electricity generation in March 2020, reflected the economic adversity of the lockdown. As a result manufacturing and services activity came to a standstill in April 2020 resulting in supply side disruptions and demand falling to unprecedented lows. On the external front, the rupee weakened against the dollar with sharp foreign portfolio investor (FPI) outflows. RBI responded to the economic fallout of the lock down by significantly cutting the repo and the reverse repo to a greater extent to discourage banks from parking funds with it. In addition, it flushed the Indian banking system with liquidity in April 2020. (Source: Macro Economic Report by Department of economic affairs)

### INDIAN TEXTILE INDUSTRY

The COVID 19 break down in the second half of March affected the numbers adversely and all markets have literally been stopped across the globe. It has led to lockdown and shrinkage in all economies world-wide very sharply. The above has put a lot of pressure on Textile industry in India which was already facing a lot of challenges due to delays in receiving the GST refunds as well as delay in receiving export benefits. On positive note there is surge in E-commerce and online sales. Indian textile industry is facing huge liquidity crunch and uncertainty pertaining to future orders.

### OPPORTUNITIES

- Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs 1,480 crore (US\$ 211.76 million).
- In September 2019, textiles export witnessed a 6.2 per cent increase post GST as compared to the period pre-GST.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from two per cent to four per cent.
- The Government announced a special package of US\$ 31 billion to boost export, create one crore job opportunity and attract investment worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 25,345 crore (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), estimated to create employment for 35 lakh people and enable investment worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Going ahead, there could be a positive side for textile business as USA and EU customers who will be looking for alternative for China, may move to other countries such as Vietnam, Bangladesh, India, etc. Hence it is expected that demand will increase in textile fabrics for exports, but we need to ensure that we prepare ourselves to take the advantage of the expected business which might drift away from China.

### CHALLENGES

- The Indian textile industry has its own limitations such as accesses to latest technology and failures to meet global standards in the highly competitive export market.
- Currently the biggest threat is COVID 19 and its impact. It is expected that overall textile business will be severely affected which would result in various job losses across the value chain.
- First half of FY 21 is expected to be very tough and the second half is expected to give some relief to the business and the society in general if all the countries specially India is able to control the COVID 19 Pandemic.

**RISK AND CONCERN**

- Limitation of latest technology and failures to meet global standards in the highly competitive export market
- Changing Government Policies at the state and central level affects the textile industry.
- Overall negative impact is expected across the industry due to current COVID 19 pandemic. A shift towards online business is expected to happen due to the fear & the restrictions to maintain the social distancing. Also, there could be short time recessionary pressure due to job losses and money crunch in the market and it will take a good 6 to 8 months before we could see demand coming back in the Textile industry.

**BUSINESS OUTLOOK**

Your company has 16 Texturising Machines, 150 High Speed Shuttle-less water jet Looms with a capacity to manufacture 18,000 tonnes of Draw Texturised Yarn (DTY) per annum and 14 Million meters Grey fabrics per annum respectively. Your Company's textile products has a Competitive edge of Quality, design, Innovative Product but still company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The company has recorded export turnover of ₹ 8,782.51 lakhs.

**COMPANY'S FINANCIAL/OPERATIONAL PERFORMANCE**

During the year under review, your Company has recorded its revenue from operations as ₹ 17501.02 lakhs against revenue recorded of ₹ 19,147.00 lakhs in the previous year. The EBITD recorded at ₹ 997.76 lakhs against last year's figure of ₹ 1300.73 lakhs. Depreciation and finance cost during the year stood at ₹ 311.46 lakhs and ₹ 383.36 lakhs respectively however, Finance cost and depreciation costs decreased by ₹ 255.45 lakhs. Profit before taxation is ₹ 13.05 lakhs, which is 0.07 % margin on its revenue from operations, has declined at 78.45 % against last year's figure of ₹ 60.57 lakhs. Net profit after tax is ₹ 23.36 lakhs.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in house trained personnel. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

**RISK MANAGEMENT**

Risk is inherent in all kinds of business and is an integral part of the textile business. In the normal course of business, a company is exposed to various risks like Credit risk, Market risk and Operational risk, besides other residual risks such as Liquidity risk, Interest rate risk, Regulation risk etc. With a view to efficiently manage such risks, your Company has put various risk management system and practices. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate balance between risks and returns. The risk management strategy adopted by your Company is clearly based on a clear understanding of the risk and the level of the risk appetite and that is dependent on the willingness to take the risk in the normal course of business.

Various committees operate within the broad policy framework to ensure and enhance the risk control and governance framework.

**HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute for developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company is giving direct employment to 500 employees including workers. Industrial relations are cordial and satisfactory.

**Disclaimer Statement**

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



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**MOHIT INDUSTRIES LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of Mohit Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the 'Basis of Qualified Opinion' Paragraph below, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis of Qualified Opinion

The company has not provided for Post-Employment Benefits and other long term employee benefits under Defined Benefit Plans on accrual basis but provides the same as and when they become due for payment. This method of accounting of Post-Employment Benefits and other long term employee benefits under Defined Benefit Plans is in deviation with Ind AS – 19 on Employee Benefits. As there is no actuarial report or basis of calculation available with the management of such Post-Employment Benefits and other long term employee benefits, the quantum of deviation cannot be ascertained. If the company had followed the method accounting as per Ind AS – 19, then employee benefit expense would have increased and correspondingly Profit for the period would have reduced.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Evaluation of uncertain tax positions</b> The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 32(i) to the Standalone Financial Statements.	<b>Principal Audit Procedures:</b> Obtained details of completed tax assessments and demands as on year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.
2	<b>Recoverability / Refund of Indirect tax receivables</b> As at March 31, 2020, Current assets in respect of withholding tax and others includes GST Credit and VAT Refund totaling to Rs. 741.16 Lakhs. Refer Note 14 to the Standalone Financial Statements.	<b>Principal Audit Procedures:</b> We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud and error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- **Identify** and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:-
  - a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 such books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act except for Ind AS – 19 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans.
  - e) In our opinion, the tax demands litigation matters described in Sr. No. 1 of "Key Audit Matters" paragraph above, if decided against the company, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;  
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(i) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Rajendra Sharma & Associates**  
**Chartered Accountants**  
 Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
 Partner  
**M. No. : 044393**  
 Surat,

**Annexure "A" To The Independent Auditors' Report Of  
Mohit Industries Limited For Year Ended 31st March, 2020**

(Referred to in Paragraph '1' under "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at reasonable intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As informed to us, physical verification of inventory has been conducted by the management at reasonable intervals during the year. As explained to us, no material discrepancies were noticed on such physical verification.
- iii. The Company has granted unsecured loans to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - (b) As informed to us, the principal and interest of above loans were repayable as and when demanded and accordingly repayments or receipts were regular as and when demanded by the company.
  - (c) There are no overdue amounts in respect of the loans granted to the company listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to information & explanation given to us, the company has not accepted any deposit from the public.
- vi. As explained to us, the company is maintaining cost accounts and records prescribed by the Central Government under section 148 (1) of the Companies Act, 2013. However, these cost accounts/records were not examined by us.
- vii. (a) The company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, applicable to it, with the appropriate authorities.  
  
According to the information and explanation given to us, no undisputed amounts in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess were in arrears, as at 31st March, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. Details of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax (VAT), Entry Tax and Cess which have not been deposited as on 31 March, 2020 on account of disputes are given below:

Name of The Statute	Nature of Dues	Amount (₹. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Entry Tax Laws	Gujarat Entry Tax	433.18	FY 2006-07	First Appellate Authority
Gujarat Entry Tax Laws	Gujarat Entry Tax	1097.25	FY 2007-08	First Appellate Authority
Gujarat Entry Tax Laws	Gujarat Entry Tax	513.82	FY 2009-10	First Appellate Authority
Gujarat VAT Act	Gujarat VAT	301.49	FY 2010-11	First Appellate Authority
Gujarat Entry Tax Laws	Gujarat Entry Tax	323.53	FY 2010-11	First Appellate Authority
Gujarat VAT Act	Gujarat VAT	72.05	FY 2011-12	Appeal pending before Tribunal
Gujarat Entry Tax Laws	Gujarat Entry Tax	577.26	FY 2011-12	Appeal pending before Tribunal
Gujarat VAT Act	Gujarat VAT	28.96	FY 2012-13	First Appellate Authority
Gujarat Entry Tax Laws	Gujarat Entry Tax	339.64	FY 2012-13	First Appellate Authority
Central Excise Act	Excise Duty & Penalty	204.52	Various Periods	CESTAT, Ahmedabad
Central Excise Act	Excise duty rebate rejection	8.90	2013-14	Commissioner (Appeals), Surat
Income Tax Act, 1961	Income Tax Demand	5.71	A.Y. 2011-12	Commissioner of Income Tax (Appeals), Surat
Income Tax Act, 1961	Income Tax Demand	6.48	A.Y. 2018-19	Commissioner of Income Tax (Appeals), Surat

- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to the banks, financial institutions or government. As explained to us, no debenture has been issued by the company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). 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.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Rajendra Sharma & Associates**  
**Chartered Accountants**  
 Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
 Partner  
**M. No. : 044393**  
 Surat,

## **Annexure "B" to the Independent Auditor's Report of Even date on the Standalone Financial Statements of Mohit Industries Limited for year ended on 31st March, 2020**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Mohit Industries Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Rajendra Sharma & Associates**  
**Chartered Accountants**

Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**

Partner

**M. No. : 044393**

Surat,



## Balance Sheet As At 31st March, 2020

(Amount in Rupees)

Particulars	Note No.	Figures as at 31st March, 2020	Figures as at 31st March, 2019
<b>I ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	4	26,16,11,329	29,21,71,545
(b) Capital Work In Progress		-	-
(c) Intangible Assets	4	2,22,413	1,40,759
(d) Investment Properties	5	76,73,248	76,73,248
(e) Financial Assets			
(i) Investments	6	2,01,89,669	2,04,65,872
(ii) Loans	7	3,93,606	3,74,356
(f) Other Non-Current Assets	8	20,81,645	20,81,645
<b>SUB-TOTAL</b>		<b>29,21,71,910</b>	<b>32,29,07,426</b>
<b>2 Current Assets</b>			
(a) Inventories	9	21,11,76,686	23,40,58,221
(b) Financial Assets			
(i) Trade Receivables	10	16,37,40,470	24,84,34,325
(ii) Cash & Cash Equivalents	11	67,31,655	27,23,199
(iii) Other Bank Balances	12	19,78,550	30,72,316
(iv) Loans	13	11,62,53,593	11,11,78,271
(c) Other Current Assets	14	9,78,56,870	11,22,11,273
<b>SUB-TOTAL</b>		<b>59,77,37,824</b>	<b>71,16,77,604</b>
<b>TOTAL</b>		<b>88,99,09,734</b>	<b>1,03,45,85,030</b>
<b>II EQUITIES &amp; LIABILITIES</b>			
<b>A Equity</b>			
(a) Equity Share Capital	15	14,15,75,750	14,15,75,750
(b) Other Equity		14,78,99,842	14,56,46,516
<b>SUB-TOTAL</b>		<b>28,94,75,592</b>	<b>28,72,22,266</b>
<b>B Liabilities</b>			
<b>1 Non- Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	7,24,25,278	7,81,70,887
(b) Deferred Tax Liability (Net)	17	2,09,14,414	2,55,68,173
(c) Government Grants	18	35,88,110	48,65,105
<b>SUB-TOTAL</b>		<b>9,69,27,802</b>	<b>10,86,04,165</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	41,40,02,765	49,20,37,613
(ii) Trade Payables	20	6,20,48,917	9,88,17,288
(iii) Other Financial liabilities	21	1,90,08,720	3,92,21,258
(b) Other Current Liabilities	22	62,25,781	37,59,400
(c) Current Tax Liabilities	23	22,20,156	49,23,039
<b>SUB-TOTAL</b>		<b>50,35,06,340</b>	<b>63,87,58,598</b>
<b>TOTAL</b>		<b>88,99,09,734</b>	<b>1,03,45,85,030</b>
<b>Statement of Accounting Policies and Notes Forming Part of Financial Statements</b>		<b>1 to 44</b>	

As per our Audit Report Attached  
**For RAJENDRA SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 108390W  
**(Rajendra Ratanlal Sharma)**  
Partner  
M. No. 044393

**For & On Behalf of Board of Directors**  
**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Padiwal** (Company Secretary)  
Place : Surat  
Date : 27th July, 2020

## Statement of Profit &amp; Loss for the year ended on 31st March, 2020

(Amount in Rupees)

