

One of the Top Notch Manufacturers of
Fabrics & Texturised Yarns



32nd
Annual Report
2021-2022

MILESTONE

| | |
|------|--|
| 1996 | <ul style="list-style-type: none">Initial Public Offer of ₹ 322.50 lakhs.Listing of Equity shares in BSE Ltd.Turnover exceeds ₹ 2,700 lakhs. |
| 2006 | <ul style="list-style-type: none">Right Issue of Equity shares of ₹ 1,373 lakhsRemarkable growth in sales with 100 % growth from last yearTurnover increased to ₹ 7,595 lakhs from ₹ 3,900 lakhs12 % Interim Dividend |
| 2009 | <ul style="list-style-type: none">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 | <ul style="list-style-type: none">Sale of AAC Block Plant to Biltech Building Elements Limited (A Thapar Group Company) for an extraordinary profitExport Earnings Increased to ₹ 3,908 lakhs15 % Final Dividend |
| 2013 | <ul style="list-style-type: none">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 | <ul style="list-style-type: none">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 ClothExport sales recorded at ₹ 8,800 lakhs. |
| 2016 | <ul style="list-style-type: none">Demerger of AAC Block Division at Umargaon to Bigbloc Construction Ltd.10 % Final Dividend |
| 2018 | <ul style="list-style-type: none">Export Sales recorded at ₹ 6,928 lakhsISO Certification 9001:2015 |
| 2019 | <ul style="list-style-type: none">Export Sales recorded at ₹ 10,062.95 lakhs |
| 2020 | <ul style="list-style-type: none"><u>Export Sales recorded at ₹ 8782.51 lakhs</u> |
| 2021 | <ul style="list-style-type: none"><u>Export sales recorded at ₹ 5698.84 lakhs</u> |
| 2022 | <ul style="list-style-type: none"><u>Export Sales recorded at 5160.16 lakhs</u> |

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CHAIRMAN'S MESSAGE:

Dear Stakeholders,

I hope that you, your families, and loved ones are safe and doing well. I write to you amidst uncertain times. The global spread of COVID-19 and India's lockdown have created an economic environment filled with uncertainty and risk. Our first priority has been to ensure that our workforce is safe.

I am pleased to share with you an update on your Company's performance for FY2022. The year saw a challenging business environment with lower GDP growth, compared to the previous years and witnessed a slowdown in consumption. 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.

The fiscal 2021-22 witnessed significant challenges as the global as well as the Indian economy continued to be affected by several macroeconomic factors. Amidst a challenging environment, your company continues to grow, backed by a robust business model and its strategic ability to navigate through troubled times. To retain our competitive advantage and consistently deliver value to all our stakeholders, we continue to focus on investments for research and development, technological enhancement and quality improvement to sustain profit margins and increase operational efficiency.

During the year, Your Company recorded total revenue of 16,986.16 Lacs against Rs. 15,119.88 Lacs in the previous year, representing a increase of 12.34% during the year and Profit before Tax Rs. 36.23 Lacs as compared to Rs. 103.90 Lacs during the year. Total Comprehensive Income during the year Rs. 598.10 lacs as compared to Rs. 86.59 lacs in the previous year.

The textile industry is going through multiple changes from different dimensions which are changing global and regulatory regime and there is no stopping to the increasing levels of competition. The company is diligently striving to provide complete fabrics by enrooting new product lines and gaining a deep understanding of consumer preferences through every passing year.

Your company has never intended to grow at an unsustainable & erroneous rate, by opening stores after stores but rather grow at a convincing rate, therefore, your company strategically plans and making sure that it reaches a wider section of people, and create value for its esteemed shareholders.

The Company provides its utmost attention towards the sustainability and protection of the environment and therefore the entire functioning of the plant is planned in such a manner that causes the least or no harm to the purity and beauty of our ecosystem. The Company also makes sure that it complies with all its official obligations relating to the environmental aspects.

However, as your company is involved in textile business, and due to the nation-wide lockdown, the production and demand of textile product was reduced, it did cause a short-term impact on the working, but a surge in demand was witnessed in the unlocking phase. The demand of products is expected to rise with the improving conditions.

Hereby, on behalf of the company, I would like to assure that your company does not foresee any impact in respect of its existing contracts and agreements and its long-term sustainability is expected to remain unharmed.

I would like to take this opportunity to thank each and every employee as well as others who are associated with Mohit Industries Limited in any way and also our partners across the value chain for their commitment and service to us. Most importantly, I would like to thank you, our shareholders, for our overwhelming trust, support and confidence in Mohit Industries Limited.

**With Warm Regards,
Mr. Narayan Sitaram Saboo
Sd/-
Chairman & Managing Director
Mohit Industries Limited**

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 7 years of experience in the field of fashion Designing.

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|-----------------------------|--|
| Mr. Narayan Sitaram Saboo | Chairman & Managing Director |
| Mr. Naresh Sitaram Saboo | Director |
| Mr. Manish Narayan Saboo | Director |
| Mr. Jayesh Rasiklal Gandhi | Non-Executive & Independent Director |
| Mr. Sachinkumar Pramod Jain | Non-Executive & Independent Director |
| Mrs. Pragya Rahul Memani | Non-Executive & Independent Women Director |

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Mittal Narendrabhai Shah (w.e.f. 14/02/2022)

STATUTORY AUDITOR

M/s. Rajendra Sharma & Associates
Chartered Accountants
3032, Jash Yarn & Textile Market
Ring Road, Surat-395002
Ph. No. 0261-2312322

REGISTER & TRANSFER AGENT

Adroit Corporate Services Private Limited
17-20, Jafferbhoy, Industrial Estate,
1stFloor, Makwana Road, Marol Naka,
Andheri (East), Mumbai-400059
Email Id: info@adroitcorporate.com
Website: www.adroitcorporate.com
Tel: +91-022-42270400 / 28596060
Tele Fax: +91-022-28503748

REGISTERED OFFICE

A-601/ B, International Trade Centre,
Majura Gate, Ring Road, Surat-395002
Ph. No.: 0261-2463261 / 62 /63
Email: contact@mohitindustries.com
Website: www.mohitindustries.com
CIN: L17119GJ1991PLC015074

32nd ANNUAL GENERAL MEETING

Date: Friday, 30th September, 2022

Time: 10:00 A.M.

Venue: 204, 2nd Floor, Jay Sagar Complex,
Behind J.K Tower, Near Sub-Jail,
Khatodara, Surat 395002

AUDIT COMMITTEE

| | |
|----------------------|----------|
| Mr. Sachinkumar Jain | Chairman |
| Mr. Jayesh Gandhi | Member |
| Mr. Narayan Saboo | Member |

NOMINATION & REMUNERATION COMMITTEE

| | |
|----------------------|----------|
| Mr. Sachinkumar Jain | Chairman |
| Mr. Jayesh Gandhi | Member |
| Mrs. Pragya Memani | Member |

STAKEHOLDER'S SHAREHOLDERS & INVESTOR GRIEVANCES COMMITTEE

| | |
|----------------------|----------|
| Mr. Jayesh Gandhi | Chairman |
| Mr. Sachinkumar Jain | Member |
| Mr. Narayan Saboo | Member |

Plant

Kim Plant

Plot No. 14 & 15, Block No. 787 | Plot No. 30 &31,
Block No. 787, Village: Kudsad, Olpad, Dist. Surat.
Email id: factory_kim@mohitindustries.com

BANKER TO THE COMPANY

Axis Bank Limited
The SVC Co-operative Bank Limited

ISIN: INE954E01012

BSE Code: 531453

NSE Code: MOHITIND

BOOK CLOSURE:

Date: 24/09/2022 to 30/09/2022
(Both days inclusive)

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

NOTICE OF 32ND ANNUAL GENERAL MEETING

Notice is hereby given of the 32nd Annual General Meeting of the members of **MoHit Industries Limited** will be held on Friday, the 30th day of September, 2022 at 204, 2nd Floor, Jay Sagar Complex, Behind J.K Tower, Near Sub-Jail, Khatodara, Surat 395002, Gujarat, India at 10:00 AM 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, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

"RESOLVED THAT Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2022 along with the Director's Report, be and are hereby considered, Adopted and Approved"

2. To appoint a Director in place of Mr. Manish Narayan Saboo, Director (DIN: 01576187), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

"RESOLVED THAT in accordance with the provision of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Manish Narayan Saboo, Director (DIN: 01576187), who retires by rotation at this annual general meeting, be and is hereby reappointed as director of the Company, liable to retire by rotation."

3. RE-APPOINTMENT OF M/S. RAJENDRA SHARMA & ASSOCIATES, CHARTERED ACCOUNTANTS AS A STATUTORY AUDITORS OF THE COMPANY

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 the Section 139 and other applicable provisions, if any of the Companies Act, 2013, read with the Companies (Audit and Auditors) rules, 2014, including any statutory enactment or modification thereof for time being in force, M/s. Rajendra Sharma & Associates., Chartered Accountants, Surat (FRN: 108390W) be and are hereby re- appointed as a statutory Auditors of the Company for term of 5 years and to hold office from conclusion of this 32nd Annual General Meeting till conclusion of 37th Annual General Meeting of the company, at such remuneration reimbursement of out of pocket expenses, if any per financial year on the basis of the recommendation of the Audit committee and approved by the Board of Directors as may be amended from time to time."

SPECIAL BUSINESS:

4. TO RATIFY THE REMUNERATION OF THE COST AUDITOR(S) FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2023

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 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof,

for the time being in force), M/s. Nainesh Kantliwala & CO., Cost Accountants (Registration No. 001303) of Surat, is and be appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31st March 2023 and they may be paid a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable service tax and out of pocket expenses that may be incurred during the course of audit and the said remuneration be and is hereby ratified by the members."

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

Place: Surat
Date: 27/08/2022

By order of the Board
For, Mohit Industries Limited
Sd/-
Mittal Narendrabhai Shah
Company Secretary & Compliance Officer

Notes:

1. A member entitled to attend and vote at the annual general meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting (on or before 29th September, 2022, 12:30 P.M. IST). A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or shareholder. A proxy form for the AGM is enclosed.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10:00 a.m. and 4:00 p.m. up to the date of the Annual General Meeting.
4. Members/Proxy holders/ Authorized representatives are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
5. Members are requested to quote Folio/DPID number in all their correspondences.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts & arrangements in which director are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2022 to 30th September, 2022 (both days inclusive).
9. The Shareholders are requested to direct change of address notifications and updates details to their respective Depository Participant(s).
10. Equity shares of the Company are under compulsory demat trading by all Investors.
11. The Annual Report 2021-22 the Notice of the 32nd AGM and instructions for e-voting along with the Attendance Slip and Proxy form, are being sent by electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a physical copy of documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
12. Members may also note that the Notice of the 32nd AGM and the Annual Report 2021-22 will be available on Company's website, www.mohitindustries.com.
13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the company electronically and quicker response to their queries to RTA or Company.
14. 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.
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, 2021 on the website of the Company (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, 2022 | 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.

15. **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'). Details of these shares are available in the Company's website and can be viewed at 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. 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.
16. 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 or with Adroit Corporate Services Pvt. Ltd. at info@adroitcorporate.com.
17. 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.
18. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, Aadhar card or driving license to enter the AGM hall.
19. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re- appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules there under.
20. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 2nd September, 2022.
21. The route map of the venue of the Annual General Meeting is appended to this Report. The prominent land mark near the venue is Behind J. K. Tower, Sub-Jail, Khatodara, Surat.

22. Information and other instructions relating to e-voting are as under:

- I. Pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by NSDL. The facility available for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise the right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
- II. The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'polling paper'.
- III. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- IV. M/s. Dhiren R. Dave & Co., Practicing Company Secretary has been appointed to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper, in a fair and transparent manner.
- V. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on the cut-off date i.e. September, 02, 2022.
- VI. A person, whose name is recorded in the register of members as on the cut-off date, i.e. 23rd September, 2022 only shall be entitled to avail the facility of remote e-voting / voting.
- VII. The Scrutinizer, after scrutinizing the votes cast at the meeting (polling paper) and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a

consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall be communicated to the Stock Exchanges.

VIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September, 2022.

IX. Instructions to Members for e-voting are as under:

The remote e-voting period begins on Tuesday, 27th September, 2022 at 09:00 A.M. and ends on Thursday, 29th September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 2nd September, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal |

| | |
|--|--|
| | <p>Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div> <p>Individual Shareholders holding securities in demat mode with CDSL</p> <ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
|--|--|

| | |
|---|---|
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</p> |
|---|---|

B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.
4. 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. | <p>8 Character DP ID followed by 8 Digit Client ID</p> <p>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p> |
| b) For Members who hold shares in demat account with CDSL. | <p>16 Digit Beneficiary ID</p> <p>For example if your Beneficiary ID is 12***** then your user ID is 12*****</p> |
| c) For Members holding shares in Physical Form. | <p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 121502 then user ID is 121502001***</p> |

5. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period. Now you are ready for e-Voting as the Voting page opens. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. 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.
4. Upon confirmation, the message "Vote cast successfully" will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. 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 drd@drdcs.net of Scrutinizer with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. 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 to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to contact@mohitindustries.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to contact@mohitindustries.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
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 with a copy marked to 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 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 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 or 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 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 **Friday, 2nd September, 2022**.
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 **2nd September, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or at 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 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. M/s. Dhiren R. Dave & Co., Practicing Company Secretaries 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 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.

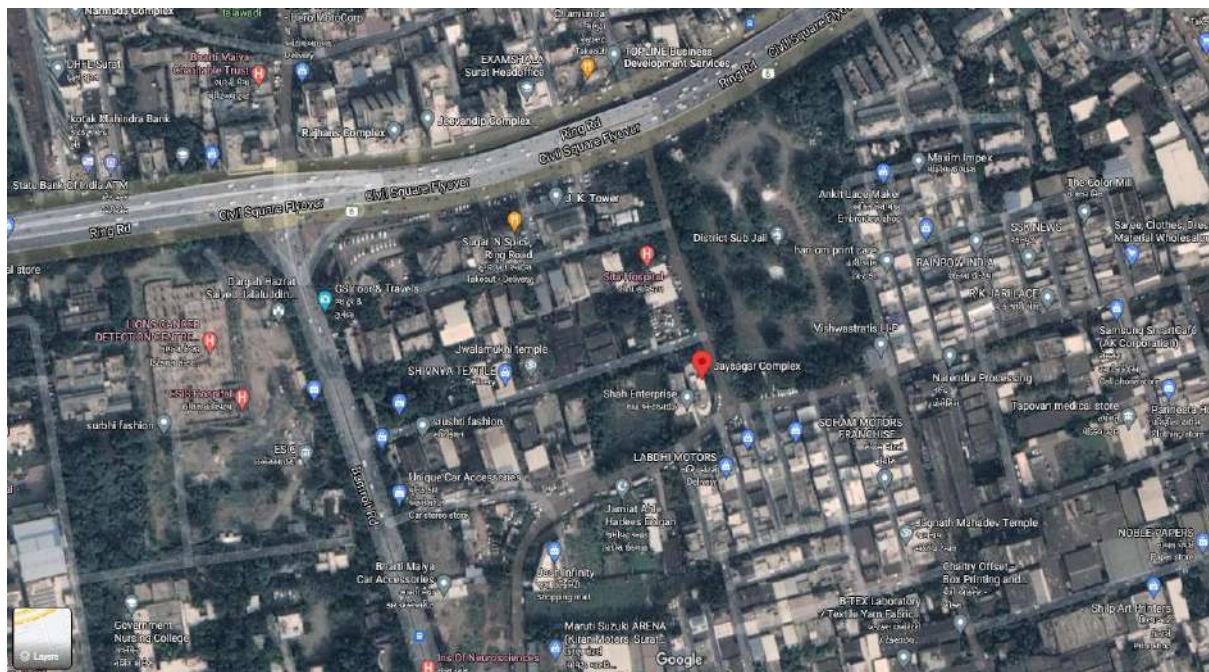
Place: Surat
Date: 27/08/2022

By order of the Board
For, Mohit Industries Limited

Sd/-

**Mittal Narendrabhai Shah
Company Secretary & Compliance Officer**

**ROUTE MAP TO THE VENUE OF THE 32nd ANNUAL GENERAL MEETING OF THE
COMPANY TO BE HELD ON SEPTEMBER 30, 2022 AT AT 10.00 A.M. AT 204, JAY
SAGAR COMPLEX, 2ND FLOOR, BEHIND J.K TOWER, NEAR SUB-JAIL, KHATODARA,
SURAT 395002, GUJARAT**



ANNEXURE TO NOTICE:

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India

| Name of Director | Mr. Manish Saboo |
|---|--|
| DIN No. | 01576187 |
| Date of Birth | 13/11/1984 |
| Qualification | Masters in finance from Nottingham University, London |
| Expertise in specific functional areas | <ul style="list-style-type: none"> Rich experience in Finance and Management 9 years of experience in export of textile products Expertise in dealing with International companies and agencies and having knowledge of international exposure for variety of Businesses. |
| Terms and Conditions of Appointment/Reappointment | As per the resolutions at Item No 2 of the Notice Convening this meeting, Mr. Manish Narayan Saboo is liable to retire by rotation at the meeting and eligible for re-appointment. |
| Remuneration last drawn | NIL |
| Remuneration proposed | NIL |
| Date of First Appointment | 29/09/2011 |
| Relationship with Directors/Key | Mr. Manish Saboo is Son of Mr. Narayan |

| | |
|--|---|
| managerial Personnel | Saboo and Nephew of Mr. Naresh Saboo is concerned or interested in this resolution. |
| List of Companies in which directorship is held as on 31st March, 2022 | As attached below |
| Chairman / Member of the Committee of other Company | NIL |
| No. of Meetings of the Board Attended during the year | 12 |
| No. of Shares held | 75,440 |

List of Companies in which Mr. Manish Narayan Saboo holds directorship as on 31st March, 2022:

| Sr. No. | Name of the Company | Nature of Interest | Shareholding | Date on which interest arose/ changed |
|----------------|---|---------------------------|---------------------|--|
| 1 | Mohit Overseas Limited | Director | 100 | 28/09/2013 |
| 2 | Starbigbloc Building Material Private Limited | Director | 1 share | 19/07/2018 |
| 3 | Bigbloc Building Elements Private Limited | Director | 1 shares | 31/03/2022 |
| 4 | Rewards Cracker Private Limited | Director | 6600 | 31/03/2022 |

The Board of Directors recommends the proposed resolutions for acceptance by member.

