MOHIT INDUSTRIES LTD.

AN ISO 9001:2008 CERTIFIED COMPANY

July 05, 2016

To,
The Secretary,
Deptt. Of Corporate Service,
Bombay Stock Exchange Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
REF: Script Code **531453**

The Manager
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: DISCLOISURE OF IMPACT OF AUDIT QUALIFICATIONS (for audit report with modified opinion) UNDER REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir,

As per the requirements of SEBI vide circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016 read with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith copy of Statement on Impact of Audit Qualifications (for audit report with modified opinion) for financial year ended 31st March, 2016 on Standalone and consolidated Financial Results under, in new format.

This is for your information and record.

Thanking You

Yours truly
For Mohit Industries limited

(Swati Malu)
Company Secretary

Enclosed: As Above

CIN No. : L17119GJ1991PLC015074
A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395 002.
Phone : 2463261, 2463262, 2463263, 3234330 FAX : +91 - 261 - 2463264
E-mail : contact@mohitindustries.com Visit us : www.mohitindustries.com

MOHIT INDUSTRIES LTD.

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Statement on impact of Audit Qualifications (for audit report with modified opinion) for the financial year ended on March 31,2016 on Standalone Financial Statements

See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016

(Rs. In lacs)

I.	Sl No.	Particulars	Audited figures (as reported before adjusting for qualification)	Audited figures (audited figures after adjusting for qualification)
	1.	Turnover / Total income	**13787.73**	**N.A. (As it is not possible to quantify the effect of qualification)**
	2.	Total Expenditure	**13570.18**	
	3.	Net Profit/(Loss)	**217.56**	
	4.	Earnings Per Share	**1.54**	
	5.	Total Assets	**10484.82**	
	6.	Total Liabilities	**7788.29**	
	7.	Net Worth	**2696.53**	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	

II. Audit Qualification

a. **Details of Audit Qualification**: Qualified Opinion as reported in Auditors' Report dated May 27, 2016 on Standalone Financial Statement of the company for the year ended March 31,2016: (Basis of Qualified opinion)

The company has not provided for Long Term Employee Benefits such as Gratuity and Leave Encashment on accrual basis but provides the same as and when they become due for payment. This method of accounting of Long Term Employee Benefits is in deviation with Accounting Standard-15 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans. As there is no actuarial report or basis of calculation available with the management of such long term employee benefits, the quantum of deviation cannot be determined. If the company had followed the method accounting as per AS – 15, then employee benefit expense would have increased and correspondingly long term provision would have also increased for such employee benefits.

b. **Type of Audit Qualification** : Qualified Opinion

c. **Frequency of qualification:**

This has been subject matter of qualificaton in the auditor's report since the year 2007 and has continued till the auditor report for the financial year ended on the 31st March, 2016.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: **N.A**

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

I. Management's estimation on the impact of audit qualification: **N.A**

II. If management is unable to estimate the impact, reasons for the same: 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"

MOHIT INDUSTRIES LTD. SURAT

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R K M & CO. Chartered Accountants SURAT

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		III. Auditors' Comments on (i) or (ii) above: The Company has not provided for Long Term Employee benefits such as leave encashment and Gratuity which is required as per AS – 15. As the company has not taken any Actuarial valuation report on the same, it is not possible to quantify the effect the qualification.
III.	**Signatories:**	
	Narayan Saboo (Managing Director)	
	Manish Saboo (CFO)	
	Sachin Jain (Audit Committee Chairman)	
	For RKM & CO. Chartered Accountants Firm Registration No.: 108553W (Deepak V. Bhatia) Partner Membership No. 102465	
	Place: Surat	
	Date 30/06/2016	

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RKM & CO. SURAT Chartered Accountants

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Statement on impact of Audit Qualifications (for audit report with modified opinion) for the financial year ended on March 312016 on Consolidated Financial Statements

See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016

(Rs. In lacs)

I.	Sl No.	Particulars	Audited figures (as reported before adjusting for qualification)	Audited figures (audited figures after adjusting for qualification)
	1.	Turnover / Total income	13802.16	N.A. (As it is not possible to quantify the effect of qualification)
	2.	Total Expenditure	13584.72	
	3.	Net Profit/(Loss)	217.44	
	4.	Earnings Per Share	1.54	
	5.	Total Assets	10712.15	
	6.	Total Liabilities	7806.11	
	7.	Net Worth	2906.04	
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification

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The company has not provided for Long Term Employee Benefits such as Gratuity and Leave Encashment on accrual basis but provides the same as and when they become due for payment. This method of accounting of Long Term Employee Benefits is in deviation with Accounting Standard-15 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans. As there is no actuarial report or basis of calculation available with the management of such long term employee benefits, the quantum of deviation cannot be determined. If the company had followed the method accounting as per AS – 15, then employee benefit expense would have increased and correspondingly long term provision would have also increased for such employee benefits.

b. **Type of Audit Qualification** : Qualified Opinion

c. **Frequency of qualification:**

This has been subject matter of qualificaton in the auditor's report since the year 2007 and has continued till the auditor report for the financial year ended on the 31st March, 2016.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: **N.A**

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

I. Management's estimation on the impact of audit qualification: **N.A**

II. If management is unable to estimate the impact, reasons for the same: 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"

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III.	**Signatories:**	
	Narayan Saboo (Managing Director)	
	Manish Saboo (CFO)	
	Sachin Jain (Audit Committee Chairman)	
	For RKM & CO. Chartered Accountants Firm Registration No.: 108553W (Deepak V. Bhatia) Partner Membership No. 102465	
	Place: Surat	
	Date 30/06/2016	

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