

## 23rd Annual Report 2012-13



**MOHIT**<sup>®</sup>  
INDUSTRIES LTD.





# VISION

“ Global diversification is a vital component of the Company's strategic positioning. This diversification is unique in the building materials and yarn industry and provides many distinct advantages. ”

# MISSION



- To be best in the manner in which we operate, best in the products we deliver and best in our value system and ethics.
- Grow business by providing the perfect solution to our customers' needs, focusing on operational excellence and product innovation.
- Maintain cordial relation with all our stake holders.
- Commitment to quality, consistency and improvement on a continuous basis.



# VALUE

“Our success is our commitment to the values”





- 1991** : Incorporation in Name of "MOHIT FIBRES PRIVATE LIMITED"
- 1995** : Conversion into Public Company in Name of "MOHIT FIBRES LIMITED"  
Annual Sale of Rs. 1314.84 Lacs
- 1996** : Initial Public offer of Rs. 322.50 Lacs  
Listing of equity shares of the company in Bombay Stock Exchange Limited  
During the year 1996, the company witnessed expansion and diversification with Installation of 2 Texturising machines and 36 Power looms its Kim unit.  
Expansion of Weaving Capacity from 6 lacs mts. P.a to 23.76 lacs mts P.a and backward integration into texturising with capacity of 1386 MTPA.  
Turnover exceeds Rs. 2700 Lacs
- 1997** : Name Change from "MOHIT FIBRES LIMITED" to "MOHIT INDUSTRIES LIMITED"
- 1998** : Expansion of Business by setting up one more units in Silvassa with with a capacity of 2980 MT per annum
- 2005** : Turnover raised to Rs. 3900 Lacs from Rs. 2700 Lacs  
Profit after Tax exceeds to Rs. 65 Lacs from 10 Lacs  
Company declared 12% dividend during the year
- 2006** : Right issue of Equity Shares of Rs. 1373 lacs  
Remarkable achievement with 100 % growth from last year  
During the year Turnover Increased to Rs. 7595 Lacs from 3900 Lacs  
Profit after tax crossed to Rs. 116.08 Lacs from Rs. 65 lacs
- 2008** : Turnover crossed to Rs. 12000 Lacs and profit Rs. 252 Lacs  
Planning for Diversification into new Product in India i.e. Aerated autoclave Blocks)
- 2009** : Implementation of new project of AAC (Autoclave Aerated Concrete) blocks with cost of Rs. 15 Crores having production capacity of 1.5 lac m3 per annum in palghar  
AAC project appraised by GITCO,  
Installation of 4 texturising Machines with production capacity 5200 MT in kim and Silvassa making total 14 Texturising machines, 144 looms, 100 shuttle less water jet looms and 17 TFO machines with a production capacity of 16200 MT of Texturised Yarn and 104 lacs meters of Art Silk Cloth.
- 2010** : Issue of Convertible warrants on preferential basis of Rs. 562.5 Lacs  
Entrance into export of DTY yarn to various countries like South Africa, Brazil, Thailand, Peru, Algeria, Vietnam etc  
Starting Gas based Captive Power Plant at Kim unit
- 2011** : Turnover increased to more than 14000 Lacs and profit to Rs. 276 Lacs  
Tremendous growth in Export Earning of Rs. 1900 Lacs
- 2012** : Sale of AAC Block Plant to Biltech Building Elements Limited (A Thapar Group Company) for an extraordinary profit.  
Turnover crossed to Rs. 17600 Lacs and Profit after tax reached to Rs. 1370 Lacs due to sale of AAC plant at Palghar  
Export Earnings Increased to Rs. 3908 Lacs
- 2013** : Awarded by Government approved "Export House Status"  
Turnover increased to Rs. 19600 Lacs.  
Implementation of New Plant of AAC (Autoclave Aerated Concrete) Block at Umargaon with Production capacity of 3 lacs m3 per annum at Investment cost of Rs. 37 Crores.  
Marketing of AAC Blocks in Brand name of "NXTBLOC"  
Listing at National Stock Exchange of India (NSE)





**Dear Shareholders,**

It is always a pleasure to connect with you annually and share with you the progress and prospect of your company.

I am pleased to inform you that your company has completed successfully financial year 2012-13 with 11.55 % growth in Net Sale which reached to Rs. 19668.42 Lacs. Net profit for the year recorded Rs. 66.60 Lacs. The year 2013 was a challenging year caused by uncertain foreign Exchange rate as inflation remained the key cause of worry, impacting all input cost and putting margins under tremendous pressure.