Place: Surat
Date: 27/08/2022

By order of the Board
For, Mohit Industries Limited

Sd/-

**Mittal Narendrabhai Shah
Company Secretary & Compliance Officer**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMNT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

ITEM NO. 3:

The Members of the Company at the Annual General Meeting ('AGM') held on 7th August, 2017 approved the appointment of M/s. Rajendra Sharma & Associate, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. Rajendra Sharma & Associate will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. Rajendra Sharma & Associate, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 37th AGM. As the Maximum term of audit allowed to M/s. Rajendra Sharma & Associate as per section 139 of The Companies Act, 2013 is 10 Years and the said term expires in 37th AGM. So, there appointment is recommended for 5 years. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the fees of M/s. Rajendra Sharma & Associate for the financial year 2022-23 at a remuneration of Rs. 3,25,000/- per annum, plus out of pocket expense. The Committee considered various parameters like capability to serve a diverse and complex business as that of the Company, audit experience etc., for appointment of Statutory Auditor.

M/s. Rajendra Sharma & Associate have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2023 as per the following details:

| Sr. No. | Name of the Cost Auditor | Audit Fees (Rs.) |
|---------|--------------------------|------------------|
| 1 | Nainesh Kantliwala & Co. | 50,000/- |

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. The Board recommends the Resolution set out at Item no. 4 of the Notice for approval of the Members. This Explanatory Statement may also be regarded as a disclosure under Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends this Resolution for your approval.

DIRECTOR'S REPORT

**To,
The Members
Mohit Industries Limited**

Your Directors take pleasure in submitting the 32nd Annual Report of the Business and operations of your Company and the Audited Financial Statements for the financial year ended 31st March, 2022.

1. FINANCIAL RESULTS & PERFORMANCE

| Particulars | Standalone | | (Rs. in Lakhs) Consolidated | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | For the year ended 31-03-2022* | For the year ended 31-03-2021* | For the year ended 31-03-2022* | For the year ended 31-03-2021* |
| Revenue from operations | 16665.45 | 14951.01 | 16665.45 | 14951.01 |
| Other Income | 320.72 | 168.87 | 320.72 | 168.87 |
| Total Revenue | 16986.16 | 15119.88 | 16986.16 | 15119.88 |
| Profit before tax and Exceptional Items | 35.42 | 93.90 | 35.42 | 93.90 |
| Exceptional Items | 0.81 | 10.00 | 0.81 | 10.00 |
| Profit before Taxation | 36.23 | 103.90 | 36.23 | 103.90 |
| -Current Tax | 20.72 | 32.72 | 20.72 | 32.72 |
| -Deferred Tax | (20.22) | (8.98) | (20.22) | (8.98) |
| -Short Provision for Income Tax expense relating to prior Year | 7.26 | 12.41 | 7.26 | 12.41 |
| Net Profit/ (Loss) For The Year | 28.47 | 67.75 | 28.47 | 67.74 |
| Other Comprehensive Income for the Year, Net of Tax | 569.63 | 18.85 | 8436.91 | 1952.63 |
| Total Comprehensive Income for the Year | 598.10 | 86.59 | 8449.32 | 2021.35 |

* Figures regrouped wherever necessary

The Company discloses financial results on quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the Company's website www.mohitindustries.com.

2. STATE OF COMPANY'S AFFAIR

During the year, Your Company recorded total revenue of 16,986.16 Lacs against Rs. 15,119.88 Lacs in the previous year, representing a increase of 12.34% during the year and Profit before Tax Rs. 36.23 Lacs as compared to Rs. 103.90 Lacs during the year. Total Comprehensive Income during the year Rs. 598.10 lacs as compared to Rs. 86.59 lacs in the previous year. A detailed analysis on the Company's performance is included in the "Management's Discussion and Analysis" Report, which forms part of this Report.

3. ROAD AHEAD

Our vision of becoming one of the top quality textile manufacturer and moving towards sustainable growth. Our priorities are as follows:

- Focus on increasing production
- Maintaining Price Competitiveness
- Moving up the value chain - Expanding the product line under own brand

We are very excited to enter into the new phase of growth and will continue to invest in our capabilities to increase our presence prudently and create value for the shareholders. We would like to be thankful to the entire stakeholder for being part of the journey.

4. 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, UK, Bangladesh, Sweden, Ethiopia and many more Countries. The Company is having star export house status. During the year under review, your company has recorded export turnover of ₹ 5,160.16 lakhs, against last year's figure of ₹ 5,698.84 lakhs. Your company also holds Certificate of Oeko-Tex® Standard 100.

5. DIVIDEND

Keeping in mind the overall performance and outlook for your Company, your Board of Directors recommend that this time the company is not declaring dividends as the company requires funds for its business expansion. Your Directors are unable to recommend any dividend for the year ended 31st March, 2022.

6. UNCLAIMED DIVIDEND

There is balance of Rs. 59,781 lying in unpaid equity dividend account.

7. TRANSFER TO RESERVE

Company has not transferred any amount from profit to General Reserve.

8. COVID-19 IMPACT ON BUSINESS:

In the FY 2021-22, the COVID -19 pandemic developed rapidly into a global crisis, forcing governments across the globe to enforce lock-downs of all economic activity. For the company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. In order to ensure smooth functioning, work from home facility was extended to many of the employees of the company. Although there were uncertainties due to the pandemic in the FY 2021-22, inherent resilience of the business model will position the company well to navigate the challenges ahead. But then also the Covid-19 will impact the finances of the company and its impact can be ascertained only after lifting of lockdown and life coming to stable position.

Moreover, due to lockdowns imposed in various states, dispatches of the goods to customers have adversely impacted. However, as per the different directives issued by the various government authorities, the Company has resumed operations in phased manner. The Company has ascertained the impact of this pandemic and made assessment that the impact of COVID-19 on company's business is likely to short to medium term. However, as company is falling under essential commodities the company's business was not that affected as compared to overall economy.

The Company has done assessment of its liquidity position and expects to fully recover the carrying amount of receivables, investments, intangible assets and other assets. The Company has also evaluated the inventory in hands and found it's sufficient to honor the future orders. However, at this stage it's uncertain to evaluate the duration of the pandemic, if the current pandemic situation remains lasted for long period then the impact may be different from the estimates.

9. MATERIAL CHANGES

There are no Material changes occurred between the end of the financial year of the company to which the financial statements related and the date of the report, which is affecting the financial position of the company.

10. SHARE CAPITAL

The Authorized Share Capital of the Company as on 31/03/2022 was Rs. 25,00,00,000 and Paid up share capital of the Company as on 31/03/2022 was Rs. 14,15,75,750.

There has been no such change in the Equity share capital of the Company during the year.

11. 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 |
|----------------|------------------------|---------------------------|
| 1. | Mohit Overseas Limited | Associates |
| 2. | Mohit Yarns Limited | Associates |

12. 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.

13. DEPOSITS

During the year, Company has not accepted any deposits from public within the meaning of the Section 73 of the Companies Act, 2013.

14. ANNUAL RETURN

Annual Return Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on the financial year ended March 31, 2022 is placed on the Company's website at <https://www.mohitindustries.com/upload/files/download/Annual%20Return%202022.pdf>

15. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in nature.

16. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Manish Saboo (DIN: 01576187), Director, retire by rotation and is being eligible has offered himself for re-appointment at the ensuing Annual General Meeting.

Company's policy on directors' appointment and remuneration is available on the website of the company at <https://www.mohitindustries.com/upload/files/download/Code%20of%20Conduct%20for%20Directors%20&%20Senior%20Officers.pdf>

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

The following are the List of Directors and KMP of the Company during the year:

| Name of Directors | Category & Designation | Appointment Date | Resignation date |
|--------------------------|-----------------------------------|-------------------------|-------------------------|
| Narayan Sitaram Saboo | Executive Managing Director | 01/10/2015 | - |
| Naresh Sitaram Saboo | Executive Director | 10/03/1998 | - |
| Manish Narayan Saboo | Executive Director & CFO | 29/09/2011 | - |
| Jayesh Rasiklal Gandhi | Executive Whole Time Director | 21/11/1994 | - |
| Sachinkumar Pramod | Non-Executive | 26/08/2005 | - |

| | | | |
|-----------------------------|---------------------------------------|------------|------------|
| Jain | Independent Director | | |
| Pragya Rahul Memani | Non-Executive Independent Director | 22/03/2014 | - |
| Harmil Shah | Non-Executive Independent Director | 23/08/2016 | 13/08/2021 |
| Nikita Pediwal | Company Secretary | 15/04/2019 | 06/10/2021 |
| Mittal Narendrabhai Shah | Company Secretary | 14/02/2022 | - |

17. STATUTORY AUDITORS

In the AGM held on 07/08/2017, M/s Rajendra Sharma & Associates, Chartered Accountant was appointed as auditors for five years from 01/04/2017 to 31/03/2022. As per Section 139, the term of existing auditors ends on this AGM and they need to be Re-appointed for a further period of 5 years. So, the Board proposes to confirm the Re-appointment of M/s. Rajendra Sharma & Associates, Chartered Accountants to the effect that their re-appointment as Statutory Auditors of the Company from the conclusion of 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act 2013.

18. COMMENTS ON AUDITOR'S REPORT

The notes referred to in the Auditor Report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

19. INTERNAL AUDITOR

Mr. Hiren Bhatt was appointed as an internal Auditor of the Company for the Financial Year 2021-22. Internal Auditors are appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal Audit of the Company to the Audit Committee on a quarterly basis. The Scope of Internal audit is approved by the Audit Committee.

The Company has appointed Hiren Bhatt as an Internal Auditor for F.Y. 2021-22 in the Board meeting held on 13th August, 2021 after obtaining his willingness and eligibility letter for appointment as Internal Auditor of the Company.

20. COST AUDITOR

M/s. Nainesh Kantliwala & Associates, Cost Accountant, Surat appointed as a Cost Auditor of the Company for the Financial Year 2021-22 in the Board meeting held on 13/08/2021 after obtaining his willingness and eligibility letter for appointment as Cost Auditor of the Company.

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 32nd Annual General Meeting.

21. RELATED PARTY TRANSACTION

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under section 188 of the Companies Act, 2013 entered by the Company during the financial year, were in ordinary course of business and at arm's length basis. Details of the related party transactions made during the year are attached as **Annexure-1** in form AOC-2 for your kind perusal and information.

22. NUMBER OF MEETING HELD DURING THE YEAR

The Details of all meeting of Board of Directors and Committee meeting had taken place during the year and their details along with their attendance, is given in **Annexure 2** in the Corporate Governance Report.

23. COMPOSITION OF BOARD AND ITS COMMITTEE

The detail of the composition of the Board and its committees thereof and detail of the changes in their composition if any is given in **Annexure 2** in the Corporate Governance Report.

24. LOANS, GUARANTEES AND INVESTMENT

With reference to Section 134(3)(g) of the Companies Act, 2013, loans, guarantees and investments made under section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

25. DECLARATION BY INDEPENDENT DIRECTORS

Company has received declaration from all the independent directors duly signed by them stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

There has been no Change in the circumstances affecting their status as Independent Directors of the Company so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations. All the independent directors have enrolled with the Indian Institute of Corporate Affairs at Manesar.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Directors of the company have complied with the code of Independent Director. Independent Directors met separately on 21/03/2022 to inter alia review the performance of Non-Independent Directors (Including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of the information between the Management and the Board.

26. VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safe guards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at <https://www.mohitindustries.com/upload/files/download/Whistle%20Blower%20Policy.pdf>

27. RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business. Risk Management is a structured approach to manage uncertainty. An enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Structure, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process over the period of time will become embedded into the Company's business system and processes, such that our responses to risk remain current and dynamic.

28. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your directors hereby confirm:

- A. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departments;
- B. That 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 and loss of the Company for that period;
- C. That the directors had 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 for preventing and detecting fraud and other irregularities;
- D. That the directors had prepared the annual accounts on a going concern basis; and
- E. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- F. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. ANNUAL EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The performance evaluation of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as participation in decision making; participation in developing corporate governance; providing advice and suggestion etc.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The board reviewed the performance of the individual directors on the basis of the criteria such as the contribution in decision making, contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive suggestions and advice in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

30. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a well-placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

31. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The companies act, 2013 re-emphasizes the need for an effective internal financial control system in the company. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial controls with reference to the financial statements to be disclosed in the board' report. The detailed report forms part of Independent Auditors Report.

32. CORPORATE GOVERNANCE

Your Company has incorporated the appropriate standards for corporate governance. Company is filing Corporate Governance Report to stock exchange quarterly. Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 company is giving report on corporate governance report in annual report of the company. Corporate Governance Report is as per **Annexure – 2.**

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

With reference to Section 134(3)(m) of the Companies Act, 2013, the details of conservation of energy, technology absorption and foreign exchange earnings are as per **Annexure - 3**.

34. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Management Discussion and Analysis Report is given in **Annexure - 4**.

36. SECRETARIAL AUDITOR

Your board has appointed Mr. Dhiren R. Dave, Practicing Company Secretary, as secretarial Auditor of the company for the financial year 2021-22. The secretarial report for the financial year 2021-22 is attached as **Annexure-5**. Report of secretarial auditor is self-explanatory and need not any further clarification.

37. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no employee drawing remuneration in excess of limits prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosure pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as per **Annexure - 6**.

38. CEO/ CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the CFO has certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2021-22. The certificate received from CFO is attached herewith as per **Annexure - 7**.

39. CODE OF CONDUCT

Board of Directors has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Managing Directors as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as per **Annexure - 8**.

Code of Conduct form Board of Directors and Senior Management Personnel is available on
 below
 link: <https://www.mohitindustries.com/upload/files/download/Code%20of%20Conduct%20for%20Directors%20&%20Senior%20Officers.pdf>

40. COMPLIANCE CERTIFICATE FROM THE COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

Corporate Governance is a set of process, practice and system which ensure that the Company is managed in a best interest of stakeholders. The key fundamental principles of corporate governance are transparency and accountability. Company's core business objective is to achieve growth with transparency, accountability and with independency. Company has adopted various corporate governance standard and doing business in ethical way by which Company has enhance stakeholders trust, shareholders wealth creation by improving shares valuation, market capitalization, etc.

A certificate received from Dhiren R. Dave & Co., Practicing Company Secretary of the Company regarding compliance of the conditions of Corporate Governance, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as per **Annexure - 9**.

41. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

M/s. Dhiren R. Dave & Co., Practicing Company Secretary has issued a certificate required under the listing regulations, confirming that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of the company by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure 10**.

42. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

There are two associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act") as on 31st March, 2022.

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 is annexed as "**Annexure-11**" to this report.

43. SEXUAL HARASSMENT OF WOMEN

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of any such complaints of harassment, internal complaints committee has been set up to redress the complaints, if any.

The company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your director's further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

44. SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

45. PREVENTION OF INSIDER TRADING

The Company has adopted policy on Preservation of Insider Trading And Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive with a view to regulate trading in securities by the Directors and designated employees of the Company. The Policy requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the policy.

The Company has a Prohibition of Insider Trading Policy and the same has been posted on the website of the Company at https://www.mohitindustries.com/upload/files/download/code_of_conduct_for_prevention_of_insider_trading.pdf

46. MAINTENANCE OF COST RECORDS

The company is required to maintain Cost Records as specified by Central Government under section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

47. FRAUD REPORTING

During the year under review, no fraud has been reported by Auditors under Section 143(12) of the Companies Act, 2013.

48. INSURANCE:

All the properties and the Insurable Interest of the company Including building and stocks wherever necessary and to the extent required have been adequately insured. The company keeps reviewing the insurance amount every year as per requirement.

49. RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of Company.

50. STATUTORY INFORMATION

The Company being basically engaged into the manufacturing of Yarns and Textile product and is the member of BSE Main Platform and National Stock Exchanges Limited Main Platform. Apart from this business, the Company is not engaged in any other business/activities.

51. INDUSTRIAL RELATIONS

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

52. CAUTIONARY STATEMENT

Statements in this report and its annexures describing company's projections, expectations and hopes are forward looking. Though, these are based on reasonable assumption, their actual results may differ.

53. APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the company.

54. 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 31st Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). Further, in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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 and www.nseindia.com respectively.

55. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

Annexure-1**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| Sr. No . | Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/tranactions | Duration of the contracts / arrangements/transactions | Salient terms of the contracts or agreement or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advance, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|------------|---|--|---|---|--|----------------------------------|--------------------------------|---|
| NIL | | | | | | | | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| Sr. No . | Name(s) of the related party and nature of relationship | Nature of contracts / arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient term of the contracts or arrangements or transactions including the value, if any | Date(s) if approval by the Board, if any | Amount paid as advanced, if any |
|----------|--|--|--|---|--|---------------------------------|
| 1 | Mohit Overseas Limited – Associates | Sales of Goods | 12 Months | Prevailing at market Price | 10/04/2021 | NIL |
| 2 | Mohit Overseas Limited – Associates | Machinery Rent | 12 Months | Prevailing at market Price | 10/04/2021 | NIL |
| 3 | Mohit Overseas Limited – Associates | Purchase of Goods | 12 Months | Prevailing at market Price | 10/04/2021 | NIL |
| 4 | Bigbloc Construction Limited – Enterprise Controlled by KMP | Interest paid | 12 months | Interest paid @ 9% p.a. | 10/04/2021 | NIL |
| 5 | Starbigbloc Building Material Private Limited - Enterprise Controlled by KMP | Interest paid | 12 months | Interest paid @ 9% p.a. | 10/04/2021 | NIL |
| 6 | Starbigbloc Building Material Private Limited - Enterprise | Rent Income | 12 Months | Rs. 15,00,000/- | 10/04/2021 | NIL |

| | Controlled by KMP | | | | | |
|---|--|-------------------|-----------|-------------------|------------|-----|
| 7 | Starbigbloc Building Material Private Limited - Enterprise Controlled by KMP | Commission Income | 12 Months | Rs. 10,34,011/- | 10/04/2021 | NIL |
| 8 | Nikita Pediwal - Company Secretary * | Salary | Monthly | Rs. 30,000/- p.m. | 10/04/2021 | NIL |
| 9 | Mittal Shah - Company Secretary # | Salary | Monthly | Rs. 30,384/- p.m. | 14/02/2022 | NIL |

* Resigned on 06/10/2021

Appointed w.e.f. 14/02/2022

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

Annexure-2**CORPORATE GOVERNANCE REPORT**

In terms of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the report containing details of corporate governance systems and processes at Bhatia Communications &Retail (India) Limited is as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance and has benchmarked itself against the prescribed standards. The fundamental objective of Corporate Governance is the enhancement of shareholders' value and protecting the interest of the stakeholders. Your Company's philosophy of Corporate Governance is aimed at assisting the management in the efficient conduct of the business of the Company and in the meeting its obligations to shareholders and others.