Particulars	Note No.	Figures for the year ended on 31-03-2020	Figures for the year ended on 31-03-2019
<b>I. Revenue from Operations</b>			
Revenue from Operations	24	1,75,01,01,948	1,91,47,00,048
<b>II. Other Income</b>	25	3,08,72,878	3,95,90,739
<b>III. Total Revenue (I+II)</b>		<b>1,78,09,74,826</b>	<b>1,95,42,90,787</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	26	1,33,17,39,734	1,44,18,15,459
Purchase of Traded Goods		72,203	3,55,53,224
Changes in Inventories of Finished Goods & Trading Goods	30	(13,19,781)	11,89,337
Employee Benefit Expenses	27	7,92,31,196	7,56,74,596
Finance Costs	28	6,73,25,524	8,56,80,365
Loss from Currency Derivative Trading		3,78,654	-
Depreciation & Amortization	4	3,11,46,075	3,83,35,883
Other Expenses	29	27,10,96,475	26,99,84,775
<b>Total Expenses</b>		<b>1,77,96,70,080</b>	<b>1,94,82,33,638</b>
<b>V. Profit / (Loss) Before Exceptional Item &amp; Tax</b>		<b>13,04,746</b>	60,57,148
<b>VI. Exceptional Item</b>	31	(1,93,900)	-
<b>VII. Profit / (Loss) Before Prior Period Item</b>		<b>11,10,846</b>	<b>60,57,148</b>
<b>VIII. Prior Period Item (Income / (Expenses))</b>		-	-
<b>IX. Profit / (Loss) Before Tax</b>		<b>11,10,846</b>	<b>60,57,148</b>
<b>X. Tax Expenses</b>			
For Current Tax		22,20,156	49,23,039
Less:- MAT Credit Entitlement / (Reversal)		-	-
Net Current Tax		22,20,156	49,23,039
For Deferred Tax Charge / (Credit)		(46,53,759)	(57,76,964)
Income Tax of Earlier Years		12,08,920	71,284
<b>Sub-Total</b>		<b>(12,24,683)</b>	<b>(7,82,641)</b>
<b>XI. Profit / (Loss) for the Period (After Tax)</b>		<b>23,35,529</b>	<b>68,39,789</b>
<b>XII. OTHER COMPREHENSIVE INCOME</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss -- Equity Instruments valued at Fair Value Through OCI		(82,203)	(30,24,060)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
<b>XIII. Other Comprehensive Income for the Period</b>		<b>(82,203)</b>	<b>(30,24,060)</b>
<b>XIV. Total Comprehensive Income for the Period</b>		<b>22,53,326</b>	<b>38,15,729</b>
<b>XV. Earnings per share (of Face Value of Rs. 10/- each)</b>	37		
(a) Basic		0.16	0.48
(b) Diluted		0.16	0.48
<b>Statement of Accounting Policies and Notes Forming Part of Financial Statements</b>	1 to 44		

As per our Audit Report Attached  
**For RAJENDRA SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
Partner  
M. No. 044393

## For &amp; On Behalf of Board of Directors

**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Padiwal** (Company Secretary)

Place : Surat  
Date : 27th July, 2020

## Cash flow statement for the year ended on 31st March, 2020

(Amount in Rupees)

PARTICULARS	2019-20	2018-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra-ordinary items	11,10,846	60,57,148
<b>ADJUSTMENTS FOR:</b>		
1 Depreciation & Amortization	3,11,46,075	3,83,35,883
2 Interest & Dividend Classified as Investment Cash Flows	(69,88,297)	(1,11,27,953)
3 Amortization of Government Grants	(12,76,995)	(12,76,995)
4 (Profit) / Loss on disposal of Property, Plant & Equipments	1,93,900	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	2,41,85,529	3,19,88,083
<b>ADJUSTMENTS FOR:</b>		
1 (Increase) / Decrease in Trade Receivables	8,46,93,855	1,80,89,222
2 (Increase) / Decrease in Other Assets	1,53,02,331	1,88,99,917
3 (Increase) / Decrease in Inventories	2,28,81,535	(44,44,321)
4 Increase / (Decrease) in Trade Payable	(3,67,68,371)	6,25,50,460
5 Increase / (Decrease) in Other Financial Liabilities	(2,02,12,538)	1,02,85,698
6 Increase / (Decrease) in Other Current Liabilities	24,66,382	29,33,981
<b>CASH GENERATED FROM OPERATIONS</b>	9,25,48,722	14,03,03,040
<b>1 Income Taxes Paid</b>	(70,79,887)	(67,514)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A</b>	<b>8,54,68,835</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
1 Payment for Property, Plant & Equipment	(74,77,413)	(75,55,075)
2 Proceeds from Sale of Property, Plant & Equipment	68,10,000	-
3 Proceeds from Sale of Investments	-	51,000
4 Payment for Purchase of Investments	-	-
5 (Increase) / Decrease in Loans & Deposits	(40,00,806)	(7,02,13,662)
6 Interest & Dividend Income	69,88,297	1,11,27,953
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>B</b>	<b>23,20,078</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
1 Repayment of Working Capital Borrowings	(5,78,17,095)	(24,40,194)
2 Proceeds from Term Loans	(57,45,610)	(3,16,99,894)
3 Proceeds from Unsecured Loans	(2,02,17,752)	(3,79,43,198)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>C</b>	<b>(8,37,80,458)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	40,08,456
CASH AND CASH EQUIVALENTS (OPENING)		27,23,199
CASH AND CASH EQUIVALENTS (CLOSING)		67,31,655

For Rajendra Sharma & Associates  
**Chartered Accountants**  
 Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
**Partner**  
 M. No. : 044393

**For & On Behalf of Board of Directors**

**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Padiwal** (Company Secretary)

Place : Surat  
 Date : 27th July, 2020

## Statement of changes in equity for the year ended on 31st March, 2020

### A. EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2020

Balance as at 1st April 2019	Changes in the Equity Share Capital during the Year	Balance as at 31st March 2020
14,15,75,750	-	14,15,75,750

### EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2019

Balance as at 1st April 2019	Changes in the Equity Share Capital during the Year	Balance as at 31st March 2020
14,15,75,750	-	14,15,75,750

### B. OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	Reserves & Surplus			OTHER RESERVES	TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI - Equity Instruments	
<b>As at 31st March 2020</b>					
Opening Balance as at 1st April 2019	5,87,67,000	-	8,76,59,700	(7,80,183)	14,56,46,516
Profit for the Year	-	-	23,35,529	-	23,35,529
Other Comprehensive Income of the year	-	-	-	(82,203)	(82,203)
Dividend including DDT	-	-	-	-	-
<b>Closing Balance as at 31st March 2020</b>	<b>5,87,67,000</b>	<b>-</b>	<b>8,99,95,228</b>	<b>(8,62,386)</b>	<b>14,78,99,842</b>

### OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2019

Particulars	Reserves & Surplus			Other Comprehensive Income	TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments Through other Comprehensive Income	
<b>As at 31st March 2018</b>					
Opening Balance as at 1st April 2018	5,87,67,000	-	8,08,19,910	22,43,877	14,18,30,787
Profit for the Year	-	-	68,39,789	-	68,39,789
Other Comprehensive Income of the year	-	-	-	(30,24,060)	(30,24,060)
Dividend including DDT	-	-	-	-	-
<b>Closing Balance as at 31st March 2019</b>	<b>5,87,67,000</b>	<b>-</b>	<b>8,76,59,699</b>	<b>(7,80,183)</b>	<b>14,56,46,516</b>

For Rajendra Sharma & Associates  
**Chartered Accountants**  
 Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
**Partner**  
 M. No. : 044393

#### For & On Behalf of Board of Directors

**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Padiwal** (Company Secretary)

Place : Surat  
 Date : 27th July, 2020

## Notes Forming Part of Financial Statements for the year ended 31st March, 2020

### 1 CORPORATE INFORMATION

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

### 2 BASIS OF PREPARATION

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

#### Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency.

#### Basis of measurement

The financial statements have been prepared on a historical cost basis except for Certain Financial Assets measured at fair value (refer accounting policy regarding financial instruments)

#### Use of significant accounting estimates, judgements and assumptions

The preparation of financial statements 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.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Presentation and disclosure of financial statements

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013, for a Company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015. Deferred tax liabilities are classified as non-current liabilities.

Based on the nature of business and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

#### 3.2 Property, plant and equipment

- i) Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the property, plant & equipment under Ind AS.
- ii) Subsequent to transition date, property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of property, plant and equipment includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.
- iii) Capital work-in-progress comprises of cost incurred on property, plant and equipment not yet ready for their intended use at the Balance Sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

#### 3.3 Depreciation on property, plant and equipment

- a) Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on SLM over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013.
- b) In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- c) Depreciation on addition has been provided from the date of putting the assets into use.

#### 3.4 Investment properties

Investment properties are measured at cost, including transaction costs.

**3.5 Intangible assets**

- i) Under the previous GAAP, intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of intangible assets under Ind AS.
- ii) Subsequent to transition date, Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization. Intangible assets are recognised only if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably.

**3.6 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw Materials, Packing Materials & Stores & Spares: Costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs is determined based on weighted average basis.
- ii) Finished Goods and Work in Progress: Costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs is determined based on weighted average basis.

**3.7 Financial instruments****Initial Recognition**

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through OCI) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

**Subsequent Measurement**

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**a) Non-derivative financial assets****(i) Financial assets at amortised cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets are measured at Amortized Cost.

**(ii) Debt instruments at FVTOCI**

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.



**(iii) Equity instruments at FVTOCI**

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

**(iv) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

**b) Non-derivative financial liabilities****(i) Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**3.8 Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- A. Sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded at the fair value of the consideration received or receivable, net of returns and allowances, trade and volume discounts.
- B. Interest income in respect to all the Debt Instruments and deposits which are measured at cost or at fair value through other comprehensive income, is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest Income is included in Other Income in the statement of profit and loss.
- C. Export Benefits are recognized in the year of export
- D. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.
- E. Revenue from Operations is measured at the fair value of consideration received / receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**3.9 Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary assets and liabilities are translated at closing exchange rate. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**3.10 Employee Benefits**

- (a) All the Short Term Employee Benefits are accounted for on the basis of services rendered by the employees of the company.
- (b) Company contributes towards Provident Fund which is Defined Contribution schemes. Liability in respect thereof is determined on basis of contribution required to be made as per statutes/ rules.
- (c) No provision has been made for Long Term Employee Benefits such as Gratuity and Leave Encashment as the same are recognized as and when they become due for payment.

**3.11 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 the Statement of Profit & Loss.

**3.12 Taxes on income**

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carryforward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

**3.13 Excise Duty, Value Added Tax (VAT) & GST**

Excise Duty, VAT and GST credit received on purchases is reduced from respective item of purchases.

Excise Duty, VAT and GST on Sales is credited to Payable account and differential amount, if any, is paid. Thus, the company has followed exclusive method of accounting whereby purchases, sales and stock is shown exclusive of GST and accounted for in separate Account.

**3.14 Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

**4. PROPERTY, PLANT & EQUIPMENT**

(Amount in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	Balance as at 1st April 2019	Additions / Adjustments	Disposals / Retirements	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation Charge for the year	On Disposals	Balance as at 31st March, 2020	Balance as at 31st March, 2020	Balance as at 31st March, 2019
Land	16154703	0	0	16154703	0	0	0	0	16154703	16154703
Factory Building	217929378	0	0	217929378	43926216	7067941	0	50994157	166935221	174003162
Office Building	3379800	0	0	3379800	661088	54249	0	715337	2664463	2718712
Plant & Machinery	252860022	81000	8775000	244166022	202989711	10538573	3681653	209846631	34319391	49870311
Generator Set	4620832	0	0	4620832	4140454	249336	0	4389790	231042	480378
Water Jet Looms	74758591	0	0	74758591	68945888	643426	0	69589314	5169278	5812704
Water Jet Imported	58433777	0	0	58433777	32449800	8781301	0	41231101	17202676	25983977
Electric Installation	19715566	132500	0	19848066	14445438	1103459	0	15548897	4299170	5270129
Office & Factory Equipments	9571325	611904	0	10183230	7273385	914967	0	8188352	1994878	2297940
Vehicles	13276399	5348130	4016944	14607585	5561185	1080008	2300391	4340802	10266783	7715214
Furniture	3321134	144531	0	3465665	2231904	155947	0	2387851	1077814	1089230
Diesel Tank	161435	0	0	161435	161435	0	0	161435	0	0
Computer	5317884	982805	0	6300689	4542798	461979	0	5004777	1295912	775086
<b>Total Tangible Assets</b>	<b>679500847</b>	<b>7300869</b>	<b>12791944</b>	<b>674009772</b>	<b>387329301</b>	<b>31051186</b>	<b>5982044</b>	<b>412398443</b>	<b>261611329</b>	<b>292171545</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	807898	176543	0	984441	667139	94889	0	762028	222413	140759
<b>Total Intangible Assets</b>	<b>807898</b>	<b>176543</b>	<b>0</b>	<b>984441</b>	<b>667139</b>	<b>94889</b>	<b>0</b>	<b>762028</b>	<b>222413</b>	<b>140759</b>
<b>Previous Year</b>	<b>672753670</b>	<b>7555075</b>	<b>0</b>	<b>680308745</b>	<b>349660558</b>	<b>38335883</b>	<b>0</b>	<b>387996440</b>	<b>292312304</b>	<b>323093112</b>

		(Amount in Rupees)	
Particulars		As At 31st March, 2020	As At 31st March, 2019
<b>5 Gross Carrying Amount</b>			
Opening Gross Carrying Amount		76,73,248	76,73,248
Additions		-	-
Closing Gross Carrying Amount		76,73,248	76,73,248
Accumulated Depreciation			
Opening Accumulated Depreciation		-	-
Additions		-	-
Closing Accumulated Depreciation		-	-
Net Carrying Amount		<b>76,73,248</b>	<b>76,73,248</b>
<b>6 Non-Current Investments</b>			
<b>A. Valued at Cost less other than temporary diminution in value, if any</b>			
<b>(a) Investment in Equity Instruments (Fully Paid Up)</b>			
<b>In Associates</b>			
(a) Mohit Yarns Ltd.	663000	1,57,23,000	1,57,23,000
(b) Mohit Overseas Ltd.	394000	37,99,000	37,99,000
(c) Mohit E-Waste Recovery P. Ltd.	19400	-	1,94,000
<b>B. Valued at fair value through FVOCI</b>			
<b>(a) Investment in Equity Instruments (Fully Paid Up)</b>			
<b>(i) Unquoted</b>	<b>No. of Share</b>		
(a) Sasmi Co-op. Society Ltd.		7,200	7,200
(b) ITC Co-op. Hsg. Soc. Ltd.	5	251	251
(c) Shamrao Vithal Co. op Bank	100	2,500	2,500
<b>(ii) Quoted</b>			
(a) Trigyn Technology Ltd. (6 Equity Shares of Cost of Rs. 194/-)		137	431
(b) BigBloc Construction Limited (23073 Equity Shares of Cost of Rs. 15,01,024/-)		6,57,581	7,39,490
<b>TOTAL</b>		<b>2,01,89,669</b>	<b>2,04,65,872</b>
Aggregate Amount of Unquoted Shares		1,95,31,951	1,97,25,951
Aggregate Amount of Quoted Shares and Market value thereof		6,57,718	7,39,921
Aggregate Amount of Impairment in Value of Investments		-	-
<b>6.1 Category-wise Investments - Non-Current</b>			
(a) Financial Assets measured at Cost		1,95,22,000	1,97,16,000
(b) Financial Assets measured at Fair Value through OCI		6,67,669	7,49,872
<b>TOTAL</b>		<b>2,01,89,669</b>	<b>2,04,65,872</b>