The textile industry was affected by overall sense of uncertainty that led to a slowdown in growth, which in turn impacted demand.

During the year the company shifted its all plant & machinery from Silvassa textile unit to Kim unit resulting in less productivity of textile product.

During the year the new AAC Plant has been commenced in August 2012 at Umargaon, Gujarat fully equipped with latest Infrastructure.

In financial year 2013, we plan to expand the business of AAC Blocks Division in South region i.e. Tamilnadu for which land has been identified. AAC Block project is green Project for the Society as well as for the Company shall provide sweet Fruits in future in return of Investment.

Details of our growth Strategies and your company' performances during Financial Year 2012-13 have been elaborated in the Director Report and Management Discussion Analysis Report Section of this Annual Report. During the year company received tender for supply of Polyester Sarees and Polycot Dhoties of Rs. 35 Crores under FDS Pongal Scheme 2012 to Tamilnadu Handloom Weavers Co-Operative Society Ltd

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

I would like to thank all our consumer, employees, Suppliers who are directly or indirectly associated with the company for their support and commitment, which helped us reach where we are now.

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

With Warm regards  
**Mr. Sitaram Nandlal Saboo**  
Chairman  
Mohit Industries Limited

## **BRIEF PROFILE OF DIRECTORS**

**Mr. Sitaram Nandlal Saboo** (78) is the Executive Chairman of the Company. He is founder of Mohit Industries Limited. He is a matriculate and has more than five decades of experience in the field of trading and manufacturing of yarn. He was engaged in yarn dealership business for Baroda Rayon, Century Rayon, Indian Rayon, National Rayon, Modern Petro fills, and Shree Synthetics etc. for dealing in yarn for about three decades and has handled large volumes of sales of these companies. His functions as Chairman include participating in strategizing the company's growth and overseeing the overall performance of the textile segment.

**Mr. Narayan Sitaram Saboo** (52) is the Managing Director of the Company. He did LLB from Surat. After graduation he joined his father Sitaram Saboo in business of trading and manufacturing of yarn. He has given his invaluable contribution in growth of Mohit Industries Ltd. His function as Managing Director includes envisioning company's growth, Strategy, responsibility for the overall management of the Company. His proactive and practical strategies have been key drivers of company growth. He also oversees the Financial and administration functions of the company.

**Mr. Naresh Sitaram Saboo** (39) is the Joint Managing Director of the company. Mr. Naresh saboo's education was completed in surat. Immediately after his education he joined the family business in 1998. He is an Integral part of Mohit Industries. His rich experience in Productions, Product Development, Modification of Equipment and system analysis has contributed to the success of MIL. He has international exposure and aware of the latest trends in the manufacturing industry. His role as a director ensures that all the manufacturing activities including procurement of yarn, other raw materials, production planning, control and packing happen in sync with company objectives and values. He has been instrumental in providing strategic direction in selection of technology and machineries in setting up new manufacturing facilities, improvement of production processes and new ventures.

**Mr. Manish Narayan Saboo** (29) is the Executive Director of the company. Mr. Manish Saboo has done his Masters in finance from Nottingham London. He is associated with the company since 2006 and become member of the board in 29 September 2011. He is responsible for smooth project delivery and coordination. He manages the company's marketing Operation in Textile and AAC Segment. His functions as Executive director include Planning and execution of the company's marketing Strategy. He is the youngest Board Member of the company. His active and energetic participation is an inspiration for all members.