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 to keep stakeholders informed.

2. BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has optimum combination of Executive and Non-Executive Directors comprising Three Executive Directors and Three Non-Executive Directors. None of the Directors hold directorship in more than 20 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

(a) Board Strength and representation:

As on 31st March, 2022 the Board of Directors comprises of eight directors out of which one is Executive Managing Director, Two Executive Director and remaining Three are Non-Executive Independent Directors. As on date of this report Board of Directors of the company is as follows:

| Name of Directors | Category & Designation |
|-----------------------------|------------------------------------|
| Mr. Narayan Sitaram Saboo | Executive Managing Director |
| Mr. Naresh Sitaram Saboo | Executive Director |
| Mr. Manish Narayan Saboo | Executive Director |
| Mr. Jayesh Rasiklal Gandhi | Non-Executive Independent Director |
| Mr. Sachinkumar Pramod Jain | Non-Executive Independent Director |
| Mrs. Pragya Rahul Memani | Non-Executive Independent Director |

(b) The Details of Directorship held by the Directors as on 31st March, 2022 and their attendance at the Board meetings during the year are as follows:

| Name of the Directors | Category of Director | No. of other Directorships | No. of other Board Committee(s) in which he is | Attendance at last AGM | Attendance at Board Meetings | No. of Shares held as on 31.03.2022 | |
|-----------------------------|----------------------|----------------------------|--|------------------------|------------------------------|-------------------------------------|--------|
| | | | | Member | Chairman | | |
| Mr. Narayan Sitaram Saboo | MD PD ED | 7 | NIL | NIL | YES | 12 | 785779 |
| Mr. Naresh Sitaram Saboo | PD ED | 8 | NIL | NIL | YES | 12 | 78424 |
| Mr. Manish Narayan Saboo | PD ED CFO | 5 | NIL | NIL | YES | 12 | 75440 |
| Mr. Jayesh Rasiklal Gandhi | ID/NED | 1 | NIL | NIL | YES | 11 | 414 |
| Mr. Sachinkumar Pramod Jain | ID/NED | 1 | NIL | NIL | YES | 11 | NIL |
| Mrs. Pragya Rahul Memani | ID/NED | NIL | NIL | NIL | YES | 12 | NIL |

PD – Promoter Director, NED – Non Executive Directors, MD – Managing Directors, ED – Executive Director, WTD – Whole Time Director, ID – Independent Director,

(c) Details of number of Board Meetings held in the financial year.

During the financial year 2021-22, there were **Twelve (12) Board meetings** held on following dates:

| | | |
|----------------|----------------|----------------|
| 1. 10/04/2021 | 2. 14/06/2021 | 3. 13/08/2021 |
| 4. 19/08/2021 | 5. 30/08/2021 | 6. 28/09/2021 |
| 7. 06/10/2021 | 8. 03/11/2021 | 9. 20/01/2022 |
| 10. 14/02/2022 | 11. 09/03/2022 | 12. 21/03/2022 |

(d) Disclosure of Relationships between Directors inter-se:

No other Directors are related to each other except Mr. Narayan Saboo and Mr. Naresh Saboo, who are related to each other as brothers and Mr. Narayan Saboo and Mr. Manish Saboo, who are related to each other as Father and Son.

(e) Number of shares and convertible instruments held by non-executive Directors

Except as disclosed below none of the Non-Executive Directors hold any share in the Company.

| Sr. No. | Name of Non Executive Director | No. of Shares held |
|---------|--------------------------------|--------------------|
| 1 | Jayesh Rasiklal Gandhi | 414 |

(f) Familiarization to Independent Directors:

The newly appointed Independent Directors of the Company are familiarized with the various aspects of the Company provided with an overview of the requisite criteria of independence, roles, rights, duties and responsibilities of directors, terms of appointment of the Company and policies of the Company and other important regulatory aspects as relevant for directors. The Company, through its Executive Director or Manager as well as other Senior Managerial Personnel, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the Company inclusive of important developments in business. The details of number of programmes attended and the cumulative hours spent by an independent director are uploaded on the website of the company. The web link is <https://www.mohitindustries.com/upload/files/download/Familiarization%20Programme.pdf>

The terms and conditions of independent directors is available on the website of the company <https://www.mohitindustries.com/upload/files/download/Terms%20and%20Conditions%20for%20Appointment%20of%20Independent%20Directors%202022.pdf>

(g) Meeting of Independent Directors

The Company's independent directors meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non-Independent Directors and Board as whole.

The Company has devised the Policy on Familiarization Programme for Independent Director and the same is available on the website of the Company <https://www.mohitindustries.com/upload/files/download/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

During the financial year 2021-22, **one (1) meeting** of Independent Directors were held on following date: 21/03/2022.

Attendance of Directors at independent Directors meeting held during the financial year is as under:

| Name | Categories | No. of Meeting Attended |
|----------------------|------------|-------------------------|
| Mr. Jayesh Gandhi | Chairman | 1 |
| Mr. Sachinkumar Jain | Member | 1 |
| Mrs. Pragya Memani | Member | 1 |

(h) Matrix highlighting core skills/expertise/competencies of the Board of Directors:

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

| Sr. No. | Essential Core skills/ expertise/ competencies required for the Company | Core skills/ expertise/ competencies of the Board of Directors |
|---------|---|--|
| 1. | Finance expertise | The Board has eminent business leaders with deep Knowledge of finance and business. |
| 2. | Personal Values | Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards. |
| 3. | Good Corporate Governance | Experience in developing and implementing good Corporate Governance practice, maintaining Board and Management accountability, managing stakeholder's interest and Company's responsibility towards customer's employees, supplier, regulatory Bodies and the community in which it operates. |
| 4. | Knowledge and Expertise | The Directors have profound knowledge of: <ol style="list-style-type: none"> 1. designing, production, marketing and business development 2. fabrication 3. knowledge of the Textile Sector and the related value chains 4. expertise in technical management i.e. Manufacturing Sites 5. Knowledge and experience in Marketing 6. Future Planning |
| 5 | Sales and Marketing | Experience in developing strategies to grow sales and market share, build brand awareness and enhance enterprise reputation. |

(i) Names of Directors who have such Skills / Expertise / Competence:

| Sr. No | Name of Directors | Knowledge about industry | Accounting and Finance | Sale and Marketing | Technology | Regularity | Diversity | Leadership |
|--------|----------------------|--------------------------|------------------------|--------------------|------------|------------|-----------|------------|
| 1. | Mr. Narayan Saboo | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr. Naresh Saboo | ✓ | ✓ | ✓ | | ✓ | | ✓ |
| 3. | Mr. Manish Saboo | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| 4. | Mr. Jayesh Gandhi | ✓ | | ✓ | | ✓ | | ✓ |
| 5. | Mr. Sachinkumar Jain | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| 6. | Mrs. Pragya Memani | ✓ | | ✓ | | ✓ | | ✓ |

(i) Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

(j) Detailed reasons of the resignation of an Independent Directors before expiry of his tenure and confirmation by the Board:

During the year, Mr. Harmil Shah as resigned from the post of an Independent Director of the Company w.e.f. 13/08/2021.

3. AUDIT COMMITTEE

In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate.

The Audit Committee of the company consists of Two Independent Directors and one Executive Director of the Company. All the Directors have good understanding Finance, Accounts and Law. The Audit Committee also advises the Management on the areas where internal control system can be improved.

The Company Secretary of the Company acts as the Secretary to the Audit committee.

Composition of audit committee of the company is as follows:

| Name | Categories | Nature of Directorship |
|----------------------|------------|------------------------------------|
| Mr. Sachinkumar Jain | Chairman | Non-Executive Independent Director |
| Mr. Jayesh Gandhi | Member | Non-Executive Independent Director |
| Mr. Narayan Saboo | Member | Managing Director |

During the financial year 2021-22, **Five (5) meetings** of Audit Committee were held on following dates:

| | | |
|---------------|---------------|---------------|
| 1. 14/06/2021 | 2. 13/08/2021 | 3. 30/08/2021 |
| 4. 03/11/2021 | 5. 14/02/2022 | |

Attendance of members for the meeting of Audit Committee held during the year 2021-22 is as below:

| Name | Categories | No. of Meeting Attended |
|----------------------|------------|-------------------------|
| Mr. Sachinkumar Jain | Chairman | 5 |
| Mr. Jayesh Gandhi | Member | 5 |
| Mr. Narayan Saboo | Member | 5 |

The term of reference of Audit Committee is as below:

The scope of audit committee shall include, but shall not be restricted to, the following;

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. modified opinion(s) in the draft audit report;.
5. Reviewing, with the management, the Half Yearly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Scrutiny of inter-corporate loans and investments
10. Discussion with internal auditors any significant findings and follow up there on;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations
2. statement of significant related party transactions (as defined by the audit committee), submitted by management
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
6. statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

4. NOMINATION AND REMUNERATION COMMITTEE

Company has formulated nomination and remuneration committee comprising four non-executive directors Composition of the Committee is as follows:

| Name | Categories | Nature of Directorship |
|--------------------|------------|------------------------------------|
| Mr. Sachin Jain | Chairman | Non-Executive Independent Director |
| Mr. Jayesh Gandhi | Member | Non-Executive Independent Director |
| Mrs. Pragya Memani | Member | Non-Executive Independent Director |

During the financial year 2021-22, **Five (5) meetings** of Nomination & Remuneration Committee were held on following dates:

| | | |
|---------------|---------------|---------------|
| 1. 14/06/2021 | 2. 13/08/2021 | 3. 30/08/2021 |
| 4. 06/10/2021 | 5. 14/02/2022 | |

Attendance of members for the meeting of Nomination & Remuneration Committee held during the year 2021-22 is as below:

| Name | Categories | No. of Meeting Attended |
|--------------------|------------|-------------------------|
| Mr. Sachin Jain | Chairman | 5 |
| Mr. Jayesh Gandhi | Member | 5 |
| Mrs. Pragya Memani | Member | 5 |

The term of reference of Nomination & Remuneration Committee is as below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
4. Devising a policy on Board diversity, if any;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

7. Recommend to the board, all remuneration, in whatever form, payable to senior management.
8. To ensure the policy includes the following guiding principles:
 - 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,
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - 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.

The performance evaluation of the independent director was evaluated by the board after seeking inputs from all the independent directors on the basis of the criteria such as participation in decision making and rendering unbiased opinion; participation in initiating new ideas and planning of the company etc.

The board reviewed the performance of the independent directors on the basis of the criteria such as the contribution in raising concerns to the Board, safeguarding of confidential information, rendering independent unbiased opinion etc. The detailed Nomination & Remuneration Policy is uploaded on the website of the Company. The web link is <https://www.mohitindustries.com/upload/files/download/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

5. REMUNERATION OF DIRECTORS

During the year company has paid following remuneration or setting fees to the directors as follows:

| Name | Category | Remuneration / Sitting Fees (In Rs.) |
|-----------------------------|------------------------------------|--------------------------------------|
| Mr. Narayan Sitaram Saboo | Executive Managing Director | NIL |
| Mr. Naresh Sitaram Saboo | Executive Director | NIL |
| Mr. Manish Narayan Saboo | Executive Director | NIL |
| Mr. Jayesh Rasiklal Gandhi | Non-Executive Independent Director | NIL |
| Mr. Sachinkumar Pramod Jain | Non-Executive Independent Director | NIL |
| Mrs. Pragya Rahul Memani | Non-Executive Independent Director | NIL |

REMUNERATION POLICY

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and support in the achievement of Corporate Goals.

Presently the company pay sitting fees to its non-executive director. The criteria for making payment to the non-executive director is available on the website of the company <https://www.mohitindustries.com/upload/files/download/Terms%20and%20Conditions%20for%20Appointment%20of%20Independent%20Directors%202022.pdf>

Sitting Fees

No Sitting Fees was paid to Non -Executive Directors for attending the Board Meetings. The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and support in the

achievement of Corporate Goals. The other matters like service contract, notice period, severance fees etc may be decided by board from time to time.

6. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The term of reference of Nomination & Remuneration Committee is as below:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

To solve the investors grievances Company has formulated Stakeholder's Relationship Committee. Composition of the Committee is as follows:

| Name | Categories | Nature of Directorship |
|----------------------|------------|------------------------------------|
| Mr. Jayesh Gandhi | Chairman | Non-Executive Independent Director |
| Mr. Sachinkumar Jain | Member | Non-Executive Independent Director |
| Mr. Narayan Saboo | Member | Managing Director |

During the financial year 2021-22, **Five (5) meetings** of Stakeholder's Relationship Committee were held on following dates:

| | | | |
|---------------|---------------|---------------|---------------|
| 1. 14/06/2021 | 2. 13/08/2021 | 3. 30/08/2021 | 4. 03/11/2021 |
| 5. 20/01/2022 | | | |

Attendance of members for the meeting of Stakeholder's, Shareholders and Investor Committee held during the year 2021-22 is as below:

| Name | Categories | No. of Meeting Attended |
|----------------------|------------|-------------------------|
| Mr. Jayesh Gandhi | Chairman | 5 |
| Mr. Sachinkumar Jain | Member | 5 |
| Mr. Narayan Saboo | Member | 5 |

Name & Designation and address of the Compliance Officer

CS Nikita Pediwal (Resigned on 06/10/2022)
Company Secretary & Compliance Officer

Narayan Sitaram Saboo (From 06/10/2022 to 14/02/2022)
Compliance Officer

CS Mittal Narendrabhai Shah (w.e.f. 14/02/2022)
Company Secretary & Compliance Officer

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

7. SCORES

The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web-based complaints redressal system. The system processes complaints in a centralized web-based mechanism. The company is in compliance with this system.

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

Status of Complaints pending, received, disposed and unresolved:

| | |
|--|-----|
| Number of Shareholders' Complaints Pending at the end of the year | NIL |
| Number of Shareholders' Complaints received during the year | NIL |
| Number of Shareholders' Complaints disposed during the year | NIL |
| Number of Shareholders' Complaints remain unresolved during the year | NIL |

8. GENERAL BODY MEETING

The details of Annual General Meetings held during the last three years are as follows:

| Year | Day, Date and Time | Venue |
|---------|--|--|
| 2018-19 | Monday, 30 th September, 2019 at 10:00 A.M. | 204, 2nd Floor, Jay Sagar Complex, Behind J.K Tower, Near Sub- Jail, Khatodara, Surat- 395002, Gujarat |
| 2019-20 | Monday, 28 th September, 2020 at 11:30 a.m. | A-601/B, International Trade Centre, Majura Gate, Ring Road Surat- 395002, Gujarat |
| 2020-21 | Monday, 27 th September, 2021 at 10:00 a.m. | 204, 2nd Floor, Jay Sagar Complex, Behind J.K Tower, Near Sub- Jail, Khatodara, Surat- 395002, Gujarat |

The details of Resolution(s) which were passed in the last three Annual General Meetings ("AGM") of the Company along with details of Postal Ballot & voting pattern are as follows:

| Date of AGM | Resolution | Ordinary / Special | Favor | | Against | |
|--|---|--------------------|--------|----------|---------|----------|
| | | | Ballot | E-Voting | Ballot | E-Voting |
| 30th September, 2019 | Adoption of Audited Standalone and Consolidated Financial Statements of the company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon | Ordinary | 55 | 7930384 | 0 | 790 |
| | Re-appointment of Mr. Naresh Saboo (DIN NO. 000223350) as a Director of the company, who retires by rotation | Ordinary | 55 | 7930384 | 0 | 3790 |
| | Ratification of the remuneration of the Cost Auditor(s) for the financial year ending 31st March, 2020. | Ordinary | 55 | 7930384 | 0 | 3840 |
| | Re-appointment of Mr. Sachinkumar Pramod Jain (DIN: 01634303) as an | Special | 55 | 7930384 | 0 | 3840 |

| | | | | | | |
|--|--|----------|---------|---------|---|------|
| | Independent Director of the Company | | | | | |
| | Re-appointment of Mr. Jayesh Rasiklal Gandhi (DIN: 01588775) as an Independent Director of the Company | Special | 55 | 7930384 | 0 | 3840 |
| | Re-appointment of Mrs. Pragya Memani (DIN 06846968) as an Independent Director of the Company | Special | 55 | 7930384 | 0 | 3840 |
| 28th September, 2020 | 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. | Ordinary | 2571450 | 5918707 | 0 | 3 |
| | Re-appointment of Mr. Manish Narayan Saboo (DIN NO. 01576187) as a Director of the Company, who retires by rotation. | Ordinary | 1900925 | 5783267 | 0 | 3 |
| | Ratification of the remuneration of the Cost Auditor(s) for the financial year ending 31st March, 2021. | Ordinary | 2571450 | 5918707 | 0 | 3 |
| | Increase the Authorized Share Capital of the Company and Alteration of Memorandum of Association | Ordinary | 2571450 | 5918707 | 0 | 3 |
| | Re-appointment of Mr. Narayan Sitaram Saboo (DIN: 00223324) as Managing Director | Special | 1900925 | 5680431 | 0 | 3 |
| | Issuance of equity Shares on | Special | 1900925 | 5472007 | 0 | 3 |

| | | | | | | |
|--|---|----------|--------|---------|---|------|
| | Preferential Basis to the Promoter and person belonging to the Promoter Group | | | | | |
| 29th September, 2021 | <p>adoption of Audited Standalone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.</p> | Ordinary | 213777 | 8662496 | 0 | 2084 |
| | <p>Appointment of Director in place of Mr. Naresh Saboo(holding DIN No.00223350), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.</p> | Ordinary | 213777 | 8658442 | 0 | 4138 |
| | <p>Ordinary Resolution for ratification of remuneration of the Cost Auditor(s) for the financial year ending 31st March, 2022</p> | Ordinary | 213777 | 8658401 | 0 | 4179 |

NAME AND ADDRESS OF SCRUTINIZER OR THE PERSON WHO CONDUCTED THE REMOTE EVOTING AND BALLOT EXERCISE:

M/s. Dhiren R. Dave & Co.