(Amount in Rupees)

Particulars		As At 31st March, 2020	As At 31st March, 2019
<b>7 Non Current Financial Assets - Loans</b>			
(Unsecured, Considered Good by Directors)			
(a) Security Deposits		3,93,606	3,74,356
<b>TOTAL</b>		<b>3,93,606</b>	<b>3,74,356</b>
<b>8 Other Non-Current Assets</b>			
(a) Capital Advances		20,81,645	20,81,645
<b>TOTAL</b>		<b>20,81,645</b>	<b>20,81,645</b>
<b>9 Inventories</b>			
(a) Raw Materials & Stock in process		11,27,14,107	13,92,80,171
(b) Finished Goods		8,72,88,599	8,59,68,818
(c) Yarn Oil		12,95,760	7,49,952
(d) Packing Material		85,45,720	60,09,180
(e) Stores & Spares		13,32,500	20,50,100
<b>TOTAL</b>		<b>21,11,76,686</b>	<b>23,40,58,221</b>
<b>10 Trade Receivables</b>			
Sundry Debtors		15,19,06,395	22,29,51,455
(Unsecured, considered good by Directors)			
Other Trade Receivables		1,18,34,075	2,54,82,870
(Unsecured, considered good by Directors)			
<b>TOTAL</b>		<b>16,37,40,470</b>	<b>24,84,34,325</b>
<b>11 Cash &amp; Cash Equivalents</b>			
(a) Cash on Hand		9,71,172	12,35,300
(b) Balances in Bank in Current Account		50,82,651	14,87,899
(c) Balances in Bank in EEFC Account		6,77,832	
<b>TOTAL</b>		<b>67,31,655</b>	<b>27,23,199</b>
<b>12 Cash &amp; Bank Balances</b>			
(a) Balances with Bank in F.D. (As margin Deposits)		19,78,550	30,72,316
<b>TOTAL</b>		<b>19,78,550</b>	<b>30,72,316</b>
<b>13 Loans</b>			
(Unsecured, considered good by Directors)			
(d) Loans & Advances Given			
-- To Related Parties		2,41,419	9,61,063
-- To Others		11,60,12,174	11,02,17,208
<b>TOTAL</b>		<b>11,62,53,593</b>	<b>11,11,78,271</b>
<b>14 Other Current Assets</b>			
(Unsecured, considered good by Directors)			
(a) Interest Accrued on Bank FDR		1,46,426	7,82,471
(b) Advance to Suppliers		1,07,99,225	42,13,715
(c) Balances with Revenue / Government Authorities		7,41,15,742	9,78,64,844
(d) Other Advances		1,27,95,477	93,50,242
<b>TOTAL</b>		<b>9,78,56,870</b>	<b>11,22,11,273</b>

Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>15 Share Capital</b>		
Authorized Share Capital		
1,50,00,000 equity shares of Rs. 10/- each (As at 31-03-2016: 1,50,00,000 equity shares)	15,00,00,000	15,00,00,000
<b>Issued Share Capital</b>		
1,46,82,900 Equity Shares of Rs. 10/- each (As at 31-03-2016, 1,46,82,900 equity shares)	14,68,29,000	14,68,29,000
<b>Subscribed &amp; Fully Paid Up</b>		
1,41,57,575 equity shares of Rs. 10/- each, fully paid up (as at 31-03-2016, 1,41,57,575 equity shares of Rs. 10/- each )	14,15,75,750	14,15,75,750
<b>TOTAL RS.</b>	<b>14,15,75,750</b>	<b>14,15,75,750</b>

**15.1** 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.

**15.2** Reconciliation of No. of Equity Shares Outstanding at the Beginning & End of the reporting period:

Particulars	As At 31st March, 2020 Number	As At 31st March, 2019 Number
Shares Outstanding at the Beginning of the Year	1,41,57,575	1,41,57,575
(+) Shares Issued during the year	-	-
(-) Shares Buy-back During the year	-	-
Shares Outstanding at the End of the year	1,41,57,575	1,41,57,575

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

Name of Shareholder	Equity Shares			
	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mask Investments Limited	14,28,881	10.09%	14,28,881	10.09%
Mohit Overseas Limited	15,98,622	11.29%	15,98,622	11.29%
Mohit Yarns Limited	19,70,609	13.92%	19,70,609	13.92%

(Amount in Rupees)

Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>16 Non-Current Financial Liabilities - Borrowings</b>		
<b>(a) Secured Loans - At Amortised Cost</b>		
<b>(i) Term Loans - from Banks &amp; NBFC</b>		
-- Term Loans from Banks	8,35,13,718	11,17,35,705
-- Car Loans	78,60,499	52,96,744
	9,13,74,217	11,70,32,449
Less:- (a) Current Maturities of Long Term Debts	1,89,48,939	3,88,61,562
(b) Interest Accrued But not Due	-	-
<b>Sub-Total</b>	<b>7,24,25,278</b>	<b>7,81,70,887</b>
<b>(b) Unsecured - At Amortised Cost</b>		
(i) Loans from Director	-	-
(ii) Loans from NBFC	-	-
Less:- (a) Current Maturities of Long Term Debts	-	-
(b) Interest Accrued But not Due	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>7,24,25,278</b>	<b>7,81,70,887</b>

- 16.1 Car Loans from Bank & Financial Institutions are secured by hypothecation of Motor Cars for which loan has been taken.
- 16.2 Term Loans from Banks are secured by hypothecation of all the fixed assets of the company.
- 16.3 Term Loan from Banks are also secured by entire Land & Building of the Company located at Kudsad-Kim, Olpad Taluka, Surat.
- 16.4 The Term Loans are also secured against Flat at Soffitel Tower, Surat and Office at International Trade Center, Surat of the company. Term Loan is also secured against personal properties of directors and sister concern M/s Mohit Yarns Ltd. All the term loans are guaranteed by directors of the Company.
- 16.5 Terms of Repayment of Term Loans:-
- (a) Term Loans of South Indian Bank are repayable in monthly instalments of Rs. 8,78,000/- and Rs. 4,20,000/- each and shall be repaid by March, 2022 and October, 2021 respectively.  
The rate of interest is 11.25%.  
Term loan of SVC Bank of Rs. 950 Lakhs (O/s Amount Rs. 626.40 Lakhs) shall be repaid in monthly installments of Rs. 16,00,000/- and shall be repaid by June, 2024. The rate of interest is 12.50%.
- (b) Car Loan from Kotak Mahindra Prime Limited is repayable in instalments of Rs. 24585/- and Rs. 25934/- each.
- (c) Car Loan taken from ICICI bank is repayable in installments of Rs. 75,060/- each.
- (d) Car Loan taken from BMW Financial Services is repayable in installments of Rs. 93,226/- each.

(Amount in Rupees)		
	As At 31st March, 2020	As At 31st March, 2019
<b>17 Deferred Tax Liabilities</b>		
<b>Deferred Tax Liabilities:</b>		
Property, Plant & Equipment	2,09,14,414	2,55,80,915
<b>Deferred Tax Assets:</b>		
Demerger Expenses (Deferred in Income Tax)	-	(12,742)
<b>Net Deferred Tax Liability / (Asset)</b>	<b>2,09,14,414</b>	<b>2,55,68,173</b>
<b>18 Government Grants</b>		
Opening Balances	48,65,105	61,42,100
Add:- Grants During the Year	-	-
Less:- Released to profit and loss	12,76,995	12,76,995
<b>TOTAL</b>	<b>35,88,110</b>	<b>48,65,105</b>
<b>19 Current Financial Liabilities - Borrowings</b>		
<b>(a) Secured Loans - at amortised cost</b>		
(i) Cash Credit Limit From Banks	18,08,66,990	25,03,05,161
(ii) Export Packing Credit Limit	12,79,46,947	10,40,04,456
(iii) S.V.C. Bill Discounting Loan	-	1,23,21,416
<b>SUB-TOTAL</b>	<b>30,88,13,937</b>	<b>36,66,31,033</b>
<b>(b) Unsecured Loans - at amortised cost</b>		
(i) From Companies (Repayable on demand)	62,47,175	1,66,02,325
(ii) From Directors & Other Companies	9,89,41,653	10,88,04,255
(ii) From Related Companies (Repayable on demand)	10,51,88,828	-
<b>SUB-TOTAL</b>	<b>41,40,02,765</b>	<b>12,54,06,580</b>
<b>TOTAL</b>	<b>49,20,37,613</b>	<b>49,20,37,613</b>
19.1 Cash Credit Limit & Export Packing Credit Limit is secured against First paripassu charge on the stock, books debts and entire current assets of the company. It is also secured by charge over assets mentioned in Note No. 5.3 above.		
<b>20 Current Financial Liabilities - Trade Payables</b>		
A Total outstanding dues of micro enterprises and small enterprises (See Note No. 38)	29,67,760	25,70,347
B. Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
(a) Trade Payables (For Goods & Services)	5,90,81,157	9,62,46,941
<b>TOTAL</b>	<b>6,20,48,917</b>	<b>9,88,17,288</b>



(Amount in Rupees)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>21</b>	<b>Other Financial Liabilities</b>		
	(a) Current Maturities of Long term Borrowings	1,89,48,939	3,88,61,562
	(b) Interest Accrued But Not Due	-	-
	(c) Unclaimed Dividend	59,781	3,59,696
	<b>TOTAL</b>	<b>1,90,08,720</b>	<b>3,92,21,258</b>
<b>22</b>	<b>Other Current Liabilities</b>		
	(a) Statutory Dues Payable	27,47,263	14,07,186
	(b) Advance from Customers	34,78,519	23,52,214
	<b>TOTAL</b>	<b>62,25,781</b>	<b>37,59,400</b>
<b>23</b>	<b>Current Tax Liabilities</b>		
	Provision for Tax	22,20,156	49,23,039
	<b>TOTAL</b>	<b>22,20,156</b>	<b>49,23,039</b>

(Amount in Rupees)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>24</b>	<b>Revenue from Operations</b>		
	(a) Sales of Services (Job Charges Received)	16,48,286	20,63,688
	(b) Sales of Products:-		
	-- Finished Goods (Including Excise Duty)	1,72,90,63,041	1,84,64,20,598
	-- Traded Goods	1,50,339	3,76,06,210
	(c) Other Operating Revenues		
	-- Export Benefits	1,91,35,019	86,44,686
	-- Brokerage Received	1,05,263	12,31,467
	-- Export Commission	-	1,87,33,398
	<b>TOTAL</b>	<b>1,75,01,01,948</b>	<b>1,91,47,00,048</b>
<b>25</b>	<b>Other Income</b>		
	Dividend Received	600	6,368
	Net Gain from Foreign Currency Transaction & Translation	1,64,11,984	1,66,91,137
	Interest Received from Debtors	18,28,020	27,34,008
	Interest Received on Bank FD & Loans given	69,87,697	1,11,21,585
	Insurance Claim Received	16,99,513	55,67,642
	Government Grant	12,76,995	12,76,995
	Balance w/off	(1,41,492)	34,048
	Discount & Rate Difference	28,09,561	21,58,956
	<b>TOTAL</b>	<b>3,08,72,878</b>	<b>3,95,90,739</b>
<b>26</b>	<b>Cost of Materials Consumed</b>		
	Raw Material Consumed	1,33,17,39,734	1,44,18,15,459
	<b>TOTAL</b>	<b>1,33,17,39,734</b>	<b>1,44,18,15,459</b>
<b>27</b>	<b>Employee Benefit Expenses</b>		
	Salary, Wages & Bonus	7,60,37,156	7,33,81,500
	Staff Welfare Expenses	11,51,515	9,86,127
	Contribution to Provident Fund & other Funds	20,42,525	13,06,969
	<b>TOTAL</b>	<b>7,92,31,196</b>	<b>7,56,74,596</b>
<b>28</b>	<b>Finance Costs</b>		
	Interest Paid	5,40,20,918	7,54,11,496
	Other Bank & Finance Charges	1,33,04,607	1,02,68,869
	<b>TOTAL</b>	<b>6,73,25,524</b>	<b>8,56,80,365</b>

(Amount in Rupees)