**CORPORATE INFORMATION**

<b>Board of Directors</b>	:	Mr. Sitaram Nandlal Saboo Mr. Narayan Sitaram Saboo Mr. Naresh Sitaram saboo Mr. Manish Narayan Saboo Mr. Sachinkumar Pramod Jain Mr. Bharat Pranjivandas Merchant Mr. Dharmesh Vinodraj Patel	Executive Chairman Managing Director Joint Managing Director Executive Director Independent Director Independent Director Independent Director
<b>Company Secretary</b>	:	Miss. Swati Omprakash Malu	
<b>Auditors</b>	:	R.K.M & Co., Chartered Accountant	
<b>Bankers</b>	:	State Bank of Travancore The Shamrao Vithal Co-operative Bank Limited Central bank of India State Bank of Bikaner and Jaipur	
<b>Registered Office</b>	:	A-601/ B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujrat, India E:contact@mohitindustries.com Ph: +91-0261-2463261, 2463262, 2463263	
<b>Branch Office</b>	:	7 <sup>th</sup> Floor, Corporate Avenue, CTS No.488, Village Pahadi, Sonawala Road, Goregaon (East), Mumbai – 400063, India Ph: +91-022-40042241	
<b>Plants</b>	:	<b>Kim Plant</b> Plot No. 14, 15, Block no. 792, Plot No. 14, 15, Block no. 792 Village: Kudsad, Olpad, Dist. Surat (Gujarat) India  <b>Silvassa Plant</b> Plot No.2; Survey No. 301/2/1, Plot No.2; Survey No. 301/1, Village: Masat (Silvassa), Union Territory of Dadar & Nagar Havel, India  <b>Umargaon Plant</b> Survey No. 279/7, Paikee 1, 2, Manda Khatalwada Rd. Khatalwada, Umargaon, Dist. Valsad, (Gujarat) India	
<b>Registrar &amp; Share Transfer Agents</b>	:	“Adroit Corporate Services private Limited” 19/20, Jafferbhoy Industrial Estates, Makwana Road, Marol Naka, Andheri (East), Mumbai-400059, India Ph: +91-022-28594060, 28596060 E: adroit@vsnl.net	
<b>Company Website</b>	:	www.mohitindustries.com www.nxtbloc.com	

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## NOTICE

**Notice** is hereby given that the **Twenty Third Annual General Meeting** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Monday, the 30<sup>th</sup> September, 2013 at registered office of the Company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat at 10.00 A.M to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31<sup>st</sup> March 2013, the Statement of Profit & loss Account of the Company for the year ended on that together with report of Director and Auditor thereon.
2. To appoint a Director in place of Mr. Sitaram Saboo, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jayesh, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R.K.M & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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

**"RESOLVED THAT** M/s. R.K.M & Co., Chartered Accountants, (Registration No. 108553W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration, plus service tax as applicable and reimbursement of out of pocket expenses in connection with the audit as shall be fixed by the Board of Directors fix in this behalf."

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

**Swati Malu  
(Company Secretary)**

Date: 14.08.2013  
Place: Surat

### REGISTERED OFFICE:

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

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (Forty-eight hours) before the time fixed for holding the meeting.
3. Corporate members are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote at the Meeting.
4. Members are requested to bring the attendance slip at the Annual General Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip.

5. The Register of Members shall remain closed from 24<sup>th</sup> September, 2013 to 30<sup>th</sup> September 2013 (Both days inclusive).
6. As per the provisions of the Companies Act, 1956 facility for making nomination is available for shareholders, in respect of the shares held by them. Nomination Forms can be obtained from the Registrars/ Secretarial Department of the Company.
7. Pursuant to Clause 49 of The Listing Agreement, the brief resume /Profile of the Directors retiring by rotation and eligible for re-appointment enclosed with this Notice.
8. Members must quote their Folio Number/ Demat Account Number and Contact number etc in all correspondence with the Company/ RTA.
9. Members are requested to address all correspondences, including dividend matters to the Registrar share Transfer Agents, Adroit Corporate Services Private Limited, 19/20 Jaferbhoy Industrial Estates, Makwana Road, Marol Naka, Andheri (East) Mumbai-400059. Tel: (022) 28594060, 28596060 Fax No. (022) 28503748, Email id : adroit@vsnl.net
10. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956. The following are the details of dividends paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remain unpaid.

Year	Type of Dividend	Rate of Dividend	Date of Declaration	Due Date for transfer to IEPF
2006-2007	Interim Dividend	10%	17.11.2006	16.12.2013
2009-2010	Final Dividend	9%	20.09.2010	19.10.2017
2010-2011	Final Dividend	15%	30.09.2011	29.10.2018
2011-2012	Final Dividend	15%	28.09.2012	27.10.2019

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, the Shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

The Company has uploaded the details of unpaid and unclaimed amount lying with the company as on 28th September 2012 (Date of last AGM) on the website of the Company [www.mohitindustries.com](http://www.mohitindustries.com) and also on website of Ministry of Corporate Affairs.