Pinal Kandarp Shukla
Partner
Practicing Company Secretary,
B-103, International Commerce Center (ICC),
Near Kadiwala School, Ring Road, Surat-395002
Email: contact@drdcs.net
Ph: +0261-2475122

EXTRA- ORDINARY GENERAL MEETING:

There was no Extra-Ordinary General Meeting was held during the year 2021-22.

POSTAL BALLOT

During the year 2021-22, Company has not passed resolutions through postal ballot. As per amended Companies Act, 2013, Company is not proposing Postal Ballot for 32nd AGM and thus procedure for postal ballot is not applicable.

9. MEANS OF COMMUNICATION

Financial Results:

Mohit Industries Limited is believes in to publish all the financial information to stakeholders within the stipulations provided under the law. During the year, Company has declared all financial results within the timeline provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Yearly/Half yearly financial results: The yearly/Half yearly financial results of the Company are normally published in website of the Company i.e. on <https://www.mohitindustries.com/> Financial results for the year 2021-22 have been submitted to stock exchange within 30 minutes from the conclusion of Board Meeting in which financial results have been approved. During the year, following half yearly and yearly financial results have been submitted on BSE portal and NEAPS portal.

| Period of Financial Results | Date |
|--|---------------------------------|
| 1 st Quarterly Un-audited result for 30 th June, 2021 | 13 th August, 2021 |
| 2 nd Quarterly Un-audited result for 30 th September, 2021 | 03 rd November, 2021 |
| 3rd Quarterly Un-audited result for 31 st December, 2021 | 14 th February, 2022 |
| Annual Audited Result for 31 st March, 2022 | 27 th May, 2022 |

News Release/ Presentation made to the Investors:

All the Press Release and the presentation made to Institutional Investor/ Analysts are uploaded on the official website of the company www.mohitindustries.com.

Website: Company's official website www.mohitindustries.com contains separate tab "Investor Relationship" for investors, in which notices of the Board Meetings, Annual Reports, Investor Presentations, Shareholding Pattern and other announcements made to stock exchange are displayed in due course for the shareholders information.

Email IDs for investors: The Company has formulated separate email id investor_relations@mohitindustries.com for investor service, investor can also contact share Registrar and Transfer Agent (RTA) of the Company on their email id info@adroitcorporate.com and the same is available on website of the Company www.mohitindustries.com

SEBI SCORES: For investor compliant redressal SEBI has developed SCORES platform in which investor can lodged any complaint against the Company for any grievance. The Company also uploads the action taken report in the SCORES platform for redressal of investor complaint.

10. GENERAL SHAREHOLDER INFORMATION

| | |
|------------------------------------|---|
| Date, Time and Venue of AGM | Friday, 20 th September, 2022, 10.00 AM, 204, 2nd Floor, Jay Sagar Complex, Behind J.K Tower, Near Sub-Jail, Khatodara, Surat 395002, Gujarat, India |
| Financial Year | From 1 st April 2021 to 31 st March, 2022 |
| Date of Book Closure | From Saturday, the 24 th day of September, 2022 to Friday, the 20 th day of September, 2022 (both day inclusive) |

The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filed in to the meeting. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

LISTING ON STOCK EXCHANGE

The Equity Shares of the Company as on the date are listed on the Main Board of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company confirms that it has paid Annual Listing Fee for the Financial Year 2021-22 to the BSE Limited and National Stock Exchange Limited.

STOCK CODE OF THE COMPANY

ISIN : INE954E01012
 Scrip Code for NSE : MOHITIND
 Scrip Code for BSE : 531453
 Type of Shares : Equity Shares
 No. of paid up shares : 1,41,57,575

NAME OF THE STOCK EXCHANGE**BSE Limited (Main Board)**

Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra Kurla Complex,
 Bandra (E) Mumbai - 400 051.

Tentative Calendar for Financial Year ending March 31, 2023

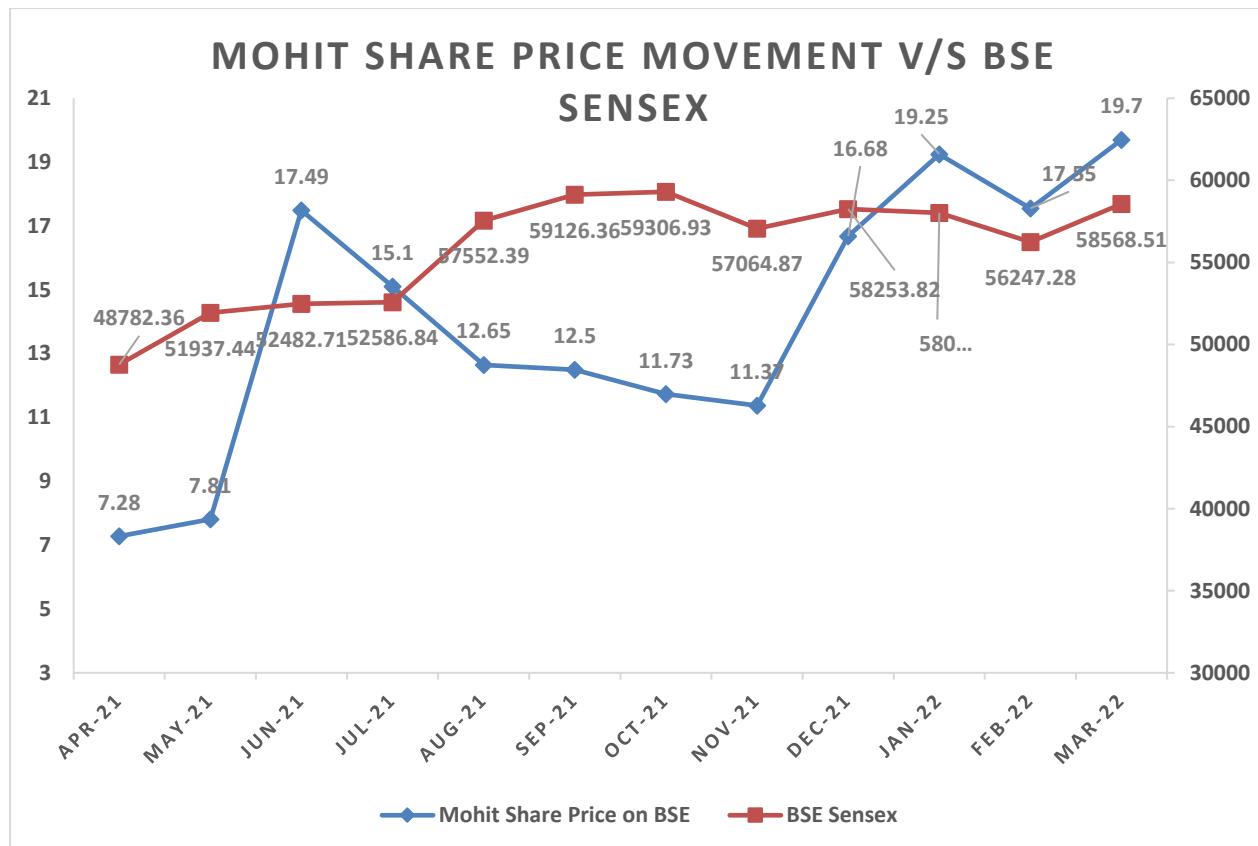
| Period of Financial Results | Date |
|--|--|
| 1 st Quarterly Un-audited result for 30 th June, 2022 | On or before 14 th August, 2022 |
| 2 nd Quarterly Un-audited result for 30 th September, 2022 | On or before 14 th November, 2022 |
| 3rd Quarterly Un-audited result for 31 st December, 2022 | On or before 14 th February, 2023 |
| Annual Audited Result for 31 st March, 2023 | On or before 30 th May, 2023 |

MARKET PRICE DATA

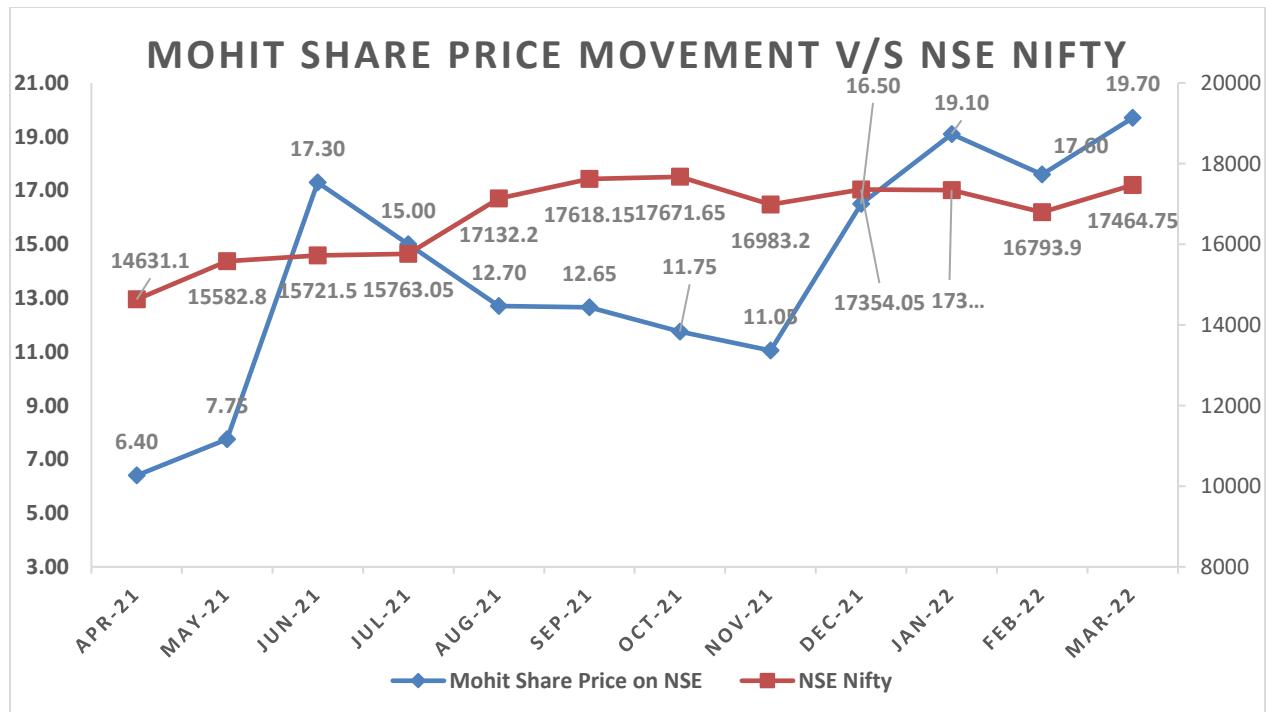
Data of market price high, low for the year 2021-22 is given below:

| Month | BSE | | | | NSE | | | |
|-----------------|------------|-----------|-------------|------------------------|------------|-----------|-------------|------------------------|
| | High (Rs.) | Low (Rs.) | Close (Rs.) | Volume (No. of Shares) | High (Rs.) | Low (Rs.) | Close (Rs.) | Volume (No. of Shares) |
| April, 2021 | 9.1 | 6.27 | 7.28 | 17650 | 9.50 | 6.20 | 6.40 | 151000 |
| May, 2021 | 8.3 | 6.65 | 7.81 | 45520 | 8.25 | 6.20 | 7.75 | 269000 |
| June, 2021 | 17.49 | 7.46 | 17.49 | 139083 | 17.30 | 7.50 | 17.30 | 636000 |
| July, 2021 | 22.05 | 13.85 | 15.1 | 170557 | 22.05 | 13.70 | 15.00 | 504000 |
| August, 2021 | 16.25 | 11.3 | 12.65 | 48055 | 16.45 | 10.65 | 12.70 | 389000 |
| September, 2021 | 13.49 | 11.6 | 12.5 | 36524 | 13.85 | 11.30 | 12.65 | 183000 |
| October, 2021 | 13.2 | 10.65 | 11.73 | 44368 | 13.15 | 10.40 | 11.75 | 249000 |
| November, 2021 | 12.97 | 10.35 | 11.37 | 48302 | 13.15 | 10.30 | 11.05 | 324000 |
| December, 2021 | 17.56 | 10.81 | 16.68 | 146279 | 17.85 | 10.65 | 16.50 | 927000 |
| January, 2022 | 20.4 | 15.25 | 19.25 | 206350 | 20.80 | 15.10 | 19.10 | 1450000 |
| February, 2022 | 20.6 | 14.3 | 17.55 | 143169 | 20.95 | 14.55 | 17.60 | 986000 |
| March, 2022 | 21.4 | 15.25 | 19.7 | 232179 | 21.75 | 14.75 | 19.70 | 151000 |

PERFORMANCE IN COMPARISON TO OTHER INDICES**Performance in comparison to board-based indices viz. BSE Sensex**



Performance in comparison to board-based indices viz. NSE Sensex



IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTOR'S REPORT SHALL EXPLAIN THE REASON THERE OF

Not Applicable

REGISTRAR & TRANSFER AGENTS:

Adroit Corporate Services Private Limited

Registrar to Issue & Share Transfer Agents

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

Email Id: info@adroitcorporate.com

Website: www.adroitcorporate.com

Ph. No.: +91-22- 42270400 / 28596060 / 28594060

Tele Fax: +91-022-28503748

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

SHARE TRANSFER SYSTEM

All shares are held in demat form except 15,560 no. of equity shares. The Company's shares are compulsorily traded in dematerialized mode. The dematerialized shares are transferable through the depository system. The power of share transfer has been delegated to the designated officials of Registrar & Transfer Agent of the Company, **Adroit Corporate Services Private Limited**. The Registrar & Transfer Agent processes the share transfers within a period of fifteen days from the date of receipt of the transfer documents.

The Company has obtained yearly certificate from Company Secretary in Practice for compliance of share transfer formalities as per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also carried out Quarterly Secretarial Audit for reconciliation of Share Capital Audit as required under SEBI circular no. 16 dated 31st December, 2002.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further vide its press release PR No.:12/2019 dated March 27, 2019 clarified that transfer of shares (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take dematerialize the shares on expedite manner.

To facilitate shareholders for trading in demat form, Company has entered into agreement with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Dematerialization of Shares and Liquidity

As on 31" March, 2022, total of 1,41,42,015 equity shares equivalent to 99.89% of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialized form and total of 15,560 equity shares equivalent to 0.11% of the total issued, subscribed and paid-up equity share capital of the Company were in physical form. The equity shares of the company are traded on BSE Main Board and National Stock Exchange Limited Main Board.

The details of shares in physical and dematerialised form are as given below:

| Particular | No. of Shares | % of Share Capital |
|--------------|-----------------|--------------------|
| NSDL | 3924294 | 27.72 |
| CDSL | 10217721 | 72.17 |
| Physical | 15560 | 0.11 |
| Total | 14157575 | 100.00% |

Dematerialization of Shares – Process

Those shareholders who hold shares in physical form are requested to dematerialize their shares at earliest. Process of converting physical shares into dematerializes form is as below:

- i) Shareholders need to open demat account with a Depository Participant (DP)
- ii) Shareholders should collect Dematerialization Request Form (DRF) form from their respective Depository Participant (DP) and after filling requisite information submit DRF form along with original share certificates to their DP.

- iii) DP will process the DRF and will generate a Dematerialization Request Number (DRN)
- iv) DP will submit the DRF and original share certificate to Bigshare Services Private Limited, the Registrar and Transfer Agent (RTA) of the Company.
- v) RTA will forward DRF to company for confirmation.
- vi) Company will confirm the DRF and request RTA for process demat request.
- vii) RTA will approve or reject DRF as per the direction of Company and inform the same to DP/ Depositories.
- viii) Upon confirmation of request the shareholders will get their shares credited in their respective demat account number.

INVESTOR HELPDESK

Shareholders/Investors can also send their queries through e-mail to the Company at contact@mohitindustries.com. This designated e-mail has also been displayed on the Company's website www.mohitindustries.com under the section Investor contact.

COMPLIANCE OFFICER

Mittal Narendrabhai Shah
Company Secretary & Compliance Officer

DISTRIBUTION OF SHAREHOLDINGS AS ON MARCH 31, 2022:

a. On the basis of Shareholdings

| Shareholding of Nominal | No. of Shareholders | % of Shareholders | Shares | % of Shares Amount |
|--------------------------------|----------------------------|--------------------------|-----------------|---------------------------|
| Upto -100 | 4507 | 47.14 | 208455 | 1.47 |
| 101-500 | 3096 | 32.38 | 893361 | 6.31 |
| 501-1000 | 984 | 10.29 | 830856 | 5.87 |
| 1001-2000 | 501 | 5.24 | 793097 | 5.60 |
| 2001-3000 | 156 | 1.63 | 402391 | 2.84 |
| 3001-4000 | 92 | 0.96 | 334712 | 2.36 |
| 4001-5000 | 74 | 0.77 | 351266 | 2.48 |
| 5001-10000 | 80 | 0.84 | 563956 | 3.98 |
| 10001-20000 | 32 | 0.33 | 460071 | 3.25 |
| 20001-50000 | 20 | 0.21 | 601423 | 4.25 |
| 50001 & Above | 19 | 0.20 | 8717987 | 61.58 |
| Total | 9561 | 100.00 | 14157575 | 100.00 |

On the basis of Category

| Sr. No. | Description | No. of members | | No. of shares | |
|----------------|-----------------------------|-----------------------|----------------|----------------------|----------------|
| | | Nos. | % | Nos. | % |
| A | Promoters Holding | | | | |
| | Directors & Relatives | 10 | 0.11 | 20,92,344 | 14.78 |
| | Bodies Corporate | 4 | 0.04 | 55,98,112 | 39.54 |
| B | Non Promoter Holding | | | | |
| | <u>Institutions</u> | | | | |
| | Mutual Funds | 0 | 0 | 0 | 0 |
| | <u>Non-Institutions</u> | | | | |
| | Resident Individual | 9,190 | 97.51 | 52,07,639 | 36.78 |
| | HUF | 129 | 1.37 | 1,86,518 | 1.32 |
| | Foreign Individuals or NRI | 46 | 0.49 | 39,080 | 0.28 |
| | Bodies Corporate | 37 | 0.39 | 9,77,953 | 6.91 |
| | Clearing Member | 20 | 0.21 | 27,388 | 0.19 |
| | Trust | 2 | 0.02 | 5,071 | 0.04 |
| | IEPF | 1 | 0.01 | 23,470 | 0.17 |
| | Total: | 9,425 | 100.00% | 1,41,57,575 | 100.00% |

NOMINATION FACILITY

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members, who are holding shares in physical mode and have not appointed nominee or want to change the nomination, are requested to send us nomination form duly filed in and signed by all the joint holders.