	Particulars	For Year Ended on 31st March, 2020	For Year Ended on 31st March, 2019
<b>29</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses</b>		
	Stores & Spares consumed	1,43,20,701	1,05,84,497
	Power & Fuel	9,36,24,028	8,97,07,113
	Yarn Oil Consumed	3,34,65,403	2,86,24,332
	Packing Material Consumed	4,92,02,736	5,17,01,004
	Freight & Carriage Inward	-	25,300
	Job Charges Paid	50,17,651	54,29,946
	Factory Exp	29,70,024	16,57,371
	<b>(a)</b>	<b>19,86,00,543</b>	<b>18,77,29,562</b>
	<b>Establishment Expenses</b>		
	Repairs to Machinery	34,70,285	33,21,736
	Travelling & Conveyance	62,67,935	68,75,939
	Maintenance & AMC	25,050	51,600
	Computer Expenses	3,60,960	3,09,120
	Demat Charges	10,808	1,250
	Donation	32,000	1,68,650
	Electricity Expense	4,31,670	5,81,220
	Office & General Expense	7,67,359	7,14,499
	Interest on Creditors & Taxes	73,57,694	38,81,566
	Membership Fees	5,02,227	2,02,779
	Printing & Stationery	17,73,550	22,59,517
	Communication expense	9,16,709	9,14,113
	Legal & Professional Expense	39,05,387	56,34,162
	Insurance	14,82,312	7,13,825
	Rates & Taxes	1,57,802	2,86,630
	Rent	1,15,200	1,27,000
	Software Expense	60,000	75,000
	Excise Duty	22,19,042	-
	Interest on taxes	-	15,426
	PF Penalty	77,600	-
	Security Service Charges	23,04,693	18,62,513
	<b>(b)</b>	<b>3,22,38,282</b>	<b>2,79,96,545</b>
	<b>Selling and Distribution Expenses</b>		
	Bad Debts	-	66,58,300
	Commission & Brokerage	27,33,818	34,19,065
	Discount	4,17,587	39,93,831
	Export Expenses	3,15,20,515	3,43,45,540
	Carriage Outward	51,05,438	45,16,590
	Cartage Expense	2,08,245	2,22,176
	Sales Promotion	1,95,184	10,30,998
	Advertisement	76,864	72,168
	<b>(c)</b>	<b>4,02,57,650</b>	<b>5,42,58,668</b>
	<b>TOTAL (a+b+c)</b>	<b>27,10,96,475</b>	<b>26,99,84,775</b>
<b>30</b>	<b>Changes in Inventories of Finished Goods</b>		
	Opening Stock of Finished Goods	8,59,68,818	8,71,58,155
	Less:- Closing Stock of Finished Goods	8,72,88,599	8,59,68,818
	<b>TOTAL</b>	<b>(13,19,781)</b>	<b>11,89,337</b>
<b>31</b>	<b>Exceptional Item</b>		
	(a) Profit / (Loss) on Sale of Fixed Assets	100	-
	(b) Loss due to Strike Off of Mohit E-waste Recovery Pvt. Ltd.	(1,94,000)	-
		<b>(1,93,900)</b>	<b>-</b>

**32 CONTINGENT LIABILITY & COMMITMENTS:-****(i) Contingent Liability In Respect of**

(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gujarat Entry Tax Demand of F.Y. 2006-07 pending at appeal stage*		
(a) * The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law.	4,33,18,045	4,33,18,045
(b) Gujarat Entry Tax Demand of F.Y. 2009-10 pending at appeal stage*	5,13,82,920	5,13,82,920
* The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law.		
(c) Gujarat VAT Demand of F.Y. 2010-11 (Tax and Penalty)*	3,01,49,224	30149224
Gujarat Entry Tax Demand of F.Y. 2010-11 pending at appeal stage*		
* The appeal against above demands is pending before First Appellate Authority.		
The management states that Tribunal has deleted identical demand of FY 2009-10 in case of VAT and demand in case of Entry Tax has been set aside for FY 2009-10 to First Appellate Authority and thus demand raised is not sustainable in law.	3,23,53,021	32353021
(d) Gujarat VAT Demand of F.Y. 2011-12 (Tax and Penalty)*	72,04,574	7204574
Gujarat Entry Tax Demand of F.Y. 2011-12 pending at appeal stage*	5,77,25,964	5,77,25,964
* The appeal against above demand is pending before Tribunal		
The management states that this demand is not sustainable in law.		
(e) Gujarat Entry Tax Demand of F.Y. 2007-08 pending at appeal stage*	10,97,25,737	10,97,25,737
* The appeal against above demand is pending before First Appellate Authority		
The management states that this demand is not sustainable in law.		
(f) Gujarat VAT Demand of F.Y. 2012-13 (Tax and Penalty)*	22,29,092	22,29,092
Gujarat CST Demand of F.Y. 2012-13 (Tax and Penalty)*	6,67,187	6,67,187
Gujarat Entry Tax Demand of F.Y. 2012-13 (Tax and Penalty)*	3,39,64,332	3,39,64,332
* The appeal against above demands is pending before First Appellate Authority.		
The management states that Tribunal has deleted identical demand of FY 2009-10 in case of VAT and demand in case of Entry Tax has been set aside for FY 2009-10 to First Appellate Authority and thus demand raised is not sustainable in law.		
(g) Excise Duty Demands/ Excise Rebate rejected pending at various Appellate Stages	2,13,41,136	18363086
(h) Income Tax Demand of A.Y. 2018-19 disputed in appeal	6,48,220	-
(i) Income Tax Demand of A.Y. 2011-12 disputed in appeal	5,71,210	-

**(ii) Commitments:-**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (P.Y. NIL) against which advance paid is Rs. 20.82 Lakhs (P.Y. Rs. 20.82 Lakhs).
- (b) Uncalled Liability on shares and other investments partly paid ₹ Nil (P.Y. ₹ Nil)
- (c) Other Commitments ₹ Nil (P.Y. ₹ Nil)

**33 PAYMENT TO AUDITORS**

Audit Fees (Including Tax Audit Fees)  
For Taxation Matters

	31/03/2020	31/03/2019
	3,25,000	3,52,500
	-	25,000
<b>TOTAL</b>	<b>3,25,000</b>	<b>3,77,500</b>

**34 a) Value of imports**

NIL (P.Y. NIL)

**b) Expenditure in Foreign Currency**

₹. 491.55 Lakhs (P.Y. ₹. 99.72 Lakhs)

**c) Amount remitted in Foreign Currency on dividend A/c.**

NIL (P.Y. NIL)

**35 a) Exports on F.O.B.**

₹. 8,782.51 Lakhs (P.Y. ₹ 10,062.95 Lakhs)

**b) Earnings in Foreign Currency**

NIL (P.Y. NIL)

**36 RELATED PARTY RELATIONSHIP AND TRANSACTION****A. Name of Related Parties & Nature of Relationships****a) Associates**

1) Mohit Overseas Limited

2) Mohit Yarns Limited

**b) Enterprises Controlled by Key Managerial Personnel & their relatives**

1) Soul Clothing Pvt. Ltd.

4) Mohit Texport Pvt. Ltd.

2) Mohit Exim Pvt. Ltd.

5) Mask Investments Limited

3) Bigbloc Construction Limited

6) Starbigbloc Building Material Private Limited

**c) Key Managerial Personnel**

1 Narayan S. Saboo

3 Manish N. Saboo

2 Naresh S. Saboo

**B. Transactions with Related Parties**

Amount in Rupees

Particulars	Enterprises Controlled by Key Management personnel		Subsidiary		Associates		Key Managerial Personnel & Their Relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Transaction during the year</b>								
(a) Job Charges Paid	-	-	-	-	50,11,647	45,96,862	-	-
(b) Loans / Advances Given	5,30,85,979	5,77,61,728	-	-	33,88,503	-	-	-
(c) Repayment of Loans/ Advances Given	5,31,39,079	5,83,52,254	-	-	-	-	-	-
(d) Purchase of Goods	-	-	-	-	3,49,02,122	5,63,29,758	-	-
(e) Sales of Goods	1,76,926	31,06,320	-	-	3,42,37,048	5,54,95,552	-	-
(f) Interest Received	2,73,887	7,42,591	-	-	-	-	-	-
(g) Unsecured Loan Taken	10,79,903	1,10,00,000	-	-	-	-	5,05,31,990	8,45,01,900
(h) Unsecured Loan Repaid	10,79,903	1,10,00,000	-	-	-	-	6,18,94,592	12,89,78,381
<b>Balances as at Year End</b>								
(a) Trade Payables	-	-	-	-	33,40,269	39,53,287	-	-
(b) Trade Receivables	-	13,61,637	-	-	32,45,393	33,47,537	-	-
(c) Unsecured Loans	2,41,419	2,74,679	-	-	-	-	9,74,41,653	10,88,04,255
(d) Loans Given	20,00,000	9,61,063	-	-	33,88,503	-	-	-
(e) Investments (Share)	-	-	-	-	1,95,22,000	1,97,16,000	-	-

**C. Disclosure in respect of Material Related party transaction during the year**

Particulars	Enterprises Controlled by Key Management personnel	Subsidiary	Associates	Key Managerial Personnel & Their Relatives
<b>(a) Sales of Goods</b>				
- Starbigbloc Building Material Pvt. Ltd.	1,76,926	-	-	-
- Mohit Overseas Ltd.	-	-	3,42,37,048	
<b>(b) Job Charges Paid</b>				
-- Mohit Overseas Ltd.	-	-	50,11,647	
<b>(c) Interest Received</b>				
- Bigbloc Construction Ltd.	2,73,887	-	-	-
<b>(d) Purchase of Goods</b>				
-- Mohit Overseas Ltd.	-	-	3,49,02,122	
<b>(e) Unsecured Loans Taken</b>				
- Narayan Saboo	-	-		5,39,85,044
- Naresh Saboo	-	-		4,51,14,896
- Manish Saboo	-	-		2,50,33,951
- Sitaram Saboo	-	-		48,44,490
- Starbigbloc Building Material Pvt. Ltd.	10,79,903	-	-	-
<b>(f) Repayment of Unsecured Loans</b>				
- Narayan Saboo	-			3,27,24,222
- Naresh Saboo	-			1,35,06,670
- Manish Saboo	-			1,25,63,700
- Sitaram Saboo	-			31,00,000
- Starbigbloc Building Material Pvt. Ltd.	10,79,903	-		-
<b>(g) Loans / Advance Given</b>				
- Bigbloc Construction Ltd.	4,60,34,574	-	-	-
- Mohit Overseas Ltd.	-	-	33,88,503	-
- Soul Clothing Pvt. Ltd.	70,51,405	-		
<b>(h) Repayment of Loans / Advances Given</b>				
- Soul Clothing Pvt. Ltd.	61,38,363	-		
- Bigbloc Construction Ltd.	4,70,00,716	-	-	-

**37 EARNINGS PER SHARE**

Sl. No.	Particulars	UNIT OF MEASUREMENT	March 31, 2019	March 31, 2018
1	Net Profit / (Loss) after tax	Rs	23,35,529	68,39,789
2	Weighted Average Number of Equity Shares	Number	1,41,57,575	1,41,57,575
3	Earnings Per Share - Basic & Diluted	1 / 2	0.16	0.48

**38 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):-**

Sr. No.	Particulars	As At March 31, 2020	As At March 31, 2019.
<b>A</b>	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>29,67,760</b>	<b>25,70,347</b>
<b>B</b>	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
<b>C</b>	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	<b>34,91,355</b>
<b>D</b>	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during year	-	-
<b>E</b>	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

The above information disclosure regarding Trade Payables of Micro, Small and Medium Enterprises is made by the Management as per information from suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and relied upon by Auditors.

**39 Segment Reporting**

In line with Accounting Standard 17 on 'Segment Reporting', taking into account the organizational structure, product type as well as the differing risks and returns criterion, the Company is engaged in only one reportable segment viz. "Textiles".

**40 Disclosure pursuant to Indian Accounting Standard 19 'Employee benefits':**

- (A) The Company has recognized the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

Particulars	F.Y. 2019-20	Amount in Rupees F.Y. 2018-19
Provident Fund	19,28,268	
Employees' State Insurance	1,14,257	

- (B) The company has not provided for Post Employment Benefits and other long term employee benefit under Defined Benefit Plans on accrual basis but provides the same as and when they become due for payment. Accordingly, the following amounts have been provided as expenses during the year and charged in the Statement of Profit and Loss as they have become due:

Particulars	F.Y. 2019-20	Amount in Rupees F.Y. 2018-19
Gratuity	2,17,731	75,231

**41 Income Tax**

- (A) Income tax expense in the statement of profit and loss consists of:

Particulars	F.Y. 2019-20	Amount in Rupees F.Y. 2018-19
Current income tax:		
-- In respect of the current period	22,20,156	49,23,039
-- In respect of the prior periods	12,08,920	71,284
Deferred tax		
-- In respect of the current period	(46,53,759)	(57,76,964)
income tax expense recognized in the statment of profict or loss	<b>(12,24,683)</b>	<b>(7,82,641)</b>

- (B) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	F.Y. 2019-20	Amount in Rupees F.Y. 2018-19
Profit Before Tax	11,10,846	60,57,148
Enacted Income Tax Rate in India	25.17%	27.82%
<b>Computed Expected Tax Expenses</b>	<b>2,79,578</b>	<b>16,85,099</b>
Effect of		
-- Deferred Tax	(46,53,759)	(57,76,964)
-- Adjustment to Current tax for prior periods	12,08,920	71,284
-- Impact of charges on account of Computation	19,40,578	32,37,940
<b>Income tax expense recognized in the statement of profit or loss</b>	<b>(12,24,683)</b>	<b>(7,82,641)</b>

**42 Financial Risk Management**

Mohit Industries Limited (MIL) continues to deploy a well articulated risk management framework. This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.

- (i) Enterprise risk : The company continue to evaluate the risk and also ensures that the mitigation processes are in place.
- (ii) Process risk management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes in all key activities across the various business processes.
- (iii) Compliance risk management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations, with a comprehensive reporting process that cascades upwards from the accountable business line executives to MIL's Audit Committed and then on to the Board of Directors.

The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the Audit Committee and the Board of Directors are continuously incorporated to capture new risks and update the existing ones. All three dimensions of MIL's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the Audit Committee for detailed review. The risk management process, including its tracking and adherence, is substantially enabled for greater consistency and better reporting capabilities.

- 43** Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- 44** Previous Year Figures have been regrouped/rearranged wherever necessary.