11. Non- Resident Indian members are requested to inform directly to the RTA quoting reference of their Folio Number or their Client Id number with DP ID Number as case may be immediately:
  - a. The Change in the residential status on return to India for permanent Settlement
  - b. The particulars of the NRE Account with the Bank in India, if not furnished earlier.
12. As per circular no.18/2011 on Green initiative, the Company will send Annual Report along with other documents through email to all members, who have registered their email address with the depository and physical hard copies will be dispatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or email at [cs\\_swati@mohitindustries.com](mailto:cs_swati@mohitindustries.com) or contact [@mohitindustries.com](mailto:@mohitindustries.com)
13. Copies of Annual Report will not be distributed at the ensuing Annual General Meeting. Therefore, members are requested to bring their copy of Annual Report in the Meeting Members/ Proxies should bring the Attendance Slip attached herewith, duly filled in all aspects, for attending the Meeting.
14. Members Seeking any information relating to the Accounts may write to the company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready at following address: .Accounts Department, Mohit Industries Limited, A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002 Ph: (0261)2463261/62/63 Fax: (0261)2463264 or [contact@mohitindustries.com](mailto:contact@mohitindustries.com).



### **IMPORTANT COMMUNICATION**

#### **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs, (MCA), Government of India, through its Circular Nos. 17/2011 dated 21<sup>st</sup> April and 18/2011 dated 29<sup>th</sup> April, 2011, respectively has allowed companies to send Documents Viz. Notice of meeting, Annual Report and other Shareholders communication to their Shareholders electronically as part of its Green Initiative in Corporate Governance.

Your Company supports the measures in Green Initiatives. Members are requested to join the Company by registering their email id with the company or its RTA "Green Initiative form can be downloaded from the Company's Website Viz. [www.mohitindustries.com](http://www.mohitindustries.com) to register the Email ID and send it back through Mail at [contact@mohitindustries.com](mailto:contact@mohitindustries.com) or [cs\\_swati@mohitindustries.com](mailto:cs_swati@mohitindustries.com)

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

<b>Name of Directors</b>	<b>Mr. Sitaram Saboo</b>	<b>Mr. Jayesh Gandhi</b>
<b>Date of Birth</b>	27/06/1935	23/02/1960
<b>Date of Appointment</b>	18/02/1991	21/11/1994
<b>Expertise in Specific General Functional Area</b>	Wide Experience in the field of Textile & Market Analysis	Wide Experience in Accounting & Taxation
<b>Qualification</b>	H.S.C	B.com
<b>Directorship held in other public limited Companies</b>	NIL	Nil
<b>Membership/ Chairmanship of Committees of other Public Companies (Includes Audit Committees and Shareholders/ investor Grievances Committees)</b>	Nil	Nil
<b>Shareholding in the Company</b>	5,71,248 Equity Shares	Nil

**DIRECTORS' REPORT**

To

The Members

**MOHIT INDUSTRIES LIMITED**

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Statement of Accounts of the company for the financial year ended 31<sup>st</sup> March, 2013.

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

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Sales	19,668.42	17,631.42
Other income	154.52	144.46
Profit Before Interest & Depreciation	1,188.10	1,155.85
(-) Finance Cost	612.98	389.75
(-) Depreciation	380.22	306.43
Profit before tax & Exceptional items	194.89	459.66
(+) Exceptional Items	-	1,467.43
Profit Before Tax	194.89	1,927.10
(-) Tax Expense	128.30	556.62
Profit for the year after tax	66.60	1,370.48
(+) Surplus brought from previous year	1,631.86	576.73
<b>Total surplus Carried to balance sheet</b>	<b>1,698.46</b>	<b>1,947.21</b>
Less:		
<b>Profit &amp; Loss Appropriation</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Proposed Dividend	-	212.36
Dividend Distribution tax	-	34.46
Transfer to General Reserve	-	68.52
<b>Closing Balance</b>	<b>1,698.46</b>	<b>1,631.87</b>
<b>General Reserve</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Total Amount as at last year	91.75	23.23
Add: Transfer from P&L Appropriation Account	-	68.52
Closing Balance	91.75	91.75

**OPERATION:**

The total Turnover of the Company during the year was Rs. 19,668.42Lacs against Rs. 17,631.42Lacs in the previous financial year. During the year Net sale of Company has been Increased by 11.55% with respect to decline in Consumption of Raw materials by 11.70% Increase in Turnover was mainly due to trading in Sarees & Dhoties and Sale of new product AAC Blocks. Total Raw material Consumption was 12,133.23Lacs against Rs. 13,740.30Lacs in the previous financial year. The total expenditure during the year was Rs. 19,628.05Lacs against Rs. 17,316.22Lacs in the previous financial year. The increase in total expenditure was mainly due to increase in manufacturing expenses, administrative Expense and selling & Distribution expense, interest and so on.