OUTSTANDING GDRS/ADRS/WARRANTS/ANY OTHER CONVERTIBLE INSTRUMENTS

The Company does not have any outstanding instruments of the captioned type.

PROCEEDS FROM PUBLIC ISSUE / RIGHTS ISSUE / PREFERENTIAL ISSUE / WARRANT CONVERSION

The Company does not have such proceeds from Public Issue, Right Issue, Preferential Issue and Warrant Conversion.

UTILISATION OF IPO PROCEEDS

NA

DETAILS OF UNPAID DIVIDEND

The Ministry of Corporate Affairs has notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, whereby companies are required to identify and upload information regarding unclaimed amounts due to be transferred to IEPF on the IEPF Authority's website and also on its own website.

Accordingly, the details of such unpaid / unclaimed amounts along with their respective due dates for transfer to IEPF are provided for the benefit of investors. The Shareholders may please claim their unclaimed / unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF.

During the year Under review, Rs. 59,781/- is unclaimed Dividend of the Company.

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

ADDRESS FOR CORRESPONDENCE:

(a) Registrar & Transfer Agents:

Adroit Corporate Services Private Limited

Registrar to Issue & Share Transfer Agents
Address: 19 /20, Jaferbhoy Industrial Estates,
Makwana Road, Marol Naka,
Andheri (East) Mumbai- 400059.
Email Id: info@adroitcorporate.com
Website: www.adroitcorporate.com
Ph. No.: +91-22- 42270400 / 28596060 / 28594060
Tele Fax: +91-022-28503748

(b) Registered Office:

Mohit Industries Limited
Regd. Office: A-601/B, International Trade Centre,
Majura Gate, Ring Road, Surat 395002, Gujarat
Ph. No.: 0261-2463261/62/63
Email: contact@mohitindustries.com / investor_relations@mohitindustries.com
Website: www.mohitindustries.com
CIN: L17119GJ1991PLC015074

CREDIT RATING:

NIL

11. DISCLOSURES

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENT

In preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind As) issued by the Institute of Chartered Accountants of India (ICAI). The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

RISK MANAGEMENT

The Company has to frame a formal Risk Management Framework for risk assessment and risk minimization to ensure smooth operation and effective management control. The Audit Committee has to review the adequacy of the risk management framework of the Company, the key risks associated with the business and to measure the steps to minimize the same

MATERIAL SUBSIDIARY

The Company does not have any material subsidiary.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for regulating, monitoring and reporting of Trading by Insiders in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013. The Code of internal procedures and conduct for Regulating, monitoring and Reporting of Trading by Insiders is available on https://www.mohitindustries.com/upload/files/download/code_of_conduct_for_prevention_of_insider_trading.pdf

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Dhiren R. Dave & Co., Practicing Company Secretary, Surat has issued a certificate required under the listing regulations, confirming that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of the company by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure 10**.

COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANYSECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

The Compliance Certificate on corporate Governance for the Year ended 31st March, 2022, issue by **Dhiren R. Dave & Co., practicing Company Secretary** of the Company forms part of the Corporate Governance Report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at <https://www.mohitindustries.com/upload/files/download/Whistle%20Blower%20Policy.pdf>

RELATED PARTY TRANSACTION

The list of related party transactions entered by the Company during the year is mentioned in Related party Disclosures (As identified by management) of the financial statement. All related party transactions are monitored by Audit Committee of the Company. Company's policy on related party transaction is available on below link:

<https://www.mohitindustries.com/upload/files/download/Related%20Party%20Transaction%20Policy.pdf>

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

Not Applicable

RECOMMENDATIONS OF COMMITTEES OF THE BOARD

There were no instances during the financial year 2021-22 wherein the Board had not accepted the recommendations made by any Committee of the Board.

FEES TO STATUTORY AUDITOR

Company has paid total fees paid by the company to the Statutory Auditor as mentioned below:

| Payment to Statutory Auditor | Amount in Rs. | |
|-------------------------------------|----------------------|-------------------|
| | FY 2021-22 | FY 2020-21 |
| Audit Fees | 3,25,000 | 3,25,000 |

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The details of complaints filed, disposed & pending are given below:

Number of Complaints during the year: NIL

Number of complaints disposed of during the year: Not Applicable

Number of complaints pending as on end of the financial year: Not applicable

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

The Company has complied with the requirements of the Stock Exchanges /Securities and Exchange Board of India (SEBI) / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

MANDATORY & NON MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance and endeavors to adopt good corporate governance practices which help in adoption of non-mandatory requirements.

UPDATE E-MAILS FOR RECEIVING NOTICE/DOCUMENTS IN E-MODE

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible citizen, your company fully supports the MCA's endeavor.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders may register their email addresses with their Depository through Depository Participant.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

There are no instances with respect to Demat suspense account/unclaimed suspense account.

UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/PAN/ EMAIL ID

Shareholder(s) holding shares in dematerialized form are requested to notify changes in Bank details/ address/ email ID directly with their respective DPs.

Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed policies which are available on Company's website i.e. <https://www.mohitindustries.com/downloads/codes-and-policies/>

QUOTE FOLIO NO. / DP ID NO.

Shareholders/ Beneficial owners are requested to quote their DP ID no. in all the correspondence with the Company.

Shareholders are also requested to quote their Email ID and contact number for prompt reply to their correspondence.

CODE OF CONDUCT

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

CEO/ CFO Certification

In terms of regulation 17(8) of the Listing Regulations, the CEO / CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as **annexure 7** to this Annual Report.

12. DISCRETIONARY REQUIREMENTS

THE BOARD

The chairman of the company is an Executive Director.

SHAREHOLDER RIGHTS

Half yearly and yearly declaration of financial performance is uploaded on the website of the company <https://www.mohitindustries.com/downloads/share-holding-pattern/> as soon as it is intimated to the stock exchange.

MODIFIED OPINION(S) IN AUDIT REPORT

Standard practices and procedures are followed to ensure unmodified financial statements.

REPORTING OF INTERNAL AUDITOR

The Company has appointed M/s Hiren Bhatt as the Internal Auditor of the Company for Three years from F.Y. 2021-22. The Internal Auditor reports to the Audit Committee periodically with Internal Audit Report prepared on quarterly basis.

The Internal Auditors Hiren Bhatt have reported directly to the Audit Committee of the Company.

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

Annexure-3**AS PER RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014****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) The 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) The steps taken by the Company for utilising alternate sources of energy:

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

(iii) The capital investment on energy conservation equipment: 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) The efforts made towards technology absorption: NIL

(ii) The benefits derived: NIL

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

- a. The details of technology imported: N.A.
- b. The year of import: N.A.
- c. Whether the technology been fully absorbed: N.A.
- d. If not fully absorbed areas where absorption has not taken place & reasons thereof: N.A.

(iv) The expenditure incurred on research & development during the year 2021-22: NIL

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. In lakhs)

| Sr. No. | Particulars | F.Y. 2021-22 | F.Y. 2020-21 |
|----------------|---------------------------|---------------------|---------------------|
| 1 | Foreign exchange earnings | 5,160.16 | 5,698.84 |
| 2 | Foreign exchange Outgo | NIL | NIL |

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS: MOHIT INDUSTRIES LIMITED

1. DISCLAIMER

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

2. OVERVIEW OF ECONOMY

India's economy will grow 7.5% in fiscal year (FY) 2022 and 8% in FY2023, supported by increased public investment in infrastructure and a pickup in private investment. The outlook assumes sustained progress in coronavirus disease (COVID-19) vaccinations and that any new variants of the virus are of limited severity. It also factors in the impacts of Russia's invasion of Ukraine—primarily higher global oil and commodity prices that will contribute to rising inflation and a widening of the current account deficit.

Large public infrastructure investments planned over the next 2 years will encourage more private investment. Together with the PM Gati Shakti initiative to improve India's logistics infrastructure, increased financial and technical support to states to expand capital investment will boost infrastructure spending and help spur economic growth. Private consumption will pick up as labor market conditions improve. Forecasts are based on a normal monsoon, which, coupled with rising wheat prices, is expected to boost agriculture output and improve farmers' income. The government's production-linked incentive scheme will provide a thrust to the manufacturing sector in FY2022 and FY2023.

Inflation will likely increase to 5.8% in FY2022 amid rising oil prices. While monetary policy will remain accommodative, the central bank may hike policy rates in the later part of the fiscal year due to tightening of the United States federal funds rate and elevated oil prices. The current account deficit is projected to widen to 2.8% of gross domestic product in FY2022 due to the rising oil import bill, and is expected to decline to 1.9% in FY2023 amid an uptick in export growth. Foreign direct investment inflow is expected to moderate amid rising global uncertainty and tightening of global economic and financial conditions.

3. INDIAN TEXTILE MARKET

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. India's textile and apparel exports

(including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

The textiles industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.99 billion from April 2000-March 2022. 100% FDI (automatic route) is allowed in the Indian textile sector.

Companies involved in home textiles are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.

The Government's Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

The Government approved the Mega Integrated Textile Region and Apparel (MITRA) Park scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period, which will boost textile manufacturing in the country.

The government has allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16-22 for the 'Amended Technology Up-gradation Fund Scheme' (A-TUFS) to boost the Indian textile industry and enable ease of doing business.

To support the handloom weavers/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

The new Economic Cooperation and Trade Agreements with Australia and the UAE will open multiple opportunities for textiles and handloom. Indian textile exports to Australia and the UAE will now face zero duties, and the government is expecting that soon, Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

Top players in the textiles sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials. Top players in the textiles sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

4. ROAD AHEAD

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

Major Trends in Textile & Apparel Industry:

1. Emergence of new garmenting hubs:

Increase in labour and raw material cost has brought a shift in global textile industry, forcing companies to shift their base from developed countries to developing countries like India, Ethiopia, Myanmar, Vietnam and Cambodia. These developing countries offer cheap labour and good quality raw material at lower prices.

2. Increasing importance of Industry 4.0:

Textile 4.0 is a fourth industrial revolution focusing on automation of industry. This automation can be achieved by data exchange, robotics, the internet of things, cloud computing and through various other measures. This automation will result in lower operating cost with customary processes and improved quality standards.

3. Development of new trade Alliances:

Trade alliances and Free Trade Agreement (FTA) are some measures by various governments to connect markets. Through this the exchange of technologies will become easier. These alliances will ultimately lead to increase in flow of FDI, improved infrastructure and more job opportunities helping economies to grow.

4. Shift towards Sustainable Fashion:

With rising awareness about climate change, consumers prefer brands that adopt sustainable business practices. As a result, the textile industry has been witnessing a shift towards sustainable processes right from manufacturing of products to selling them. This shift will not only enable them to reduce their footprints on the environment but also offer sustainable fashion solutions.

5. INDUSTRY OUTLOOK

Indian Textile Industry is showing a notable increase in recent years. Indian textile brands and manufacturers are focusing on increasing their export globally. Considering the significant proportion that India commands inside the international trade of textile and garb, and the industry is ready to add more exceptional manufacturing capabilities.

Along with a boom in potential, encouraging fabric guidelines and favorable exchange fee moves could help India achieve a large export boom.

By the year 2020, the additional ability will be added to existing production facilities; the ratio of home and exports is possibly to alternate from 65:35 to 55:45.

The Indian government is taking many initiatives to enhance the country's textile area. The benefits offered by government authorities are in all likelihood to percolate to the Indian textile industry in the coming years. This will also ensure its steady growth, and fuel the growth of the textile industry in India.

6. SWOT ANALYSIS OF TEXTILE INDUSTRY

STRENGTHS

- Flexible Labour market
- Worldwide Demand
- Involved Industries Increase
- Strong Backward linkage facilities
- Presence of economic zones
- Automation of production processes and proper infrastructure
- Availability of raw materials

WEAKNESS

- Lack of Modern Machineries
- Unable to go with flow
- Lack of forecasting
- Depending on some specific buyers
- Higher Bank interest rates and Insurance policy
- Increase in mid-market / value retailers results in a negative impact for the higher end retailers and increase an opportunity to introduce lower market brands.
- Fluctuation in prices to cope up with changing demands and trends.
- Short time for optimization of products.
- Unavailability of skilled labour.
- Increase in unit cost, high tariff barriers and export duties.

OPPORTUNITY

- Better consumer knowledge and power driving the demand for more ethical and sustainable
- Buyers attention in Asian and Worldwide market
- Governments training Program
- Buyers initiative for productivities
- People are willing to buy quality products and long lasting investment pieces at a competitive prices.
- Establishment of E-commerce allows more consumers to enter the chain of market.
- Apart from manufacturing jeans the fabric is used in manufacturing of other products like shirts, trousers, handbags etc.
- Introduction of sustainable development practices.

THREATS

- E-shops and On demand shops
- High making cost
- Political and environment crisis
- The market is saturated with existing brands.
- The market is continuously growing with brands coming up with innovative ways to compete and stay relevant in the market.
- The ethical textile market already has a number of early entrants which have gained significant market share.
- Unstable economy results in reduced consumer confidence and spending.
- The entry of several international players in the retail industry after opening up of FDI would also pose as a threat for the brand.
- It is difficult to make balance between price and quality when competitors have lower price.
- Quick obsolescence of technology.

7. CUSTOMER ORIENTED ORGANISATION:

Mohit Industries Limited makes constant efforts to include the diversity in people around the globe by creating products that would meet every customer's wishes. Customers are also offered delivery services, and Mohit Industries Limited makes sure that the products are delivered on time regardless of any procurement hassles. The company believes in working with passion to honor every commitment made to its customers. It also prioritizes regular product innovation to give customers the best experience. Quality and variety has always been one of the major focuses of the company.

8. FINANCIAL RESULTS & PERFORMANCE

| Particulars | (Rs. in Lakhs) | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Standalone | | Consolidated | |
| | For the year ended 31-03-2022* | For the year ended 31-03-2021* | For the year ended 31-03-2022* | For the year ended 31-03-2021* |
| Revenue from operations | 16665.45 | 14951.01 | 16665.45 | 14951.01 |
| Other Income | 320.72 | 168.87 | 320.72 | 168.87 |
| Total Revenue | 16986.16 | 15119.88 | 16986.16 | 15119.88 |
| Profit before tax and Exceptional Items | 35.42 | 93.90 | 35.42 | 93.90 |
| Exceptional Items | 0.81 | 10.00 | 0.81 | 10.00 |
| Profit before Taxation | 36.23 | 103.90 | 36.23 | 103.90 |
| -Current Tax | 20.72 | 32.72 | 20.72 | 32.72 |
| -Deferred Tax | (20.22) | (8.98) | (20.22) | (8.98) |
| -Short Provision for Income Tax expense relating to prior Year | 7.26 | 12.41 | 7.26 | 12.41 |
| Net Profit/ (Loss) For The Year | 28.47 | 67.75 | 28.47 | 67.74 |
| Other Comprehensive Income for the Year, Net | 569.63 | 18.85 | 8436.91 | 1952.63 |

| | | | | |
|--|---------------|--------------|----------------|----------------|
| of Tax | | | | |
| Total Comprehensive Income for the Year | 598.10 | 86.59 | 8449.32 | 2021.35 |

* Figures regrouped wherever necessary

The Company discloses financial results on quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the Company's website www.mohitindustries.com.

During the year, Your Company recorded total revenue of 16,986.16 Lacs against Rs. 15,119.88 Lacs in the previous year, representing a increase of 12.34% during the year and Profit before Tax Rs. 36.23 Lacs as compared to Rs. 103.90 Lacs during the year. Total Comprehensive Income during the year Rs. 598.10 lacs as compared to Rs. 86.59 lacs in the previous year.

9. IMPACT OF COVID-19 PANDEMIC:

The second and third wave of COVID-19 pandemic had impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, etc. However, the company was well geared with set processes and precautionary measures as a result there was not much impact on production and supply of goods.

The situation relating to pandemic is, however, dynamic and changing rapidly giving rise to uncertainty around the extent and timing of the potential future impact of the pandemic which may be different from that estimate made by the Company. We have clearly seen the impact of second wave of the pandemic in the first quarter of FY 2021-22. The Company has made detailed assessment of its business scenario for the current year (FY 2022-23) and do not foresee any major challenges on this account. The Company is closely monitoring and would account for any material changes arising out of future economic conditions and impact on its business.

10. OUTLOOK:

The Indian textile industry at large is expected to grow further in the coming years. The global industry also has a promising future. This implies growth opportunities for Mohit Industries Limited, in the domestic as well as global market. Owing to the growth in demand of apparels, especially from developing countries, as well as rise in income, the demand for textile has significantly increased and will continue to grow. Over the last 4-5 years, textile demand has increased steadily and several Indian textile players, including our company, have increased their capacity under the prevailing government incentive scheme. The industry has become more competitive in these terms. However, the recent outbreak of Covid-19 pandemic has significantly impacted the industry as well as the Company. The situation has caused temporary slowdown and is estimated to bounce back once the situation gets normalized. The Company's values that focus on constant evolution and product innovation will help it in maintaining its strong standing in the industry and will eventually help in growing further in the future.

11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has made adequate investment for an effective internal control and risk-mitigation system, and they are constantly assessed and strengthened from time to time with new standard operating procedures. The Audit committee, in its meeting, along with the CFO formulates a detailed audit plan for the internal auditor to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Internal Auditors attend the Meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee. The Audit Committee in consultation with the Statutory Auditors and the Business Heads reviews the recommendations placed by the Internal Auditors, suggests improvements, take corrective actions, wherever needed, to strengthen the internal control system and place it before the Board. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and

independence, the Internal Audit function reports to the Chairman of the Audit Committee.