As per our Audit Report Attached  
**For RAJENDRA SHARMA & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
**Partner**  
 M. No. : 044393

**For & On Behalf of Board of Directors**  
**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Pediwal** (Company Secretary)

Place : Surat,  
 Date : 27th July, 2020



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**MOHIT INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements****Qualified Opinion**

We have audited the accompanying Consolidated financial statements of **Mohit Industries Limited** ('the Holding Company') and its associates (collectively referred to as "the Company" or "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the 'Basis of Qualified Opinion' Paragraph above, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2020 and their consolidated profit, consolidated changes in equity and their consolidated cash flows for the year then ended.

**Basis of Qualified Opinion**

The Holding company has not provided for Post-Employment Benefits and other long term employee benefits under Defined Benefit Plans on accrual basis but provides the same as and when they become due for payment. This method of accounting of Post-Employment Benefits and other long term employee benefits under Defined Benefit Plans is in deviation with Ind AS – 19 on Employee Benefits. As there is no actuarial report or basis of calculation available with the management of such Post-Employment Benefits and other long term employee benefits, the quantum of deviation cannot be ascertained. If the company had followed the method accounting as per Ind AS – 19, then employee benefit expense would have increased and correspondingly Profit for the period would have reduced.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Evaluation of uncertain tax positions</b> The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 32(i) to the Standalone Financial Statements.	<b>Principal Audit Procedures:</b> Obtained details of completed tax assessments and demands as on year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.

2	<p><b>Recoverability / Refund of Indirect tax receivables</b></p> <p>As at March 31, 2020, Current assets in respect of withholding tax and others includes GST Credit and VAT Refund totaling to Rs. 741.16 Lakhs.</p> <p>Refer Note 14 to the Consolidated Financial Statements.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
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### Management's Responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates entities is responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated

financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

#### 1. As required by Section 143(3) of the Act, we report that:-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act except for Ind AS - 19 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans.
- e) In our opinion, the tax demands litigation matters described in sub-paragraph (1) under the 'Emphasis of Matters' paragraph above, if decided against the holding company, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2020 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(i) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Rajendra Sharma & Associates**  
Chartered Accountants  
Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
Partner  
M. No. : 044393  
Surat, 27th July, 2020

## **Annexure "A" to the Independent Auditor's Report of Even date on the Consolidated Financial Statements of Mohit Industries Limited for year ended on 31st March, 2020**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Mohit Industries Limited ("the Company") and its subsidiary companies which are companies incorporated in India, as of 31st March, 2020.

#### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Rajendra Sharma & Associates**

Chartered Accountants

Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**

Partner

M. No.: 044393

Surat, 27th July, 2020

## Consolidated Balance Sheet As At 31st March, 2020

Amount in Rupees

Particulars	Note No.	Figures as at 31st March, 2020	Figures as at 31st March, 2019
<b>I ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	4	26,16,11,329	29,21,71,545
(b) Capital Work In Progress		-	-
(c) Other Intangible Assets	4	2,22,413	1,40,759
(d) Investment Properties	5	76,73,248	76,73,248
(e) Financial Assets			
(i) Investments	6	6,41,82,197	8,54,38,575
(ii) Loans	7	3,93,606	3,74,356
(f) Other Non-Current Assets	8	20,81,645	20,81,645
<b>SUB-TOTAL</b>		<b>33,61,64,438</b>	<b>38,78,80,129</b>
<b>2 Current Assets</b>			
(a) Inventories	9	21,11,76,686	23,40,58,221
(b) Financial Assets			
(i) Trade Receivables	10	16,37,40,470	24,84,34,325
(ii) Cash & Cash Equivalents	11	67,31,655	27,23,199
(iii) Other Bank Balances	12	19,78,550	30,72,316
(iv) Loans	13	11,62,53,593	11,11,78,271
(c) Other Current Assets	14	9,78,56,870	11,22,11,273
<b>SUB-TOTAL</b>		<b>59,77,37,824</b>	<b>71,16,77,604</b>
<b>TOTAL</b>		<b>93,39,02,262</b>	<b>1,09,95,57,733</b>
<b>3 EQUITIES &amp; LIABILITIES</b>			
<b>A Equity</b>			
(a) Equity Share Capital	15	14,15,75,750	14,15,75,750
(b) Other Equity		19,18,92,370	21,06,19,219
<b>SUB-TOTAL</b>		<b>33,34,68,120</b>	<b>35,21,94,969</b>
<b>Non- Controlling Interest</b>		-	-
<b>B Liabilities</b>			
<b>1 Non- Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	7,24,25,278	7,81,70,887
(b) Deferred Tax Liability	17	2,09,14,414	2,55,68,173
(c) Government Grants	18	35,88,110	48,65,105
<b>SUB-TOTAL</b>		<b>9,69,27,802</b>	<b>10,86,04,165</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	41,40,02,765	49,20,37,613
(ii) Trade Payables	20	6,20,48,917	9,88,17,288
(iii) Other Financial liabilities	21	1,90,08,720	3,92,21,258
(b) Other Current Liabilities	22	62,25,781	37,59,400
(c) Current Tax Liabilities	23	22,20,156	49,23,039
<b>SUB-TOTAL</b>		<b>50,35,06,340</b>	<b>63,87,58,598</b>
<b>TOTAL</b>		<b>93,39,02,262</b>	<b>1,09,95,57,733</b>
<b>Statement of Accounting Policies and Notes</b>			
<b>Forming Part of Financial Statements</b>	<b>1 to 47</b>		

As per our Audit Report Attached  
**For RAJENDRA SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
Partner  
M. No. 044393  
Surat, 27th July, 2020

## For &amp; On Behalf of Board of Directors

**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Pediwal** (Company Secretary)

## Consolidated Statement of Profit &amp; Loss for the year ended on 31st March, 2020

Amount in Rupees

PARTICULARS	Note No.	Figures for the year ended on 31-03-2020	Figures for the year ended on 31-03-2019
<b>I. Revenue from Operations</b>			
Revenue from Operations	24	1,75,01,01,948	1,91,47,00,048
<b>II. Other Income</b>	25	3,08,72,878	3,95,90,739
<b>III. Total Revenue (I+II)</b>		<b>1,78,09,74,826</b>	<b>1,95,42,90,787</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	26	1,33,17,39,734	1,44,18,15,459
Purchase of Traded Goods		72,203	3,55,53,224
Changes in Inventories of Finished Goods & Trading Goods	30	(13,19,781)	11,89,337
Excise Duty		7,92,31,196	-
Employee Benefit Expenses	27	6,73,25,524	7,56,74,596
Finance Costs	28	3,78,654	8,56,80,365
Depreciation & Amortization	4	3,11,46,075	3,83,35,883
Other Expenses	29	27,10,96,475	26,99,84,775
<b>Total Expenses</b>		<b>1,77,96,70,080</b>	<b>1,94,82,33,638</b>
<b>V. Profit / (Loss) Before Exceptional Item &amp; Tax</b>		13,04,746	60,57,148
<b>VI. Exceptional Item</b>	31	100	41,381
<b>VII. Profit / (Loss) Before Prior Period Item</b>		13,04,846	60,98,529
<b>VIII. Prior Period Item (Income / (Expenses))</b>		-	-
<b>IX. Profit / (Loss) Before Tax</b>		13,04,846	60,98,529
<b>X. Tax Expenses</b>			
For Current Tax		22,20,156	49,23,039
Less:- MAT Credit Entitlement / (Reversal)		-	-
Net Current Tax		22,20,156	49,23,039
For Deferred Tax Charge / (Credit)		(46,53,759)	(57,76,964)
Income Tax of Earlier Years		12,08,920	71,284
<b>Sub-Total</b>		<b>(12,24,683)</b>	<b>(7,82,641)</b>
<b>XI. Profit / (Loss) for the Period After Tax</b>		<b>25,29,529</b>	<b>68,81,170</b>
<b>XII. Share in Profit / (Loss) of Associates (net of tax)</b>		(30,15,956)	1,37,934
<b>XIII. Profit / (Loss) for the Period</b>		<b>(4,86,427)</b>	<b>70,19,104</b>
Profit/(Loss) attributable to Non Controlling Interest		-	-
Profit/(Loss) attributable to Owners of the Parent		<b>(4,86,427)</b>	<b>70,19,104</b>
<b>XIV. OTHER COMPREHENSIVE INCOME</b>			
A (i) Items that will not be reclassified to profit or loss			
-- Equity Instruments valued at Fair Value Through OCI		(82,203)	(30,24,060)
-- Share in OCI Of Associates		(1,81,58,219)	(32,97,37,544)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the Period</b>		<b>(1,82,40,422)</b>	<b>(33,27,61,604)</b>
<b>Other Comprehensive Income attributable to Non Controlling Interest</b>		-	-
<b>Other Comprehensive Income attributable to Owners of the Parent</b>		<b>(1,82,40,422)</b>	<b>(33,27,61,604)</b>
<b>XV. Total Comprehensive Income for the Period</b>		<b>(1,87,26,849)</b>	<b>(32,57,42,500)</b>
Total comprehensive income attributable to Non-controlling Interest		-	-
Total comprehensive income attributable to Owners of the Parent		<b>(1,87,26,849)</b>	<b>(32,57,42,500)</b>
<b>XVI. Earnings per share</b>	37		
(of Face Value of Rs. 10/- each)			
(a) Basic		0.30	0.50
(b) Diluted		0.30	0.50
<b>Statement of Accounting Policies and Notes Forming Part of Financial Statements</b>	1 to 47		

As per our Audit Report Attached  
**For RAJENDRA SHARMA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
Partner  
M. No. 044393  
Surat, 27th July, 2020

## For &amp; On Behalf of Board of Directors

**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Padiwal** (Company Secretary)



**Consolidated cash flow statement for the year ended on 31st March, 2020**

		Amount in Rupees	
PARTICULARS	2019-20	2018-19	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and extra-ordinary items	13,04,846	60,98,529	
<b>ADJUSTMENTS FOR:</b>			
1 Depreciation & Amortization	3,11,46,075	3,83,35,883	
2 Interest & Dividend Classified as Investment Cash Flows	(69,88,297)	(1,11,27,953)	
3 Amortization of Government Grants	(12,76,995)	(12,76,995)	
4 (Profit) / Loss on disposal of Fixed Assets & Investments	(100)	-	
5 Gain on Sale of Subsidiary	-	(41,381)	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,41,85,529</b>	<b>3,19,88,083</b>	
<b>ADJUSTMENTS FOR:</b>			
1 (Increase) / Decrease in Trade Receivables	8,46,93,855	1,80,89,222	
2 (Increase) / Decrease in Other Assets	1,53,02,331	1,88,99,917	
3 (Increase) / Decrease in Inventories	2,28,81,535	(44,44,321)	
4 Increase / (Decrease) in Trade Payable	(3,67,68,371)	6,25,50,460	
5 Increase / (Decrease) in Other Financial Liabilities	(2,02,12,538)	1,02,85,698	
6 Increase / (Decrease) in Other Current Liabilities	24,66,382	29,33,981	
<b>CASH GENERATED FROM OPERATIONS</b>	<b>9,25,48,722</b>	<b>14,03,03,040</b>	
1 Income Taxes Paid	(70,79,887)	(67,514)	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A 8,54,68,835</b>	<b>14,02,35,526</b>	
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1 Payment for Property, Plant & Equipment	(74,77,413)	(75,55,075)	
2 Proceeds from Sale of Property, Plant & Equipment	68,10,000	-	
3 Proceeds from Sale of Subsidiary	-	51,000	
4 Payment for Purchase of Investments	-	-	
5 (Increase) / Decrease in Loans & Deposits	(40,00,806)	(7,02,13,662)	
6 Interest & Dividend Income	69,88,297	1,11,27,953	
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>B 23,20,078</b>	<b>(6,65,89,783)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
1 Repayment of Working Capital Borrowings	(5,78,17,095)	(24,40,194)	
2 Proceeds from Term Loans	(57,45,610)	(3,16,99,894)	
3 Proceeds from Unsecured Loans	(2,02,17,752)	(3,79,43,198)	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>C (8,37,80,458)</b>	<b>(7,20,83,286)</b>	
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C) 40,08,456</b>	<b>15,62,457</b>	
CASH AND CASH EQUIVALENTS (OPENING)	27,23,199	14,63,082	
CASH AND CASH EQUIVALENTS CERCAINING TO SUBSIBIARY	-	(302341)	
CASH AND CASH EQUIVALENTS (CLOSING)	-	2723199	

As per our Audit Report Attached

**For RAJENDRA SHARMA & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**

Partner

M. No. 044393

Surat, 27th July, 2020

**For & On Behalf of Board of Directors****Naresh Saboo**

(Director)

**Narayan Saboo**

(Managing Director)

**Manish Saboo**

(Director &amp; CFO)

**Nikita Padiwal**

(Company Secretary)



## Statement of changes in equity for the year ended on 31st March, 2020

### A. EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2020

Balance as at 1st April 2020	Changes in the Equity Share Capital during the Year	Balance as at 31st March 2020
14,15,75,750	-	14,15,75,750

### EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2019

Balance as at 1st April 2019	Changes in the Equity Share Capital during the Year	Balance as at 31st March 2019
14,15,75,750	-	14,15,75,750

### B. OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2019

Particulars	Reserves & Surplus			OTHER RESERVES	TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI - Equity Instruments	
<b>As at 31st March 2020</b>					
Opening Balance as at 1st April 2018	5,87,67,000	-	11,23,91,051	3,94,61,169	21,06,19,219
Profit for the Year	-	-	(4,86,427)	-	(4,86,427)
Increase /(Decrease) on disposal of Subsidiary	-	-	-	(1,82,40,422)	(1,82,40,422)
Other Comprehensive Income of the year	-	-	-	-	-
Dividend including DDT	-	-	11,19,04,623	2,12,20,747	19,18,92,370
<b>Closing Balance as at 31st March 2019</b>	<b>5,87,67,000</b>	<b>-</b>	<b>11,23,91,050</b>	<b>3,94,61,169</b>	<b>21,06,19,219</b>

### OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2019

Particulars	Reserves & Surplus			Other Comprehensive Income	TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments Through other Comprehensive Income	
<b>As at 31st March 2019</b>					
Opening Balance as at 1st April 2018	5,87,67,000	-	10,53,71,946	37,22,22,773	53,63,61,719
Profit for the Year	-	-	70,19,104	-	70,19,104
Other Comprehensive Income of the year	-	-	-	(33,27,61,604)	(33,27,61,604)
Dividend including DDT	-	-	-	-	-
<b>Closing Balance as at 31st March 2018</b>	<b>5,87,67,000</b>	<b>-</b>	<b>11,23,91,051</b>	<b>3,94,61,169</b>	<b>21,06,19,219</b>

As per our Audit Report Attached  
**For RAJENDRA SHARMA & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**  
 Partner  
 M. No. 044393  
 Surat, 27th July, 2020

#### For & On Behalf of Board of Directors

**Naresh Saboo** (Director)  
**Narayan Saboo** (Managing Director)  
**Manish Saboo** (Director & CFO)  
**Nikita Padiwal** (Company Secretary)

## Notes Forming Part of Consolidated Financial Statements for the year ended 31st March, 2020

### 1 CORPORATE INFORMATION

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

The consolidated financial statements comprise financial statements of Mohit Industries Limited ('the Company'), its subsidiaries and associate (collectively, the Group) for the year ended 31st March, 2018.

### 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

**The Group** re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

#### 3.2 Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes

in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

### 3.3 Goodwill / Capital Reserve on consolidation:

The excess of cost to the Parent company of its investment in Subsidiary Companies and Associate Companies over the Parent Company's portion of equity, at the date on which investment in Subsidiaries and Associate Companies is made, is recognized as Goodwill in the Consolidated Financial Statements.

When the cost to the Parent Company is less than the Parent Company's portion of equity, the difference is recognized in the financial statements as Capital Reserve. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### 3.4 Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in separate financial statements of Parent and subsidiary.

Amount in Rupees

## 4. PROPERTY, PLANT & EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	Balance as at 1st April 2019	Additions / Adjustments	Disposals / Retirements	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation Charge for the year	On Disposals	Balance as at 31st March, 2020	Balance as at 31st March, 2020	Balance as at 31st March, 2019
Land	16154703	0	0	16154703	0	0	0	0	16154703	16154703
Factory Building	217929378	0	0	217929378	43926216	7067941	0	50994157	166935221	174003162
Office Building	3379800	0	0	3379800	661088	54249	0	715337	2664463	2718712
Plant & Machinery	252860022	81000	8775000	244166022	202989711	10538573	3681653	209846631	34319391	49870311
Generator Set	4620832	0	0	4620832	4140454	249336	0	4389790	231042	480378
Water Jet Looms	74758591	0	0	74758591	68945888	643426	0	69589314	5169278	5812704
Water Jet Imported	58433777	0	0	58433777	32449800	8781301	0	41231101	17202676	25983977
Electric Installation	19715566	132500	0	19848066	14445438	1103459	0	15548897	4299170	5270129
Office & Factory Equipments	9571325	611904	0	10183230	7273385	914967	0	8188352	1994878	2297940
Vehicles	13276399	5348130	4016944	14607585	5561185	1080008	2300391	4340802	10266783	7715214
Furniture	3321134	144531	0	3465665	2231904	155947	0	2387851	1077814	1089230
Diesel Tank	161435	0	0	161435	161435	0	0	161435	0	0
Computer	5317884	982805	0	6300689	4542798	461979	0	5004777	1295912	775086
<b>Total Tangible Assets</b>	<b>679500847</b>	<b>7300869</b>	<b>12791944</b>	<b>674009772</b>	<b>387329301</b>	<b>31051186</b>	<b>5982044</b>	<b>412398443</b>	<b>261611329</b>	<b>292171545</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	807898	176543	0	984441	667139	94889	0	762028	222413	140759
<b>Total Intangible Assets</b>	<b>807898</b>	<b>176543</b>	<b>0</b>	<b>984441</b>	<b>667139</b>	<b>94889</b>	<b>0</b>	<b>762028</b>	<b>222413</b>	<b>140759</b>
<b>Previous Year</b>	<b>672753670</b>	<b>7555075</b>	<b>0</b>	<b>680308745</b>	<b>349660558</b>	<b>38335883</b>	<b>0</b>	<b>387996440</b>	<b>292312304</b>	<b>323093112</b>

(Amount in Rupees)

Particulars		As At 31st March, 2020	As at 31st March, 2019
<b>5</b>	<b>Investment Properties</b>		
	<i>Gross Carrying Amount</i>		
	Opening Gross Carrying Amount	76,73,248	76,73,248
	Additions	-	-
	Closing Gross Carrying Amount	76,73,248	76,73,248
	<i>Accumulated Depreciation</i>		
	Opening Accumulated Depreciation	-	-
	Additions	-	-
	Closing Accumulated Depreciation	-	-
	<i>Net Carrying Amount</i>	<b>76,73,248</b>	<b>76,73,248</b>
<b>6</b>	<b>Non-Current Investments</b>		
	<b>A. Equity Accounted Associates</b>		
	(a) Mohit Yarns Ltd. 663000		
	Original Cost	1,57,23,000	1,57,23,000
	Share in Profit / (Loss) in Associate	1,48,16,407	1,79,23,777
	Share in OCI of Associate	1,39,02,481	2,12,56,476
	<b>Carrying amount at year end</b>	<b>4,44,41,888</b>	<b>5,49,03,253</b>
	(b) Mohit Overseas Ltd. 394000		
	Original Cost	37,99,000	37,99,000
	Share in Profit / (Loss) in Associate	70,92,988	70,01,574
	Share in OCI of Associate	81,80,652	1,89,84,876
	<b>Carrying amount at year end</b>	<b>1,90,72,640</b>	<b>2,97,85,450</b>
	(c) Mohit E-Waste Recovery P. Ltd. 19400		
	Original Cost	-	1,94,000
	Accumulated Profit / (Loss) in Associate	-	(1,94,000)
	<b>Carrying amount at year end</b>	<b>-</b>	<b>-</b>
	<b>(a) Investment in Equity Instruments (Fully Paid Up)</b>		
	<b>(i) Unquoted No. of Share</b>		
	(a) Sasmi Co-op. Society Ltd.	7,200	7,200
	(b) ITC Co-op. Hsg. Soc. Ltd. 5	251	251
	(c) Shamrao Vithal Co.op Bank 100	2,500	2,500
	<b>(ii) Quoted</b>		
	(a) Trigyn Technology Ltd.	137	431
	(6 Equity Shares of Cost of ₹ 194/-)		
	(b) BigBloc Construction Limited	6,57,581	7,39,490
	(23073 Equity Shares of Cost of ₹ 15,01,024/-)		
	<b>TOTAL</b>	<b>6,41,82,197</b>	<b>8,54,38,575</b>
<b>7</b>	<b>Non Current Financial Assets - Loans</b>		
	<b>(Unsecured, Considered Good by Directors)</b>		
	(a) Security Deposits	3,93,606	3,74,356
	<b>TOTAL</b>	<b>3,93,606</b>	<b>3,74,356</b>
<b>8</b>	<b>Other Non-Current Assets</b>		
	(a) Capital Advances	20,81,645	20,81,645
	<b>TOTAL</b>	<b>20,81,645</b>	<b>20,81,645</b>

		Amount in Rupees	
Particulars	As At 31st March, 2020	As at 31st March, 2019	
<b>9 Inventories</b>			
(a) Raw Materials & Stock in process	11,27,14,107	13,92,80,171	
(b) Finished Goods	8,72,88,599	8,59,68,818	
(c) Yarn Oil	12,95,760	7,49,952	
(d) Packing Material	85,45,720	60,09,180	
(e) Stores & Spares	13,32,500	20,50,100	
<b>TOTAL</b>	<b>21,11,76,686</b>	<b>23,40,58,221</b>	
<b>10 Trade Receivables</b>			
(Unsecured, considered good by Directors)			
Sundry Debtors	15,19,06,395	22,29,51,455	
Other Trade Receivables	1,18,34,075	2,54,82,870	
<b>TOTAL</b>	<b>16,37,40,470</b>	<b>24,84,34,325</b>	
<b>11 Cash &amp; Cash Equivalents</b>			
(a) Cash on Hand	9,71,172	12,35,300	
(b) Balances in Bank in Current Account	50,82,651	14,87,899	
(c) Balances in Bank in EEFC Account	6,77,832	-	
<b>TOTAL</b>	<b>67,31,655</b>	<b>27,23,199</b>	
<b>12 Cash &amp; Bank Balances</b>			
(a) Balances with Bank in F. D. (As margin Deposits)			
-- F. D. with State Bank of Travancore	19,78,550	30,72,316	
<b>TOTAL</b>	<b>19,78,550</b>	<b>30,72,316</b>	
<b>13 Loans</b>			
<i>(Unsecured, considered good by Directors)</i>			
(d) Loans & Advances Given			
-- To Related Parties	2,41,419	9,61,063	
-- To Others	11,60,12,174	11,02,17,208	
<b>TOTAL</b>	<b>11,62,53,593</b>	<b>11,11,78,271</b>	
<b>14 Other Current Assets</b>			
<i>(Unsecured, considered good by Directors)</i>			
(a) Interest Accrued on Bank FDR	1,46,426	7,82,471	
(b) Advance to Suppliers	1,07,99,225	42,13,715	
(c) Balances with Revenue / Government Authorities	7,41,15,742	9,78,64,844	
(d) Other Advances	1,27,95,477	93,50,242	
<b>TOTAL</b>	<b>9,78,56,870</b>	<b>11,22,11,273</b>	

		(Amount in Rupees)	
Particulars	As At 31st March, 2020	As At 31st March, 2019	
<b>15 Share Capital</b>			
<b>Authorized Share Capital</b>			
1,50,00,000 equity shares of ₹ 10/- each			
(As at 31-03-2016, 1,50,00,000 equity shares)	15,00,00,000	15,00,00,000	
<b>Issued Share Capital</b>			
1,46,82,900 Equity Shares of ₹ 10/- each			
(As at 31-03-2016, 1,46,82,900 equity shares)	14,68,29,000	14,68,29,000	
<b>Subscribed &amp; Fully Paid Up</b>			
1,41,57,575 equity shares of ₹ 10/- each, fully paid up			
(as at 31-03-2016, 1,41,57,575 equity shares of ₹ 10/- each )	14,15,75,750	14,15,75,750	
<b>TOTAL RS.</b>	<b>14,15,75,750</b>	<b>14,15,75,750</b>	

**15.1** The Company has only one class of shares referred to as Equity Shares having face value of ₹ 10/- each. Each equity Shareholder is eligible for one vote per share held.

**15.2** Reconciliation of No. of Equity Shares Outstanding at the Beginning & End of the reporting period:

Shares Outstanding at the Beginning of the Year	1,41,57,575	1,41,57,575
(+) Shares Issued during the year	-	-
(-) Shares Buy-back During the year	-	-
Shares Outstanding at the End of the year	1,41,57,575	1,41,57,575

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

Name of Shareholder	Equity Shares			
	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mask Investments Limited	14,28,881	10.09%	14,28,881	10.09%
Mohit Overseas Limited	15,98,622	11.29%	15,98,622	11.29%
Mohit Yarns Limited	19,70,609	13.92%	19,70,609	13.92%

(Amount in Rupees)

Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>16 Non-Current Financial Liabilities - Borrowings</b>		
<b>(a) Secured Loans</b>		
<b>(i) Term Loans - from Banks &amp; NBFC</b>		
-- Term Loans from Banks	11,17,35,705	11,17,35,705
-- Car Loans	52,96,744	52,96,744
	11,70,32,449	11,70,32,449
Less:- (a) Current Maturities of Long Term Debts	3,88,61,562	3,88,61,562
(b) Interest Accrued But not Due	-	-
<b>Sub-Total</b>	<b>7,81,70,887</b>	<b>7,81,70,887</b>
<b>(b) Unsecured Loans</b>		
(i) Loans from Director	-	-
(ii) Loans from NBFC	-	-
	-	-
Less:- (a) Current Maturities of Long Term Debts	-	-
(b) Interest Accrued But not Due	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>7,81,70,887</b>	<b>7,81,70,887</b>

**16.1** Car Loans from Bank & Financial Institutions are secured by hypothecation of Motor Cars for which loan has been taken.**16.2** Term Loans from Banks are secured by hypothecation of all the fixed assets of the company.**16.3** Term Loan from Banks are also secured by entire Land & Building of the Company located at Kudsad-Kim, Olpad Taluka, Surat.**16.4** The Term Loans are also secured against Flat at Soffitel Tower, Surat and Office at International Trade Center, Surat of the company. Term Loan is also secured against personal properties of directors and sister concern M/s Mohit Yarns Ltd. All the term loans are guaranteed by directors of the Company.**16.5** Terms of Repayment of Term Loans:-

(a) Term Loans of South Indian Bank are repayable in monthly instalments of Rs. 8,78,000/- and Rs. 4,20,000/- each and shall be repaid by March, 2022 and October, 2021 respectively. The rate of interest is 11.25%. Term loan of SVC Bank of Rs. 950 Lakhs (O/s Amount Rs. 626.40 Lakhs) shall be repaid in monthly installments of Rs. 16,00,000/- and shall be repaid by June, 2024. The rate of interest is 12.50%.

(b) Car Loan from Kotak Mahindra Prime Limited is repayable in instalments of Rs. 24585/- and

(c) Car Loan taken from ICICI bank is repayable in installments of Rs. 75,060/- each.