12. KEY RISKS

RISK AND CONCERNs

The Company is exposed to specific risks that are particular to its business and environment within which it operates, including Foreign Exchange Risk, Interest Rate Risk, Commodity Price Risk, Risk of Product Concentration and other Business Risk. While risk is an inherent aspects of any business, the Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measure for its mitigation including business portfolio risk, financial risk and legal risk and internal process risk.

The list of the potential risks the industry is exposed to domestically/internationally is given below:

Business Operational Risk: The business operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events like economic and market conditions, cut throat competitions at local as well as at international level, introduction of new players in textile markets, even events which are not directly connected with the organization like natural disasters, political and military turmoil etc. It can be minimized by decreasing labour turnover, power cost, logistics, balancing demand & supply risks, implementing latest technologies to create new and innovative designs of textile products, techniques required to upgrade plants, boiler house, machines, equipment, Un-interrupted availability of raw material at competitive prices so as to avoid production loss, maintenance of quality and harmonizing production for completing the orders in time as well. Fluctuations in yarn prices in international market which can impact the price / cost of a particular product(s) and its blend(s) is also a part of business operational risk.

Environmental Risk: The safety of environment is important because of its ecological, economic or social significance to an ecosystem. If environment get impact/suffer more due to highly polluting nature or due to violation of any environmental law/norms by the industry/business then it may get adverse remarks from the Regulator/Statutory Authority or may have to face penal provisions as well as implications. An effort should be made to recycle the waste, make reusable products, use natural resources instead of hazardous chemicals to protect the environment.

Raw material risk: There is always a risk of inadequate or non-availability of raw materials in the market due to volatility in the prices of cotton, transportation cost etc which could impede business profits and prospects.

Quality risk: Easy entry of various competitors in the market could affect the quality of products in order to match the competitive prices. Also inability to match the stringent quality standards of leading retail brands consistently could impact product off take. **Working capital risk:** To expand the business operations requires increased working capital and its proper management.

Purchasing power risk: It means loss of purchasing power due to the effect of inflation. This risk is also known as inflation risk. When there is inflation in the economy, the currency loses its value due to the rising price level in the economy. The higher the inflation rate, the faster the money loses its value.

Foreign Exchange / Currency risk: It is the uncertainty associated with changes in the relative value of currencies. Currency risk arises from the change in price of one currency against another. The Company while doing foreign transactions deals with the currencies of other countries and therefore any fluctuations in foreign currency may impact margins of Company. The fluctuations in the exchange rate are caused basically by the supply of and the demand for the currencies being exchanged. The depreciation in exchange rate increases the risk of foreign banks, which leads to large foreign currency exposures in the emerging markets. The adverse exchange rate movement increases the

repayment obligations of the banks' borrowers in terms of domestic currency. The investors or companies, in order to avoid currency risks should properly hedge their positions with the foreign banks.

Financial Risk: It is the uncertainty associated with how firms finance its business like by issue of shares, debentures, taking loans from government / financial institutions etc. Such financial transactions also include risk of default in payment of interest, dividend or repayment of capital due to various internal or external factors like increase in credit days of debtors, inflation, interest rate fluctuations, change in government policies etc. It may lead to loss of liquidity, falling assets value, significant change in cash inflow and outflow etc.

Liquidity Risk: Liquidity Risk reflects the possibility/position that a party may have insufficient funds to settle an obligation for full value when due because of insufficient capital or difficulty in selling as asset or an investment to generate capital, but will have funds to cover settlement obligations on some unspecified date thereafter. In non-bankruptcy situations, the allowable methods to cover short positions are generally driven by local market conventions. As a result, liquidity could be adversely affected by prohibitions on transactions such as Repos, Reverse Repos, Securities Lending and other allied components.

Global Risk: Global risk refers to an uncertain event or condition that can cause significant negative impact to several countries or industries for a long period of time. India is still emerging in the market of textile industries. There is a tremendous competition around the world. Indian manufacturers will have to face a tough fight to sustain in the competition. Due to poor infrastructure facilities, the production and transaction cost remain high in India. Also India's logistic disadvantage due to its geographical location can give it a major thumbs-down in global trade. As a result, high cost of shipments and longer lead time coupled with lack of infrastructure facility may prove to be a major hindrance. To overcome this problem, India needs to increase the size of its industrial infrastructure to capture the efficiencies of the economies of scale and it must cluster the textile production.

Political Risk: Political risk may be defined as the probability that a political event will impact adversely on a firm's profit. It represents the financial risk that a country's government will suddenly change its policies. A new law or a change in an existing could have a significant impact on an investment. Whatever laws the government passes today may be extinct tomorrow. This risk covers restriction on remittances in the buyer's country or any government action which may block or delay payment to the exporter, war, revolution or civil commotion in the buyer's country, cancellation or imposition of new export / import licensing restrictions in the buyer's country, any other kind of loss occurring either in India or outside India which is not within the control of the exporter or the buyer.

Technological risk: Technology can response corporate culture and facilitate innovative procedures. In a garment manufacturing industry, the firm is constantly required to make changes and transformations in the production process over time, upgrade their machinery besides creating new facilities and additional capacities in order to survive in the highly competitive market.

Currency Risk: The Company is subject to currency exposure risk given its significant size of exports. The company's imports are much lower as compared to its exports and thus as far as foreign currency payments are concerned, the company has a natural hedge. The Company has been sanctioned a limit to hedge the currency exposure on export receivables and has started covering exports to the extent needed to cover open risk (net). The Company also has in place a hedging policy to mitigate currency risks. The currency risk is thus adequately mitigated.

Working Capital

Working capital requirement in the business went up because of the fact that our key distributors are required to offer elongated credit to the garment manufacturers who are their customers, and the garment manufacturers are also required to offer extended

credit periods to their own customers and thus in the process the entire working capital cycle has been significantly elongated.

13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations etc. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The system is improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

14. HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATION

The Company rely that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance. The manufacturing operations are conducted to ensure sensitivity towards the environment and minimize waste by encouraging "Green" practices. The Company continued to enjoy healthy industrial relations during the year.

15. SUSTAINABLE DEVELOPMENT

Sustainability has been deeply embedded into the Company's business and has become an integral part of its decision making process while considering social, economic and environmental dimensions. During the year 2020-21, a Sustainable Development Strategy was developed with a focus on the following areas:

1. Water Pollution Control Measures

Our Company is a member of Gujarat Eco-Textile Park (GETP) since 2014; The Park helps us to reduce water pollution. The Company has made sure that it implements various measures across all its operations to control fugitive emissions from polluting our water bodies.

2. Air Pollution Control Measures

Initiatives have been taken to reduce air pollution which is caused due to production processes. Our Company has obtained a license from Gujarat Pollution Control Board (GPCB) to ensure pollution control. Gujarat Pollution Control Board (GPCB) ensures that the pollution control limits are maintained by surprise inspections at the factory. These inspection samples are then tested in their own laboratory and report is issued. The Company has also installed Air Receiver in the weaving department to reduce and control on toxin emissions.

16. HEALTH & SAFETY

The company believes Health & Safety as an indispensable province. Company has placed suitable facilities for all workers and employees like proper lighting, ventilation, no congestion, medical kits, stretchers, fire extinguishers etc. at prominent places. Personnel at supervisory level have been trained in basic life support techniques.

The safety measures taken by the company has resulted in improving the conditions under which workers are employed and work, consequently increasing the productivity.

17. INFRASTRUCTURE

The company is equipped with modern infrastructure facilities which assist in smooth production. The company's manufacturing unit is outfitted with advanced machines and equipment and a trained staff, who have years of experience behind them.

To sell products to the clients, the company has facilitated a smooth transportation mechanism through a strong base of transporters and traders.

18. SIGNIFICANT CHANGES:

| Ratio | 2021-22 | 2020-21 |
|------------------------------------|-------------|-------------|
| Current Ratio | 1.40 times | 1.39 times |
| Debt To Equity Ratio | 1.63 times | 1.58 times |
| Debt Service Coverage Ratio | 0.79 times | 1.23 times |
| Return On Equity Ratio | 0.39 % | 2.18% |
| Inventory Turnover Ratio | 7.32 times | 6.96 times |
| Trade Receivable Turnover Ratio | 9.05 times | 8.83 times |
| Trade Payable Turnover Ratio | 29.12 times | 25.12 times |
| Net Working Capital Turnover Ratio | 9.73 times | 11.32 times |
| Net Profit Ratio | 0.07% | 0.46% |
| Return On Capital Employed | 4.90% | 6.94% |
| Return On Investments | 120.02% | 120.27% |

19. CAUTIONARY STATEMENT:

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding a fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the Company.

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

Annexure-5

DHIREN R. DAVE & CO.
Company Secretaries

B-103, International Commerce Center (ICC), Near Kadiwala School,
Ring Road, SURAT- 395002, Phone: 0261-2460903, 2475122, 98791-04642,
Email:contact@drdcos.net

Secretarial Audit Report

For the financial year ended March 31, 2022

**[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]**

To,
The Members

M/s MOHIT INDUSTRIES LIMITED
601-B, "A" WING, INTERNATIONAL TRADE CENTRE,
MAGURAGATE CROSSING,
RING ROAD, SURAT
GJ 395002 IN

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022, 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. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2022 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; -- Not Applicable.
 - (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;
 - (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;- Not Applicable
 - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable

- e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; - 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, 2021; - 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, 2018; - 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;

(v) Factories Act, 1948

(vi) Industrial Disputes Act, 1947

(vii) The Payment of Wages Act, 1936

(viii) The Minimum Wages Act, 1948

(ix) Employees State Insurance Act, 1948

(x) The Employees Provident Fund and Miscellaneous Provisions Act, 1952

(xi) The Payment of Bonus Act, 1965

(xii) The Payment of Gratuity Act, 1972

(xiii) The Contract Labour (Regulation and Abolition) Act, 1970

(xiv) The Maternity Benefit Act, 1961

(xv) The Child Labour (Prohibition and Regulation) Act, 1986

(xvi) The Industrial Employment (Standing Orders) Act, 1946

(xvii) The Employees Compensation Act, 1923

(xviii) The Apprentices Act, 1961

(xix) Equal Remuneration Act, 1976

(xx) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

(xxi) The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986)

(xxii) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.

(xxiii) The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975)

(xxiv) The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982)

We 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, etc mentioned above.

2. We 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. We 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 27/08/2022 which is annexed and forms an integral part of this report.

Date: 27/08/2022

Place: Surat

**For DHIREN R. DAVE & CO.,
Company Secretaries
UIN:P1996GJ002900
P/R No.:2144/2022**

**PINAL KANDARP SHUKLA
Partner
Company Secretary
ACS:28554 CP:10265
UDIN: A028554D000859661**

**DHIREN R. DAVE & CO.
Company Secretaries**

B-103, International Commerce Center (ICC), Near Kadiwala School,
Ring Road, SURAT- 395002, Phone: 0261-2460903, 2475122, 98791-04642,
Email:contact@drdc.net

To,
The Members

M/s MOHIT INDUSTRIES LIMITED

601-B, "A" WING, INTERNATIONAL TRADE CENTRE,
MAGURAGATE CROSSING,
RING ROAD, SURAT
GJ 395002 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 27/08/2022
Place: Surat

For DHIREN R. DAVE & CO.,
Company Secretaries
UIN:P1996GJ002900
P/R No.:2144/2022

PINAL KANDARP SHUKLA
Partner
Company Secretary
ACS:28554 CP:10265
UDIN: A028554D000859661

Annexure-6

The Disclosures pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5 of the companies (appointment and remuneration of managerial personnel) Amendment rules, 2016 are as under:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for F.Y. 2021-22 (Amount in Rs.) | % increase in Remuneration in the F.Y. 2021-22 | Ratio of Remuneration of each Director/to median remuneration of employees |
|---------|--|---|--|--|
| 1 | Mr. Narayan Saboo Executive Chairman cum Managing Director | -- | 0% | -- |
| 2 | Mr. Naresh Saboo Director | -- | 0% | -- |
| 3 | Mr. Manish Saboo Director & CFO | -- | 0% | -- |
| 4 | Mr. Jayesh Gandhi Independent Director | NIL | NIL | N.A. |
| 5 | Mr. Sachinkumar Jain Independent Director | NIL | NIL | N.A. |
| 6 | Mrs. Pragya Memani Independent Director | NIL | NIL | N.A. |
| 7 | Ms. Nikita Pediwal * Company Secretary & Compliance Officer | 1,75,097 | NIL | N.A. |
| 8 | Ms. Mittal Shah # Company Secretary & Compliance Officer | 1,65,544 | NIL | N.A. |

* Resigned w.e.f. 06/10/2021

Appointed as on 14/02/2022

(i) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2021-22:

| Sr. N. o. | Name & Designation | Qualification and Experience | Remuneration (Amount in Rs.) Per Annum | Date of Appointment | DOB | Particulars of Last Employment | Relative of Director / Manager | Percentage of Equity Shares |
|-----------|---|------------------------------|--|---------------------|------------|--------------------------------|--------------------------------|-----------------------------|
| 1 | Rajesh Panghal - Marketing Manager | Diploma Mechanical & 30 Year | 6,54,639 | 05-07-1995 | 13-01-1968 | Globe Synthetic s Limited | NIL | -- |
| 2 | Promila R.Panghal - Marketing Manager | M.B.A & 28 Year | 6,25,473 | 01-05-2012 | 29-03-1966 | Self Employed | NIL | -- |
| 3 | Prakash Lakshman Paramar – Plant Incharge | B.sc & 17 Year | 6,25,473 | 01-12-2020 | 12-02-1973 | Eagle Filament | NIL | -- |
| 4 | Moolchand Mohanlal Saini - Export Manager | M.B.A & 12 Year | 6,18,183 | 01-04-2012 | 15-07-1988 | Shree Sainath Moters | NIL | -- |

| | | | | | | Pvt Ltd | | |
|----|--|-------------------|----------|------------|------------|------------------------------|-----|----|
| 5 | Sarveswar Das - Plant Incharge | B.A & 26 Year | 5,70,604 | 01-08-2011 | 09-10-1975 | Jigisha Texo Fab Ltd | NIL | -- |
| 6 | Dilip Gagrani - General Manager | B.A & 20 Year | 5,62,500 | 13-03-2019 | 01-12-1976 | Self Employed | NIL | -- |
| 7 | Gautam Sarkar - Plant In Charge | B.com & 26 Year | 5,29,000 | 01-08-2017 | 04-01-1976 | General Petrocamical Pvt Ltd | Nil | -- |
| 8 | Narpat Singh - Electrical Engineer | HSC & 28 Year | 5,18,352 | 09-07-1997 | 30-06-1972 | Viral Filament Ltd. | NIL | -- |
| 9 | Mallikarjun B. Pattanshetty - Technical Head | B. Tech & 28 Year | 5,00,500 | 01-08-2011 | 10-04-1968 | Sanica Industries Ltd | NIL | -- |
| 10 | Ketan Donda - Hr Manager | M.S.W & 8 Year | 4,85,750 | 14-05-2018 | 07-10-1993 | Fairdeal Filament Ltd | NIL | -- |

- (ii) The median remuneration of employees of the Company during the Financial Year was Rs. 76,069/-
- (iii) In the Financial year, the median remuneration of employees has decreased by 19.06%.
- (iv) There were 351 permanent employees on the rolls of the Company as on March 31,2022;
- (v) Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 10%.
- (vi) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.
- (vii) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

Annexure-7

**Certificate in terms of Regulation 17(8) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To
The Board of Directors
MOHIT INDUSTRIES LIMITED

Dear Sir/Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. I have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2022 which is fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
4. I have indicated to the auditors and the Audit Committee:-
 - a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2022;
 - b. there are no significant changes in accounting policies during the financial year ended March 31, 2022; and
 - c. that there are no instances of significant fraud of which we have become aware.

Place: Surat
Date: 27/05/2022

For the Board of Director
MoHIT Industries Limited

Sd/-
Manish Narayan Saboo
Chief Financial Officer & Director

Annexure-8

DECLARATION BY MANAGING DIRECTOR THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

All the Members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2022 as applicable to them as laid down in Companies Act, 2013 with the code of conduct of Board members and senior management personnel.

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Indstires Limited

Sd/-
Narayan Sitaram Saboo
Managing Director
DIN: 00223324

Annexure-9

DHIREN R. DAVE & CO.
Company Secretaries

B-103, International Commerce Center (ICC), Near Kadiwala School,
Ring Road, SURAT- 395002, Phone: 0261-2460903, 2475122, 98791-04642,
Email:contact@drdc.net

C.S. CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
MOHIT INDUSTRIES LIMITED

I have examined the compliance of conditions of Corporate Governance by Mohit Industries Limited (the Company) for the year ended March 31, 2022, as per regulations 17 to 27, clauses (b) to (i) and (t) 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, 2022 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.