(d) Car Loan taken from BMW Financial Services is repayable in installments of Rs. 93,226/- each.

**17 Deferred Tax Liabilities****Deferred Tax Liabilities:**

Property, Plant & Equipment	2,09,14,414	2,55,80,915
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**Deferred Tax Assets:**

Demerger Expenses (Deferred in Income Tax)	-	(12,742)
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<b>Net Deferred Tax Liability / (Asset)</b>	<b>2,09,14,414</b>	<b>2,55,68,173</b>
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		(Amount in Rupees)	
	Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>18</b>	<b>Government Grants</b>		
	Opening Balances	48,65,105	61,42,100
	Add:- Grants During the Year	-	-
	Less:- Released to profit and loss	12,76,995	12,76,995
		<b>35,88,110</b>	<b>48,65,105</b>
<b>19</b>	<b>Current Financial Liabilities - Borrowings</b>		
	<b>(a) Secured Loans</b>		
	(i) Cash Credit Limit From Banks	18,08,66,990	25,03,05,161
	(ii) Export Packing Credit Limit	12,79,46,947	10,40,04,456
	(iii) S.V.C. Bill Discounting Loan	-	1,23,21,416
	<b>Sub-Total</b>	<b>30,88,13,937</b>	<b>36,66,31,033</b>
	<b>(b) Unsecured Loans</b>		
	(i) From Companies (Repayable on demand)	62,47,175	1,66,02,325
	(ii) From Directors	9,89,41,653	10,88,04,255
	<b>Sub-Total</b>	<b>10,51,88,828</b>	<b>12,54,06,580</b>
	<b>TOTAL</b>	<b>41,40,02,765</b>	<b>49,20,37,613</b>
19.1	Cash Credit Limit & Export Packing Credit Limit is secured against First paripassu charge on the stock, books debts and entire current assets of the company. It is also secured by charge over assets mentioned in Note No. 16.3 and 16.4 above.		
<b>20</b>	<b>Current Financial Liabilities - Trade Payables</b>		
	A. Total outstanding dues of micro enterprises and small enterprises (See Note No. 38)	29,67,760	25,70,347
	B. Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
	(a) Trade Payables (For Goods & Services)	5,90,81,157	9,62,46,941
	<b>TOTAL</b>	<b>6,20,48,917</b>	<b>9,88,17,288</b>
<b>21</b>	<b>Other Financial Liabilities</b>		
	(a) Current Maturities of Long term Borrowings	1,89,48,939	3,88,61,562
	(b) Interest Accrued But Not Due	-	-
	(c) Unclaimed Dividend	59,781	3,59,696
	<b>TOTAL</b>	<b>1,90,08,720</b>	<b>3,92,21,258</b>
<b>22</b>	<b>Other Current Liabilities</b>		
	(a) Statutory Dues Payable	27,47,263	14,07,186
	(b) Advance from Customers	34,78,519	23,52,214
	<b>TOTAL</b>	<b>62,25,781</b>	<b>37,59,400</b>
<b>23</b>	<b>Current Tax Liabilities</b>		
	Provision for Tax	22,20,156	49,23,039
	<b>TOTAL</b>	<b>22,20,156</b>	<b>49,23,039</b>
<b>24</b>	<b>Revenue from Operations</b>		
	(a) Sales of Services (Job Charges Received)	16,48,286	20,63,688
	(b) Sales of Products:-		
	-- Finished Goods (Including Excise Duty)	1,72,90,63,041	1,84,64,20,598
	-- Traded Goods	1,50,339	3,76,06,210
	(c) Other Operating Revenues		
	-- Export Benefits	1,91,35,019	86,44,686
	-- Excise & Service Tax of Earlier Years	1,05,263	-
	-- Brokerage Received	-	12,31,467
	-- Export Commission	1,75,01,01,948	1,87,33,398
	<b>TOTAL</b>	<b>1,91,47,00,048</b>	<b>1,91,47,00,048</b>



	Particulars	As At 31st March, 2020	As At 31st March, 2019
<b>25</b>	<b>Other Income</b>		
	Dividend Received	600	6368
	Net Gain from Foreign Currency Transaction & Translation		1,66,91,137
	Interest Received from Debtors	1,64,11,984	27,34,008
	Interest Received on Bank FD & Loans given	18,28,020	1,11,21,585
	Insurance Claim Received	69,87,697	55,67,642
	E-Scrap Sales	16,99,513	-
	Government Grant	12,76,995	12,76,995
	Balance w/off	(1,41,492)	34,048
	Other Income	28,09,561	21,58,956
	<b>TOTAL</b>	<b>3,08,72,878</b>	<b>3,95,90,739</b>
<b>26</b>	<b>Cost of Materials Consumed</b>		
	Raw Material Consumed	1,33,17,39,734	1,44,18,15,459
	<b>TOTAL</b>	<b>1,33,17,39,734</b>	<b>1,44,18,15,459</b>
<b>27</b>	<b>Employee Benefit Expenses</b>		
	Salary, Wages & Bonus	7,60,37,156	7,33,81,500
	Staff Welfare Expenses	11,51,515	9,86,127
	Contribution to Provident Fund & other Funds	20,42,525	13,06,969
	<b>TOTAL</b>	<b>7,92,31,196</b>	<b>7,56,74,596</b>
<b>28</b>	<b>Finance Costs</b>		
	Interest Paid	5,40,20,918	7,54,11,496
	Other Bank & Finance Charges	1,33,04,607	1,02,68,869
	<b>TOTAL</b>	<b>6,73,25,524</b>	<b>8,56,80,365</b>
<b>29</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses</b>		
	Stores & Spares consumed	1,43,20,701	1,05,84,497
	Power & Fuel	9,36,24,028	8,97,07,113
	Yarn Oil Consumed	3,34,65,403	2,86,24,332
	Packing Material Consumed	4,92,02,736	5,17,01,004
	Freight & Carriage Inward	-	25,300
	Job Charges Paid	50,17,651	54,29,946
	Factory Exp	29,70,024	16,57,371
	<b>(a) 19,86,00,543</b>	<b>18,77,29,562</b>	
	<b>Administrative Expenses</b>		
	Repairs to Machinery	34,70,285	33,21,736
	Traveling & Conveyance	62,67,935	68,75,939
	Maintenance & AMC	25,050	51,600
	Computer Expenses	3,60,960	3,09,120
	Demat Charges	10,808	1,250
	Donation	32,000	1,68,650
	Electricity Expense	4,31,670	5,81,220
	Office & General Expense	7,67,359	7,14,499
	Interest on Creditors & Taxes	73,57,694	38,81,566
	Membership Fees	5,02,227	2,02,779
	Printing & Stationery	17,73,550	22,59,517
	Communication expense	9,16,709	9,14,113
	Legal & Professional Expense	39,05,387	56,34,162
	Insurance	7,13,825	7,13,825

(Amount in Rupees)

Particulars		As At 31st March, 2020	As At 31st March, 2019
Rates & Taxes		1,57,802	2,86,630
Rent		1,15,200	1,27,000
Software Expense		60,000	75,000
Excise Duty		22,19,042	-
Interest on taxes		-	15,426
PF Penalty		77,600	-
Security Service Charges		23,04,693	18,62,513
	(b)	<b>3,22,38,282</b>	<b>2,79,96,545</b>
<b>Selling &amp; Distribution Expenses</b>			
Bad Debts		-	66,58,300
Commission & Brokerages		27,33,818	34,19,065
Discount Allowed		4,17,587	39,93,831
Export Expenses		3,15,20,515	3,43,45,540
Carriage Outward		51,05,438	45,16,590
Cartage Expense		2,08,245	2,22,176
Sales Promotion		1,95,184	10,30,998
Advertisement		76,864	72,168
	(c)	<b>4,02,57,650</b>	<b>5,42,58,668</b>
	<b>TOTAL (a+b+c)</b>	<b>27,10,96,475</b>	<b>26,99,84,775</b>
<b>30 Changes in Inventories of Finished Goods</b>			
Opening Stock of Finished Goods		8,59,68,818	8,71,58,155
Less:- Closing Stock of Finished Goods		8,72,88,599	8,59,68,818
	<b>TOTAL</b>	<b>(13,19,781)</b>	<b>11,89,337</b>
<b>31 Exceptional Item</b>			
(a) Profit / (Loss) on Sale of Fixed Assets		100	-
(b) Gain on Sale of Subsidiary		-	41,381
	<b>TOTAL</b>	<b>100</b>	<b>41,381</b>
<b>32 CONTINGENT LIABILITY &amp; COMMITMENTS:-</b>			
<b>(i) Contingent Liability In Respect of</b>			(Amount in Rupees)
Particulars		As at 31st March, 2020	As at 31st March, 2019
(a) Gujarat Entry Tax Demand of F.Y. 2006-07 pending at appeal stage*		4,33,18,045	4,33,18,045
* The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law.			
(b) Gujarat Entry Tax Demand of F.Y. 2006-07 pending at appeal stage*		5,13,82,920	5,13,82,920
* The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law.			
(c) Gujarat VAT Demand of F.Y. 2010-11 (Tax and Penalty)*		3,01,49,224	3,01,49,224
Gujarat Entry Tax Demand of F.Y. 2010-11 pending at appeal stage*		3,23,53,021	3,23,53,021
* The appeal against above demands is pending before First Appellate Authority. The management states that Tribunal has deleted identical demand of FY 2009-10 in case of VAT and demand in case of Entry Tax has been set aside for FY 2009-10 to First Appellate Authority and thus demand raised is not sustainable in law.			
(d) Gujarat VAT Demand of F.Y. 2010-11 (Tax and Penalty)*		72,04,574	72,04,574
Gujarat Entry Tax Demand of F.Y. 2010-11 pending at appeal stage*		5,77,25,964	5,77,25,964
* The appeal against above demands is pending before First Appellate Authority. The management states that Tribunal has deleted identical demand of FY 2009-10 in case of VAT and demand in case of Entry Tax has been set aside for FY 2009-10 to First Appellate Authority and thus demand raised is not sustainable in law.			

(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(e) Gujarat Entry Tax Demand of F.Y. 2007-08 pending at appeal stage*	10,97,25,737	10,97,25,737
* The appeal against above demand is pending before First Appellate Authority The management states that this demand is not sustainable in law.		
(f) Gujarat VAT Demand of F.Y. 2012-13 (Tax and Penalty)*	22,29,092	22,29,092
Gujarat CST Demand of F.Y. 2012-13 (Tax and Penalty)*	6,67,187	6,67,187
Gujarat Entry Tax Demand of F.Y. 2012-13 (Tax and Penalty)*	3,39,64,332	3,39,64,332
* The appeal against above demands is pending before First Appellate Authority. The management states that Tribunal has deleted identical demand of FY 2009-10 in case of VAT and demand in case of Entry Tax has been set aside for FY 2009-10 to First Appellate Authority and thus demand raised is not sustainable in law.		
(g) Excise Duty Demands/ Excise Rebate rejected pending at various Appellate Stages	2,13,41,136	1,83,63,086
(h) Income Tax Demand of A.Y. 2018-19 disputed in appeal	6,48,220	-
(i) Income Tax Demand of A.Y. 2011-12 disputed in appeal	5,71,210	-
<b>(ii) Commitments:-</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (P.Y. NIL) against which advance paid is Rs. 20.82 Lakhs (P.Y. Rs. 20.82 Lakhs).		
(b) Uncalled Liability on shares and other investments partly paid Rs. Nil (P.Y. Rs. Nil)		
(c) Other Commitments Rs. Nil (P.Y. Rs. Nil)		

		Amount in Rupees	
33	PAYMENT TO AUDITORS	31/03/2020	31/03/2019
	Audit Fees (Including Tax Audit Fees)	3,25,000	3,25,000
	For Taxation Matters	-	-
	<b>TOTAL</b>	<b>3,25,000</b>	<b>3,25,000</b>
34	a) Value of imports	NIL	(P. Y. NIL)
	b) Expenditure in Foreign Currency	₹ 491.55 Lakhs	(P. Y. ₹ 99.72 Lakhs)
	c) Amount remitted in Foreign currency on dividend A/c.	NIL	(P. Y. NIL)
35	a) Exports on F.O.B.	₹ 8,782.51 Lakhs	(P.Y. ₹ 10,062.95 Lakhs)
	b) Earnings in Foreign Currency	NIL	(P.Y. NIL)

**36 RELATED PARTY RELATIONSHIP AND TRANSACTION****A. Name of Related Parties & Nature of Relationships****a) Associates**

1. Mohit Overseas Limited 2. Mohit Yarns Limited

**b) Enterprises Controlled by Key Managerial Personnel & their relatives**

1. Soul Clothing Pvt. Ltd. 2. Mohit Exim Pvt. Ltd. 3. Bigbloc Construction Limited  
 4. Mohit Texport Pvt. Ltd. 5. Mask Investments Limited 6. Starbigbloc Building Material Private Limited

**c) Key Managerial Personnel**

1. Sitaram Saboo 2. Narayan S. Saboo 3. Naresh S. Saboo 4. Manish N. Saboo

**B. Transactions with Related Parties**

Amount in Rupees

Particulars	Enterprises Controlled by Key Management personnel		Subsidiary		Associates		Key Managerial Personnel & Their Relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Transaction during the year</b>								
(a) Job Charges Paid	-	-	-	-	50,11,647	45,96,862	-	-
(b) Loans / Advances Given	5,30,85,979	5,77,61,728	-	-	33,88,503	-	-	-
(c) Repayment of	5,31,39,079	5,83,52,254	-	-	-	-	-	-
(d) Interest Paid	-	-	-	-	3,49,02,122	5,63,29,758	-	-
(e) Purchase of Goods	1,76,926	31,06,320	-	-	3,42,37,048	5,54,95,552	-	-
(f) Sales of Goods	2,73,887	7,42,591	-	-	-	-	-	-
(g) Interest Received	10,79,903	1,10,00,000	-	-	-	-	5,05,31,990	8,45,01,900
(h) Unsecured Loan	10,79,903	1,10,00,000	-	-	-	-	6,18,94,592	12,89,78,381
<b>Balances as at Year End</b>								
(a) Trade Payables	-	-	-	-	33,40,269	39,53,287	-	-
(b) Trade Receivables	-	13,61,637	-	-	32,45,393	33,47,537	-	-
(c) Unsecured Loans	2,41,419	2,74,679	-	-	-	-	9,74,41,653	10,88,04,255
(d) Loans / Advance Given	20,00,000	9,61,063	-	-	33,88,503	-	-	-
(e) Investments (Share)	-	-	-	-	1,95,22,000	1,97,16,000	-	-