Date: 27/08/2022

For DHIREN R. DAVE & CO.,

Company Secretaries

UIN:P1996GJ002900

P/R No.:2144/2022

Place: Surat

PINAL KANDARP SHUKLA

Partner

Company Secretary

ACS:28554 CP:10265

UDIN: A028554D000859736

Annexure-10**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Mohit Industries Limited
(CIN: L17119GJ1991PLC015074)
A-601/B, International Trade Centre,
Majura Gate Ring Road,
Surat-395002, Gujarat

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MOHIT INDUSTRIES LIMITED** having CIN: L17119GJ1991PLC015074 and having registered office at A-601/B, International Trade Centre, Majura Gate Ring Road, Surat-395002, Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|----------------|-------------------------|------------|---------------------------------------|
| 1. | Narayan Sitaram Saboo | 00223324 | 01/10/2015 |
| 2. | Naresh Sitaram Saboo | 00223350 | 10/03/1998 |
| 3. | Manish Narayan Saboo | 01576187 | 29/09/2011 |
| 4. | Jayesh Rasiklal Gandhi | 01588775 | 21/11/1994 |
| 5. | Sachinkumar Pramod Jain | 01634303 | 26/08/2005 |
| 6. | Pragya Rahul Memani | 06846968 | 22/03/2014 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhiren R. Dave & Co.
Company Secretaries

Sd/-
Pinal Kandarp Shukla
Partner
UDIN: A028554D000859703
M. No. 28554
CP: 10265
P/R. No: 2144/2022
Place: Surat
Date: 27/08/2022

Annexure-11

Form AOC-1
**Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures**
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies Accounts) Rules, 2014)**

Part "A" : Subsidiaries

| Sr. No. | Particulars | Details | (In Rs.) |
|---------|---|---------|----------|
| 1 | Name of the Subsidiary | | |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | | |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | | |
| 4 | Capital | | |
| 5 | Reserves & Surplus | | |
| 6 | Total Assets | | |
| 7 | Total Liability | | |
| 8 | Investments | | |
| 9 | Turnover | | |
| 10 | Profit before taxation | | |
| 11 | Provision for taxation | | |
| 12 | Profit after taxation | | |
| 13 | Proposed Dividend | | |
| 14 | % of shareholding | | |

Not Applicable as there is no subsidiary

Notes:

- Names of subsidiaries which are yet to commence operations-N.A
- Names of subsidiaries which have been liquidated or sold during the year-N.A

Part "B" : Associate and Joint Ventures

| Sr. No. | Particulars | Details | | (In Rs.) |
|---------|---|--|--|----------|
| 1 | Name of associates/Joint Ventures | Mohit Overseas Limited | Mohit Yarns Limited | |
| 2 | Latest audited Balance sheet date | 31/03/2022 | 31/03/2022 | |
| 3 | Shares of Associates / Joint Ventures held by the company on the year end (i) No. (ii) Amount of Investment in Associates /Joint Venture (iii) Extend of Holding % | 394000 37,99,000 49.25% | 663000 1,57,23,000 46.69% | |
| 4 | Description of how there is significant influence | By Virtue of 49.25% holding in associate | By Virtue of 46.69% holding in associate | |
| 5 | Reason why the associate/joint venture is not consolidated | Not Applicable | Not Applicable | |
| 6 | Net worth attributable to shareholding as per latest audited Balance Sheet | 40,96,37,791 | 63,24,76,142 | |
| 7 | Profit/(Loss) for the year (i) Considered in consolidation (ii) Not considered in consolidation | -676438 -697041.02 | -928519 -1060170.17 | |

Notes:

- Names of associates or joint ventures which are yet to commence operations-N.A
- Names of associates or joint ventures which have been liquidated or sold during the year-N.A

Place: Surat
Date: 27/08/2022

For the Board of Director
Mohit Industries Limited

Sd/-
Narayan Saboo
Managing Director

Sd/-
Naresh Saboo
Director

Annexure-12

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, 2022, 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 2022 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 | <p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 32(i) to the Standalone Financial Statements.</p> | <p>Principal Audit Procedures:</p> <p>Obtained details of completed tax assessments and demands as on year ended March 31, 2022 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, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p> |
| 2 | <p>Foreign exchange fluctuation and export policies of India and other countries are considered to be Key Audit Matters.</p> <p>A significant portion of revenue is generated through export of products of the company. Any change in the duty structure, import and export policy has significant bearing on revenue realization of the Company. Fluctuation in exchange rate of Indian currency has significant bearing on profitability.</p> | <p>Principal Audit Procedures:</p> <p>Our audit approach includes verification of balances outstanding (Debits and Credits); on account of foreign exchange; as at the end of the year and to assure that the same is adjusted to a value at the exchange rate that is prevailing at the close of last day of the current year.</p> |
| 3 | <p>Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2</p> <p>Inventories constitutes material component of financial statement. Correctness, completeness and valuation are critical for reflecting true and fair financial results of operations.</p> | <p>Principal Audit Procedures:</p> <p>We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical verification of inventories:</p> <p>a) Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls throughout the year.</p> |

| | |
|--|---|
| | <p>b) Testing on sample basis the accuracy of cost of inventory by verifying supporting documents.</p> <p>c) Performed alternate procedures which included inspection of supporting documentation relating to purchases, sales and production records relating to inventory as at year-end.</p> <p>d) Discussion with those charged with responsibility of overseeing inventory management process.</p> |
|--|---|

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 and Board of Directors' 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions 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.

Materiality is the magnitude of misstatements in the interim condensed standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim condensed standalone financial statements.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Standalone 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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current 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.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared any dividend during the year.

**For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 108390W**

**(RAJENDRA RATANLAL SHARMA)
PARTNER
Membership No. : 044393
UDIN: 22044393AJSPPH6283**

Surat, 27th May, 2022

32nd ANNUAL REPORT 2021-22

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT of MOHIT INDUSTRIES
LIMITED FOR year ended 31ST MARCH, 2022**
**(Referred to in Paragraph '1' under "Report on Other Legal and
Regulatory Requirements' of our report of even date)**

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties disclosed in the financial statements included in Property, Plant and Equipment and Investment Property are held in the name of the Company as at the balance sheet date

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. According to the information and explanation given to us, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of account of the Company. The material differences between such quarterly returns or statements and books of account of the company are reported in Note No. 45(ii) of the Audited Financial Statements of the company.
- iii. According to information and explanation given to us, the Company has not

provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The Company has made investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) According to the information and explanations given to us, the Company has granted loans, secured or unsecured to parties other than subsidiaries, associates and joint venture during the year, the details of which are as follows:

| Particulars | Loans (In Rs. Thousands) |
|--|---|
| Aggregate amount granted during the year | |
| -- Others | 33,137.98 |
| Balance outstanding as at balance sheet date in respect of above cases | |
| -- Others | 83,305.52 |

(b) In our opinion, the investments made and the terms and conditions of grant of all loans are, *prima facie*, not prejudicial to the Company's interest.

(c) In respect of loans, there is no stipulation of schedule of repayment of principal and payment of interest and hence we are unable to make specific comment on the regularity of repayment of principal & payment of interest.

(d) In respect of loans granted by the Company, as there is no stipulation of schedule of repayment of principal and payment of interest, hence there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties

(f) The company has granted loans either repayable on demand or without specifying any terms or period of repayment. The details of such loan granted is given below:

| Particulars | All Parties (Rs. in Thousands) | Promoters (Rs. in Thousands) | Related Parties (Rs. in Thousands) |
|--|---|---|---|
| Aggregate amount of loans/ advances in nature of loans -- Repayable on Demand (A) | -- | -- | -- |
| -- Agreement does not specify any terms or period of repayment (B) | 33,137.98 | -- | -- |
| Total (A+B) | 33,137.98 | -- | -- |
| % of loans / advances in nature of loans to total loans | 100% | -- | -- |

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, 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, 2022 on account of disputes are given below:

| Name of The Statute | Nature of Dues | Amount (Rs. 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 | First Appellate Authority (Set Aside by Tribunal) |

| | | | | |
|------------------------|------------------------------|--------|---------------------------|---|
| Gujarat Entry Tax Laws | Gujarat Entry Tax | 577.26 | FY 2011-12 | Appeal pending before Tribunal |
| Gujarat VAT Act | Gujarat VAT | 18.57 | FY 2012-13 | Appeal pending before Tribunal |
| 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 |
| Central Excise Act | Excise Duty & Penalty | 848.02 | April, 2016 to June, 2017 | CESTAT, Ahmedabad |

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to

meet the obligations of its subsidiaries, associates or joint ventures.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) In our opinion and according to the information and explanations given to us, since no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, accordingly, the provisions of clause 3(xi)(b) of the Order are not applicable.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- 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. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (c) Based on the information and explanations provided by the management, the Company does not have any CICs, which are part of the Company. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.

xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause 3(xvii) of the Order are not applicable.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to information & explanation given to us, the provision of Section 135 of the Companies Act, 2013 is not applicable in the case of the company. Hence, reporting requirement under Clause (xx)(a) and (b) of the order is not applicable in the case of the company.

**For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: - 108390W**

**(RAJENDRA RATANLAL SHARMA)
PARTNER
Membership No. : 044393
UDIN: 22044393AJSPPH6283**

Surat, 27th May, 2022

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, 2022

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

Opinion

We have audited the internal financial controls over financial reporting of **Mohit Industries Limited** ("the Company") as of 31st March, 2022 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

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 2022, 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.

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 controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For RAJENDRA SHARMA & ASSOCIATES

Chartered Accountants

Firm Registration No.: - 108390W

(RAJENDRA RATANLAL SHARMA)

PARTNER

Membership No. : 044393

UDIN: 22044393AJSPPH6283

Surat, 27th May, 2022

MOHIT INDUSTRIES LIMITED

Balance Sheet As At 31st March, 2022

(Amount in Rupees Lakhs)

| Particulars | Note No. | Figures as at 31st March, 2022 | Figures as at 31st March, 2021 |
|--------------------------------------|--------------|--------------------------------|--------------------------------|
| I ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 4 | 2181.11 | 2421.46 |
| (b) Capital Work In Progress | | - | - |
| (c) Intangible Assets | 4 | 1.77 | 2.61 |
| (d) Investment Properties | 5 | 76.73 | 76.73 |
| (e) Financial Assets | | | |
| (i) Investments | 6 | 1252.82 | 230.64 |
| (ii) Other Financial Assets | 7 | 120.01 | 3.15 |
| (f) Other Non-Current Assets | 8 | 21.63 | 20.82 |
| SUB-TOTAL | | 3654.07 | 2755.41 |
| 2 Current Assets | | | |
| (a) Inventories | 9 | 2365.52 | 2186.54 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 10 | 1931.04 | 1750.74 |
| (ii) Cash & Cash Equivalents | 11 | 10.52 | 25.64 |
| (iii) Other Bank Balances | 12 | 0.44 | 19.79 |
| (iv) Loans | 13 | 833.06 | 1242.77 |
| (c) Other Current Assets | 14 | 861.84 | 837.09 |
| SUB-TOTAL | | 6002.42 | 6062.56 |
| | TOTAL | 9656.49 | 8817.96 |
| II EQUITIES & LIABILITIES | | | |
| A Equity | | | |
| (a) Equity Share Capital | 15 | 1415.76 | 1415.76 |
| (b) Other Equity | | 2163.68 | 1565.59 |
| SUB-TOTAL | | 3579.44 | 2981.35 |
| B Liabilities | | | |
| 1 Non- Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 1611.08 | 1250.06 |
| (b) Deferred Tax Liability (Net) | 17 | 179.95 | 200.17 |
| (c) Government Grants | 18 | 10.34 | 23.11 |
| SUB-TOTAL | | 1801.37 | 1473.34 |
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 3602.92 | 3804.89 |
| (ii) Trade Payables | 20 | 607.07 | 463.70 |
| (iii) Other Financial Liabilities | 21 | 0.60 | 0.60 |
| (b) Other Current Liabilities | 22 | 44.38 | 61.37 |
| (c) Current Tax Liabilities | 23 | 20.72 | 32.72 |
| SUB-TOTAL | | 4275.68 | 4363.28 |
| | TOTAL | 9656.49 | 8817.96 |

MOHIT INDUSTRIES LIMITED

Statement of Accounting Policies and Notes

Forming Part of Financial Statements

1 to 44

As per our Audit Report Attached

For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 108390W

For & On Behalf of Board of Directors

(Rajendra Ratanlal Sharma)
Partner
M. No. 044393
Surat, 27th May, 2022

Sd/-
Narayan Saboo
(Managing Director)

Sd/- Sd/-
Manish Saboo Mittal Shah
(Director & CFO) (Company Secretary)

MOHIT INDUSTRIES LIMITED

Statement of Profit & Loss for the year ended on 31st March, 2022

(Amount in Rupees Lakhs)

| Particulars | Note No. | Figures for the year ended on 31-03-2022 | Figures for the year ended on 31-03-2021 |
|---|-------------|---|---|
| I. Revenue from Operations | | | |
| Revenue from Operations | 24 | 16665.45 | 14951.01 |
| II. Other Income | 25 | 320.72 | 168.87 |
| III. Total Revenue (I+II) | | 16986.16 | 15119.88 |
| IV. Expenses | | | |
| Cost of Materials Consumed | 26 | 12549.12 | 11007.44 |
| Purchase of Traded Goods | | 633.49 | 282.40 |
| Changes in Inventories of Finished Goods & Trading Goods | 30 | -175.60 | -35.99 |
| Employee Benefit Expenses | 27 | 760.21 | 681.24 |
| Finance Costs | 28 | 518.09 | 555.38 |
| Depreciation & Amortization | 4 | 263.14 | 244.70 |
| Other Expenses | 29 | 2402.30 | 2290.79 |
| Total Expenses | | 16950.75 | 15025.98 |
| V. Profit / (Loss) Before Exceptional Item & Tax | | 35.42 | 93.90 |
| VI. Exceptional Item | 31 | 0.81 | 10.00 |
| VII. Profit / (Loss) Before Prior Period Item | | 36.23 | 103.90 |
| VIII. Prior Period Item (Income / (Expenses) | | - | - |
| IX. Profit / (Loss) Before Tax | | 36.23 | 103.90 |
| X. Tax Expenses | | | |
| For Current Tax | | 20.72 | 32.72 |
| For Deferred Tax Charge / (Credit) | | -20.22 | -8.98 |
| Income Tax of Earlier Years | | 7.26 | 12.41 |
| Sub-Total | | 7.76 | 36.16 |
| XI. Profit / (Loss) for the Period (After Tax) | | 28.47 | 67.74 |
| XII. OTHER COMPREHENSIVE INCOME | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| -- Equity Instruments valued at Fair Value Through OCI | | 569.63 | 18.85 |
| (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 | | - | - |
| XIII. Other Comprehensive Income for the Period | | 569.63 | 18.85 |
| XIV. Total Comprehensive Income for the Period | | 598.10 | 86.59 |

MOHIT INDUSTRIES LIMITED

| | | | |
|--|----|------|----------------|
| XV. Earnings per share (of Face Value of Rs. 10/- each) | 37 | | |
| (a) Basic | | 0.20 | 0.48 |
| (b) Diluted | | 0.20 | 0.48 |
| Statement of Accounting Policies and Notes | | | |
| Forming Part of Financial Statements | | | 1 to 44 |

As per our Audit Report Attached

For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 108390W

For & On Behalf of Board of Directors

(Rajendra Ratanlal Sharma)
Partner
M. No. 044393
Surat, 27th May, 2022

Sd/-
Narayan Saboo
(Managing Director)

Sd/-
Manish Saboo
(*Director & CFO*) Sd/-
Mittal Shah
(*Company Secretary*)

MOHIT INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Amount in Rupees Lakhs)

| PARTICULARS | 2021-22 | 2020-21 |
|---|----------------------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extra-ordinary items | 36.23 | 103.90 |
| ADJUSTMENTS FOR: | | |
| 1 Depreciation & Amortization | 263.14 | 244.70 |
| 2 Interest & Dividend Classified as Investment Cash Flows | -121.32 | -83.28 |
| 3 Amortization of Government Grants | -12.77 | -12.77 |
| 4 (Profit) / Loss on sale of Fixed assets and Investments | -0.81 | -10.00 |
| 5 (Profit) / Loss on sale of Investments | -13.93 | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 150.54 | 242.56 |
| ADJUSTMENTS FOR: | | |
| 1 (Increase) / Decrease in Trade Receivables | -180.31 | -113.33 |
| 2 (Increase) / Decrease in Other Assets | -13.22 | 137.55 |
| 3 (Increase) / Decrease in Inventories | -178.99 | -74.77 |
| 4 Increase / (Decrease) in Trade Payable | 143.37 | -156.79 |
| 5 Increase / (Decrease) in Other Financial Liabilities | - | 184.87 |
| 6 Increase / (Decrease) in Other Current Liabilities | -17.00 | -0.88 |
| CASH GENERATED FROM OPERATIONS | -95.61 | 219.20 |
| 1 Income Taxes Paid | -51.89 | -30.68 |
| NET CASH FROM OPERATING ACTIVITIES | A -147.50 | 188.52 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| 1 Payment for Property, Plant & Equipment | -27.92 | -50.44 |
| 2 Proceeds from Sale/ Disposal of Property, Plant & Equipment | 6.79 | 10.00 |
| 3 Payment for Purchase of Investments | -551.69 | -9.89 |
| 4 Proceeds from sale of investments | 113.06 | - |
| 5 (Increase) / Decrease in Loans & Deposits | 311.77 | -79.45 |
| 6 Interest & Dividend Income | 121.32 | 83.28 |
| NET CASH USED IN INVESTMENT ACTIVITIES | B -26.67 | -46.50 |

MOHIT INDUSTRIES LIMITED

C. CASH FLOW FROM FINANCING ACTIVITIES

| | | | |
|---|----------|---------------|----------------|
| 1 Increase / (Decrease) in Working Capital Borrowings | | -878.78 | -3.18 |
| 2 Increase / (Decrease) in Term Loan | | 516.33 | 8.91 |
| 3 Increase / (Decrease) in Unsecured Loans | | 521.50 | -189.42 |
| NET CASH FROM FINANCING ACTIVITIES | C | 159.05 | -183.70 |

| | | | |
|--|----------------|---------------|---------------|
| NET INCREASE IN CASH & CASH EQUIVALENTS | (A+B+C) | -15.12 | -41.68 |
| CASH AND CASH EQUIVALENTS (OPENING) | | 25.64 | 67.32 |
| CASH AND CASH EQUIVALENTS (CLOSING) | | 10.52 | 25.64 |

As per our Audit Report Attached

For & On Behalf of Board of Directors

For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 108390W

Sd/-
Narayan Saboo
(Managing Director)

(Rajendra Ratanlal Sharma)
Partner
M. No. 044393
Surat, 27th May, 2022

Sd/-
Manish Saboo
(Director & CFO) Sd/-
Mittal Shah
(Company Secretary)

MOHIT INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2022

A. EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Amount in Rupees Lakhs)

| Balance as at 1st April 2021 | Changes in the Equity Share Capital during the Year | Balance as at 31st March 2022 |
|------------------------------|---|-------------------------------|
| 1415.76 | - | 1415.76 |

EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2021

| Balance as at 1st April 2020 | Changes in the Equity Share Capital during the Year | Balance as at 31st March 2021 |
|------------------------------|---|-------------------------------|
| 1415.76 | - | 1415.76 |

B OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2022

(Amount in Rupees Lakhs)

| PARTICULARS | RESERVES AND SURPLUS | | | OTHER RESERVES | TOTAL |
|--|----------------------------|-----------------|-------------------|----------------|----------------|
| | Securities Premium Reserve | General Reserve | Retained Earnings | | |
| <u>As at 31st March 2022</u> | | | | | |
| Opening Balance as at 1st April 2021 | 587.67 | - | 967.70 | 10.22 | 1565.59 |
| Profit for the Year | - | - | 28.47 | - | 28.47 |
| Other Comprehensive Income of last year | - | - | - | 569.63 | 569.63 |
| Dividend including DDT | - | - | - | - | - |
| Closing Balance as at 31st March 2022 | 587.67 | - | 996.17 | 579.85 | 2163.68 |

MOHIT INDUSTRIES LIMITED

OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2021

(Amount in Rupees Lakhs)

| PARTICULARS | Reserves & Surplus | | | Other Comprehensive Income | TOTAL |
|--|----------------------------|-----------------|-------------------|---|----------------|
| | Securities Premium Reserve | General Reserve | Retained Earnings | Equity Instruments Through other Comprehensive Income | |
| <u>As at 31st March 2021</u> | | | | | |
| Opening Balance as at 1st April 2020 | 587.67 | - | 899.95 | -8.62 | 1479.00 |
| Profit for the Year | - | - | 67.74 | - | 67.74 |
| Other Comprehensive Income of the year | - | - | - | 18.85 | 18.85 |
| Dividend including DDT | - | - | - | - | - |
| Closing Balance as at 31st March 2021 | 587.67 | . | 967.70 | 10.22 | 1565.59 |

As per our Audit Report Attached

For & On Behalf of Board of Directors

For RAJENDRA SHARMA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 108390W

Sd/-
Narayan Saboo
(Managing Director)

(Raiendra Ratanlal Sharma)

Partner

M. No. 044393

Surat, 27th May, 2022

Sd/-
Manish Saboo
(Director & CFO)

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for the year ended 31st March, 2022

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.