**C. Disclosure in respect of Material Related party transaction during the year**

Amount in Rupees

Particulars		Enterprises Controlled by Key Management personnel	Subsidiary	Associates	Key Management Personnel & Relatives of Key Management Personnel	
(a)	Sales of Goods					
	- Soul Clothing Pvt. Ltd.	1,76,926	-	-		-
	- Mohit Overseas Ltd.	-	-	3,42,37,048		-
(b)	Job Charges Paid					
	-- Mohit Overseas Ltd.	-	-	50,11,647		-
(c)	Interest Received					
	- Bigbloc Construction Ltd.	2,73,887	-	-		-
(d)	Purchase of Goods					
	-- Mohit Overseas Ltd.	-	-	3,49,02,122		-
(e)	Unsecured Loans Taken					
	- Narayan Saboo	-	-	-		3,07,41,990
	- Naresh Saboo	-	-	-		55,40,000
	- Manish Saboo	-	-	-		1,42,50,000
	- Sitaram Saboo	-	-	-		-
	- Soul Clothing Pvt. Ltd.	10,79,903	-	-		-
(f)	Repayment of Unsecured Loans					
	- Narayan Saboo	-	-	-		3,27,24,222
	- Naresh Saboo	-	-	-		1,35,06,670
	- Manish Saboo	-	-	-		1,25,63,700
	- Sitaram Saboo	-	-	-		31,00,000
	- Soul Clothing Pvt. Ltd.	10,79,903	-	-		-
(g)	Loans / Advance Given					
	- Bigbloc Construction Ltd.	4,60,34,574	-	-		-
	- Mohit Overseas Ltd.	-	-	33,88,503		-
	- Soul Clothing Pvt. Ltd.	70,51,405	-	-		-
(h)	Repayment of Loans / Advances Given					
	- Soul Clothing Pvt. Ltd.	61,38,363	-	-		-
	- Bigbloc Construction Ltd.	4,70,00,716	-	-		-

**37 EARNINGS PER SHARE**

Amount in Rupees

Sl. No.	Particulars	UNIT OF MEASUREMENT	March 31, 2020	March 31, 2019
1	Net Profit / (Loss) after tax	₹	(4,86,427)	70,19,104
2	Weighted Average Number of Equity Shares	Number	1,41,57,575	1,41,57,575
3	Earnings Per Share - Basic & Diluted	1 / 2	(0.03)	0.50

**38 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):-**

Sr. No.	Particulars	As At March 31, 2020	As At March 31, 2019
A.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	29,67,760	25,70,347
B.	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
C.	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	34,91,355
D.	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during year	-	-
E.	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
F.	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

**39 Segment Reporting**

In line with Accounting Standard 17 on 'Segment Reporting', taking into account the organizational structure, product type as well as the differing risks and returns criterion, the Company is engaged in only one reportable segment viz. "Textiles".

**40 Disclosure pursuant to Indian Accounting Standard 19 'Employee benefits':**

- (A) The Company has recognized the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

Particulars	F.Y. 2019-20	F.Y. 2018-19
Provident Fund	19,28,268	13,06,969
Employees' State Insurance	1,14,257	1,38,990

- (B) The company has not provided for Post Employment Benefits and other long term employee benefit under Defined Benefit Plans on accrual basis but provides the same as and when they become due for payment. Accordingly, the following amounts have been provided as expenses during the year and charged in the Statement of Profit and Loss as they have become due:

Particulars	F.Y. 2019-20	F.Y. 2018-19
Gratuity	2,17,731	75,231

**41 Income Tax**

(A) <b>Income tax expense in the statement of profit and loss consists of:</b>	<b>F.Y. 2019-20</b>	<b>49,23,039</b>
<b>Particulars</b>		
Current income tax:		71,284
-- In respect of the current period	22,20,156	
-- In respect of the prior periods	12,08,920	(57,76,964)
Deferred tax		(7,82,641)
-- In respect of the current period	(46,53,759)	(40,57,230)
<b>Income tax expense recognized in the statement of profit or loss</b>	<b>(12,24,683)</b>	<b>51,42,127</b>

- (B) **The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Profit Before Tax	13,04,846	60,98,529
Enacted Income Tax Rate in India	25.17%	27.82%
<b>Computed Expected Tax Expenses</b>	<b>3,28,404</b>	<b>16,96,611</b>
Effect of		
-- Deferred Tax	(46,53,759)	(57,76,964)
-- Adjustment to Current tax for prior periods	12,08,920	71,284
-- Impact of charges on account of Computation	18,91,752	32,26,428
<b>Income tax expense recognized in the statement of profit or loss</b>	<b>(12,24,683)</b>	<b>(7,82,641)</b>

- 42** Mohit Industries Limited (MIL) continues to deploy a well articulated risk management framework. This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.
- (i) Enterprise risk : The company continue to evaluate the risk and also ensures that the mitigation processes are in place.
- (ii) Process risk management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes in all key activities across the various business processes.
- (iii) Compliance risk management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations, with a comprehensive reporting process that cascades upwards from the accountable business line executives to MIL's Audit Committed and then on to the Board of Directors.

The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the Audit Committee and the Board of Directors are continuously incorporated to capture new risks and update the existing ones. All three dimensions of MIL's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the Audit Committee for detailed review. The risk management process, including its tracking and adherence, is substantially enabled for greater consistency and better reporting capabilities.

**43 CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements of Mohit Industries Limited, its subsidiaries and its associates is prepared in accordance with Ind AS - 110 on Consolidated Financial statements and Equity method of accounting given in Ind AS - 28 on "Investments in Associates and Joint ventures". The details of such subsidiary and associates are as follows:-

	Name of Subsidiary & Associates	% of Holding of Mohit Industries Limited	Date of Financial Statements
1	Mohit Yarns Limited	46.69%	31st March, 2020
2	Mohit Overseas Limited	49.25%	31st March, 2020

**44 STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST**

Name of Entity	As % of Consolidated Net Assets	Net Assets i.e. Total Assets minus Total Liabilities	As % of Consolidated Profit	Shares in Consolidated Profit or Loss or Loss	As % of Other Comprehensive Income	Share in Other Comprehensive Income	As % of Total Comprehensive Income	Share in Total Comprehensive Income
<b>A Parent</b>								
Mohit Industries Limited	80.95%	26,99,53,592	-520.02%	25,29,529	0.45%	(82,203)	-13.07%	24,47,326
<b>B Associates</b>								
1 Mohit Overseas Limited	5.72%	1,90,72,640	-18.79%	91,414	40.32%	(73,53,995)	38.78%	(72,62,581)
2 Mohit Yarns Limited	13.33%	4,44,41,888	638.82%	(31,07,370)	59.23%	(1,08,04,224)	74.29%	(1,39,11,594)
	<b>100.00%</b>	<b>33,34,68,120</b>	<b>100.00%</b>	<b>(4,86,427)</b>	<b>100.00%</b>	<b>(1,82,40,422)</b>	<b>100.00%</b>	<b>(1,87,26,849)</b>

**45 FORM AOC - I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries, associates and joint ventures****Part "A": Subsidiaries****Not Applicable as there is no subsidiary****Part "B": Associates and Joint Ventures**

Sl. No.	Name of Associates	Mohit Overseas Ltd.	Mohit Yarns Ltd.
1	Latest Audited Balance Sheet	31st March, 2020	31st March, 2020
2	Shares of Associate/Joint Ventures held by the company on the year end		
	<b>A</b> Number	394000	
	<b>B</b> Amount of Investment in Associates	37,99,000	
	<b>C</b> Extend of Holding%	49.25%	
3	Description of how there is significant influence	By Virtue of 49.25% holding in associate	By Virtue of 46.69% holding in associate
4	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet	- 2,25,22,869	4,09,91,940
6	Profit/(Loss) for the year		
	(i) Considered in Consolidation	91,414	(31,07,370)
	(ii) Not Considered in Consolidation	94,199	(35,47,953)

1 Name of Associate which is yet to commence business:- Mohit E-Waste Recovery Pvt. Ltd

2 Names of associates or joint ventures which have been liquidated or sold during the year:- None

**46** Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.**47** Previous Year Figures have been regrouped/rearranged wherever necessary.

As per our Audit Report Attached

**For RAJENDRA SHARMA & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 108390W

**(Rajendra Ratanlal Sharma)**

Partner

M. No. 044393

Surat, 27th July, 2020

**For & On Behalf of Board of Directors****Naresh Saboo** (Director)**Narayan Saboo** (Managing Director)**Manish Saboo** (Director & CFO)**Nikita Pediwal** (Company Secretary)



# MOHIT INDUSTRIES LIMITED

CIN NO. L17119GJ1991PLC015074

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

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

Email: Contact@mohitindustries.com Website: www.mohitindustries.com

## ATTENDANCE SLIP

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

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

I hereby record my presence at the 30th Annual General Meeting of the Company being held at 601-B, "A" WING, INTERNATIONAL TRADE CENTRE, MAGURAGATE CROSSING, RING ROAD, SURAT GJ 395002 IN on **Monday, the 28th September, 2020 at 11.30 a.m.**

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

\* Strike out whichever is not applicable

#Applicable for Shareholders holding Shares in Dematerialized Form.

\_\_\_\_\_  
Signature of the attending Shareholder/  
Proxy/Authorised Representative\*

## MOHIT INDUSTRIES LIMITED

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Email: Contact@mohitindustries.com Website: www.mohitindustries.com

### Form No. MGT- 11 - (PROXY FORM)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

I/We \_\_\_\_\_ being member(s) of above named company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signatures: \_\_\_\_\_ or falling him:

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signatures: \_\_\_\_\_ or falling him:

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signatures: \_\_\_\_\_ or falling him:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held at 601-B, "A" WING, INTERNATIONAL TRADE CENTRE, MAGURAGATE CROSSING, RING ROAD, SURAT GJ 395002 IN on **Monday, the 28th September, 2020 at 11.30 a.m.** and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	Vote (*Optional)	
Ordinary Business		For	Against
1.	Ordinary Resolution for Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Ordinary Resolution for re-appointment of Mr. Manish Narayan Saboo (DIN NO. 01576187) as a Director of the Company, who retires by rotation.		
Special Business			
3.	Ordinary Resolution for ratification of the remuneration of the Cost Auditor(s) for the financial year ending 31st March, 2021.		
4.	Special Resolution for re-appointment of Mr. Narayan Sitaram Saboo (DIN: 00223324) as a Managing Director of the Company.		
5.	Special Resolution for Increase the Authorized Share Capital of the Company and Alteration of Memorandum of Association.		
6.	Special Resolution for Issuance of Equity Shares on Preferential basis to the Promoter Group on Preferential basis.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ September, 2020

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder \_\_\_\_\_

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30th AGM.
3. Please complete all details including details of member(s) in above box before submission.

\* It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix  
Revenue  
Stamp

# FINANCIAL SNAPSHOT

(₹ In lakhs except Ratios/EPS)

Year Ended March 31	2020	2019	2018	2017	2016
	As per IND - AS			As per GAAP	
Turnover	17501.02	19147.00	15791.06	15,333.29	13,616.25
Earning before Depreciation, interest and tax (EBDIT)	997.76	1300.73	1234.33	1,269.32	1,349.03
Finance cost	673.26	856.8	763.35	698.96	663.96
Depreciation	311.46	383.35	406.03	418.58	395.71
Profit Before tax & Exceptional items	13.05	60.57	64.75	151.78	289.36
Exceptional & Prior Period Items	-1.939	0	21.76	17.53	24.25
Profit Before tax	11.11	60.57	86.50	169.31	313.62
Tax Expense	-12.25	-7.83	51.40	2.34	96.06
Profit After tax	23.36	68.40	35.09	166.96	217.56
Equity Dividend	0%	0%	0.00%	0.00%	10.00%
Dividend Payout Ratio	0	0	0.00	0.00	0.65
<b>Financial Position</b>					
Equity Share Capital	1415.7575	1415.76	1,415.76	1,415.76	1,415.76
Other Equity	1478.998	1456.47	1,418.31	1,360.59	1,280.77
Net Worth	2894.7555	2872.22	2,834.07	2,776.35	2,696.53
Gross Block	6740.098	6795.01	6727.54	6,260.71	5,658.32
Net Block	2616.11	2921.72	3230.93	3,053.21	2,830.74
Investment	278.63	281.39	312.14	274.51	274.69
<b>KEY INDICATORS</b>					
EBDIT/ Gross Turnover	5.70%	6.79%	7.82%	8.28%	9.91%
Net Profit before Tax	0.06%	0.32%	0.55%	1.10%	2.30%
Earning per Shares ( )	0.16	0.48	0.25	1.18	1.54
Long term Debt Equity Ratio	0.25	0.27	0.39	0.51	0.46
Current Ratio	1.19	1.11	1.12	1.11	1.09



**Teamwork Builds Trust  
and Trust Builds Speed**

[www.mohitindustries.com](http://www.mohitindustries.com)



**MOHIT INDUSTRIES LIMITED**

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