MOHIT INDUSTRIES LIMITED

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.

MOHIT INDUSTRIES LIMITED

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.

MOHIT INDUSTRIES LIMITED

(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.

MOHIT INDUSTRIES LIMITED

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 Goods & Services tax (GST)

GST credit received on purchases is reduced from respective item of purchases. 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.

MOHIT INDUSTRIES LIMITED

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.

MOHIT INDUSTRIES LIMITED (TEXTILE DIVISION)

4. PROPERTY, PLANT & EQUIPMENT

(Amount in Rupees Lakhs)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | NET BLOCK | |
|--------------------------------|------------------------------------|----------------------------|----------------------------|--------------------------------------|-------------------------------------|--|-----------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Balance as at 1st April 2021 | Additions / Adjustments | Disposals / Retirements | Balance as at 31st March, 2022 | Balance as at 1st April, 2021 | Depreciation Charge for the year | On Disposals | Balance as at 31st March, 2022 | Balance as at 31st March, 2022 | Balance as at 31st March, 2021 |
| Land | 161.55 | 0 | 0 | 161.55 | 0 | 0 | 0 | 0 | 161.55 | 161.55 |
| Factory Building | 2182.67 | 4.04 | 0 | 2186.70 | 580.62 | 70.82 | 0 | 651.45 | 1535.26 | 1602.04 |
| Office Building | 33.80 | 0 | 0 | 33.80 | 7.70 | 0.54 | 0 | 8.24 | 25.56 | 26.10 |
| Plant & Machinery | 2323.56 | 0 | 22.89 | 2300.67 | 2030.67 | 74.08 | 17.40 | 2087.36 | 213.31 | 292.89 |
| Generator Set | 46.21 | 0 | 0 | 46.21 | 43.90 | 0 | 0 | 43.90 | 2.31 | 2.31 |
| Water Jet Looms | 747.59 | 0 | 0 | 747.59 | 700.72 | 6.43 | 0 | 707.15 | 40.43 | 46.87 |
| Water Jet Imported | 584.34 | 0 | 0 | 584.34 | 478.17 | 67.80 | 0 | 545.97 | 38.36 | 106.17 |
| Electric Installation | 198.48 | 21.32 | 0 | 219.80 | 165.05 | 10.42 | 0 | 175.47 | 44.33 | 33.43 |
| Office & Factory Equipments | 132.47 | 0.34 | 0 | 132.81 | 90.56 | 9.68 | 0 | 100.24 | 32.57 | 41.91 |
| Vehicles | 146.08 | 0 | 9.73 | 136.34 | 59.45 | 14.70 | 9.25 | 64.90 | 71.44 | 86.63 |
| Furniture | 34.98 | 0 | 0 | 34.98 | 25.46 | 1.50 | 0 | 26.95 | 8.03 | 9.53 |
| Diesel Tank | 1.61 | 0 | 0 | 1.61 | 1.61 | 0 | 0 | 1.61 | - | - |
| Computer | 67.14 | 2.23 | 0 | 69.37 | 55.10 | 6.32 | 0 | 61.42 | 7.95 | 12.03 |
| Total Tangible Assets | 6660.46 | 27.92 | 32.62 | 6655.76 | 4239.00 | 262.30 | 26.64 | 4474.66 | 2181.11 | 2421.46 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Computer Software | 11.29 | 0 | 0 | 11.29 | 8.68 | 0.84 | 0 | 9.52 | 1.77 | 2.61 |
| Total Intangible Assets | 11.29 | 0 | 0 | 11.29 | 8.68 | 0.84 | 0 | 9.52 | 1.77 | 2.61 |
| Current Year | 6671.75 | 27.92 | 32.62 | 6667.05 | 4247.68 | 263.14 | 26.64 | 4484.17 | 2182.88 | 2424.07 |
| Previous Year | 6749.94 | 50.44 | 128.63 | 6671.75 | 4131.60 | 244.70 | 128.63 | 4247.68 | 2424.07 | 2618.34 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|--|---------------------------|---------------------------|
| 5 Investment Properties | | |
| <i>Gross Carrying Amount</i> | | |
| Opening Gross Carrying Amount | 76.73 | 76.73 |
| Additions | - | - |
| Closing Gross Carrying Amount | 76.73 | 76.73 |
| <i>Accumulated Depreciation</i> | | |
| Opening Accumulated Depreciation | - | - |
| Additions | - | - |
| Closing Accumulated Depreciation | - | - |
| <i>Net Carrying Amount</i> | 76.73 | 76.73 |
| 6 Non-Current Investments | | |
| A. Valued at Cost less other than temporary diminution in value, if any | | |
| (a) Investment in Equity Instruments (Fully Paid Up) | | |
| <i>In Associates</i> | <i>No. of Shares</i> | |
| (a) Mohit Yarns Ltd. | 663000 | 157.23 |
| (b) Mohit Overseas Ltd. | 394000 | 37.99 |
| B. Valued at fair value through FVOCI | | |
| (a) Investment in Equity Instruments (Fully Paid Up) | | |
| (i) Unquoted | <i>No. of Shares</i> | |
| (a) Sasmri Co-op. Society Ltd. | 0.07 | 0.07 |
| (b) ITC Co-op. Hsg. Soc. Ltd. | 5 | 0.00 |
| (c) Shamrao Vithal Co.op Bank | 100 | 0.03 |
| (ii) Quoted | <i>No. of Shares</i> | |
| (a) Trigyn Technology Ltd. | 6 | 0.01 |
| (Cost of Rs. 194/-) | | 0.00 |
| (b) BigBloc Construction Limited | 1151024 | 1054.34 |
| (Cost of Rs. 4,74,44,393/-) | | 25.45 |
| (c) Filatex India Limited | 0 | - |
| | | 9.86 |
| (d) Bhatia Communication & Retail | 3000 | 0.70 |
| (Cost of Rs. 33,510/-) | | - |
| (e) Yes Bank Ltd. | 20000 | 2.46 |
| (Cost of Rs. 2,65,317/-) | | - |
| TOTAL | 1252.82 | 230.64 |
| Aggregate Amount of Unquoted Shares | 195.32 | 195.32 |
| Aggregate Amount of Quoted Shares and Market value thereof | 1057.50 | 35.32 |
| Aggregate Amount of Impairment in Value of Investments | - | - |
| 6.1 Category-wise Investments - Non-Current | | |
| (a) Financial Assets measured at Cost | 195.22 | 195.22 |
| (b) Financial Assets measured at Fair Value through OCI | 1057.60 | 35.42 |
| | 1252.82 | 230.64 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 | | | | |
|--|--|------------------------|-----------|-----------|-------------------|---------|
| 7 Non Current Financial Assets - Other Financial Assets <i>(Unsecured, Considered Good by Directors)</i> | | | | | | |
| (a) Security Deposits | 120.01 | 3.15 | | | | |
| TOTAL | 120.01 | 3.15 | | | | |
| 8 Other Non-Current Assets | | | | | | |
| (a) Capital Advances | 21.63 | 20.82 | | | | |
| TOTAL | 21.63 | 20.82 | | | | |
| 9 Inventories | | | | | | |
| (a) Raw Materials & Stock in process | 1196.95 | 1185.75 | | | | |
| (b) Finished Goods | 1084.48 | 908.87 | | | | |
| (c) Yarn Oil | 20.41 | 17.10 | | | | |
| (d) Packing Material | 51.79 | 62.36 | | | | |
| (e) Stores & Spares | 11.89 | 12.46 | | | | |
| TOTAL | 2365.52 | 2186.54 | | | | |
| 10 Trade Receivables | | | | | | |
| Sundry Debtors <i>(Unsecured, considered good by Directors)</i> | 1738.89 | 1633.36 | | | | |
| Other Trade Receivables <i>(Unsecured, considered good by Directors)</i> | 192.15 | 117.37 | | | | |
| TOTAL | 1931.04 | 1750.74 | | | | |
| TRADE RECEIVABLE AGEING SCHEDULE AS ON 31ST MARCH, 2022 | | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | | Totals |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 1691.25 | 24.02 | 30.15 | 7.52 | 178.12 | 1931.04 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| TRADE RECEIVABLE AGEING SCHEDULE AS ON 31ST MARCH, 2021 | | | | | | Totals |
| Particulars | Outstanding for following periods from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 1533.03 | 7.16 | 11.97 | 4.00 | 194.57 | 1750.74 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| 11 Cash & Cash Equivalents | | | | | | |
| (a) Cash on Hand | 7.37 | 13.15 | | | | |
| (b) Balances in Bank in Current Account | 3.14 | 12.47 | | | | |
| (c) Balances in Bank in EEFC Account | 0.01 | 0.01 | | | | |
| TOTAL | 10.52 | 25.64 | | | | |
| 12 Other Bank Balances | | | | | | |
| (a) Balances with Bank in F.D. (As margin Deposits) | 0.44 | 19.79 | | | | |
| TOTAL | 0.44 | 19.79 | | | | |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

| Particulars | (Amount in Rupees Lakhs) | |
|---|---------------------------|---------------------------|
| | As At 31st March, 2022 | As At 31st March, 2021 |
| 13 <u>Loans</u> <i>(Unsecured, considered good by Directors)</i> | | |
| (a) Loans & Advances Given | | |
| -- To Related Parties | - | 0.70 |
| -- To Others | 833.06 | 1242.08 |
| TOTAL | 833.06 | 1242.77 |
| 14 <u>Other Current Assets</u> <i>(Unsecured, considered good by Directors)</i> | | |
| (a) Interest Accrued on Bank FDR | 0.02 | 3.11 |
| (b) Advance to Suppliers | 64.53 | 71.23 |
| (c) Balances with Revenue / Government Authorities | 734.30 | 663.48 |
| (d) Other Advances | 62.99 | 99.27 |
| TOTAL | 861.84 | 837.09 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for the year ended 31st March, 2022

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|--|---------------------------|---------------------------|
| 15 Share Capital | | |
| Authorized Share Capital | | |
| 2,50,00,000 equity shares of Rs. 10/- each (As at 31-03-2021: 2,50,00,000 equity shares) | 2500.00 | 2500.00 |
| Issued Share Capital | | |
| 1,46,82,900 Equity Shares of Rs. 10/- each (As at 31-03-2021, 1,46,82,900 equity shares) | 1468.29 | 1468.29 |
| Subscribed & Fully Paid Up | | |
| 1,41,57,575 equity shares of Rs. 10/- each, fully paid up (as at 31-03-2021, 1,41,57,575 equity shares of Rs. 10/- each) | 1415.76 | 1415.76 |
| TOTAL RS. | 1415.76 | 1415.76 |

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, 2022 (Number) | As at 31st March, 2021 (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 2022 | | As at 31 March 2021 | |
| | 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% |
| Narayan Sitaram Saboo | 7,85,779 | 5.55% | 7,05,005 | 4.98% |

MOHIT INDUSTRIES LIMITED

15.4 Shares in the company Held by promoter at the end of the year

| Sr. No. | Promoter Name | No. of Shares held as on 31st March, 2022 | % of Total Shares Held | % Change during the year | No. of Shares held as on 31st March 2021 | % of Total Shares Held |
|---------|-----------------------------|---|------------------------|--------------------------|--|------------------------|
| 1 | Naresh Sitaram Saboo | 78,424 | 0.55% | 0.00% | 78,424 | 0.55% |
| 2 | Narayan Sitaram Saboo | 7,85,779 | 5.55% | 11.46% | 7,05,005 | 4.98% |
| 3 | Narayan Sitaram Saboo - HUF | 27,866 | 0.20% | 0.00% | 27,866 | 0.20% |
| 4 | Manish N. Saboo | 75,440 | 0.53% | 0.00% | 75,440 | 0.53% |
| 5 | Sitaram Nandlal Saboo - HUF | 30,100 | 0.21% | 0.00% | 30,100 | 0.21% |
| 6 | Ayushi Manish Saboo | 60,000 | 0.42% | 0.00% | 60,000 | 0.42% |
| 7 | Madhu Narayan Saboo | 6,21,878 | 4.39% | 0.00% | 6,21,878 | 4.39% |
| 8 | Sitaram Nandlal Saboo | 1,90,021 | 1.34% | -20.83% | 2,40,021 | 1.70% |
| 9 | Sonia Naresh Saboo | 60,000 | 0.42% | 0.00% | 60,000 | 0.42% |
| 10 | Mohit Narayan Saboo | 1,62,836 | 1.15% | 0.00% | 1,62,836 | 1.15% |
| 11 | Mohit Yarns Limited | 19,70,609 | 13.92% | 0.00% | 19,70,609 | 13.92% |
| 12 | Mohit Overseas Limited | 15,98,622 | 11.29% | 0.00% | 15,98,622 | 11.29% |
| 13 | Mask Investments Limited | 14,28,881 | 10.09% | 0.00% | 14,28,881 | 10.09% |
| 14 | Mohit Exim Private Limited | 6,00,000 | 4.24% | 0.00% | 6,00,000 | 4.24% |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|--|---------------------------|---------------------------|
| 16 Non-Current Financial Liabilities - Borrowings | | |
| (a) Secured Loans - At Amortised Cost | | |
| (i) Term Loans - from Banks & NBFC | | |
| -- Term Loans from Banks | 1587.32 | 1048.24 |
| -- Car Loans | 36.54 | 59.28 |
| | 1623.85 | 1107.52 |
| Less:- (a) Current Maturities of Long Term Debts | 385.67 | 374.36 |
| (b) Interest Accrued But not Due | - | - |
| | 1238.18 | 733.16 |
| (b) Unsecured - At Amortised Cost | | |
| (i) Loans from Director | 372.90 | 516.90 |
| Less:- (a) Current Maturities of Long Term Debts | - | - |
| (b) Interest Accrued But not Due | - | - |
| | 372.90 | 516.90 |
| TOTAL | 1611.08 | 1250.06 |

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 Axis Bank are repayable in Monthly installments of Rs. 832392/-; Rs. 914750/-; Rs. 1300000/- and Rs. 11,58,000/- each and shall be repaid by May, 2022; December, 2024 and March, 2025. The rate of interest is 7.50% p.a.

Term loan of SVC Bank of Rs. 413 Lakhs (O/s Amount Rs. 401.39 Lakhs) shall be repaid in monthly installments of Rs. 17,60,000/- and shall be repaid by June, 2024. The rate of interest is 8.50% p.a.

(b) Car Loan from Kotak Mahindra Prime Limited is repayable in instalments of Rs. 24945/- and Rs. 26662/- 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. 99,059/- each.

17 Deferred Tax Liabilities

Deferred Tax Liabilities

| | | |
|---|---------------|---------------|
| Property, Plant & Equipment | 181.09 | 201.69 |
| Deferred Tax Assets: | | |
| Demerger Expenses (Deferred in Income Tax) | -1.14 | -1.52 |
| Net Deferred Tax Liability / (Asset) | 179.95 | 200.17 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|--|------------------------|------------------------|
| 18 Government Grants | | |
| Opening Balances | 23.11 | 35.88 |
| Add:- Grants During the Year | - | - |
| Less:- Released to profit and loss | 12.77 | 12.77 |
| | 10.34 | 23.11 |
| 19 Current Financial Liabilities - Borrowings | | |
| (a) Secured Loans - At Amortised Cost | | |
| (i) Cash Credit Limit From Banks | 1292.70 | 1725.57 |
| (ii) Export Packing Credit Limit | 913.49 | 1359.39 |
| Sub-Total | 2206.18 | 3084.96 |
| (b) Current Maturities of Long Term Debt | 385.67 | 374.36 |
| Sub-Total | 385.67 | 374.36 |
| (c) Unsecured Loans - At Amortised Cost | | |
| (i) From Companies (Repayable on demand) | 163.94 | - |
| (ii) From Related Parties Companies | 8.89 | - |
| (iii) From Directors & Their relatives | 838.23 | 345.57 |
| Sub-Total | 1011.06 | 345.57 |
| TOTAL | 3602.92 | 3804.89 |

19.1 Cash Credit Limit & Export Packing Credit Limit is secured against First paripassu charge on the stock, book debts and entire current assets of the company. It is also secured by charge over assets mentioned in Note No. 16.3 above.

20 Current Financial Liabilities - Trade Payables

| | | |
|--|---------------|---------------|
| <i>A. Total outstanding dues of micro enterprises and small enterprises (See Note No. 38)</i> | 8.04 | 10.57 |
| <i>B. Total outstanding dues of creditors other than micro enterprises and small enterprises:-</i> | 599.03 | 453.13 |
| TOTAL | 607.07 | 463.70 |

TRADE PAYABLE AGEING SCHEDULE AS ON 31ST MARCH, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 7.66 | 0.38 | - | - | 8.04 |
| (ii) Others | 545.48 | 1.20 | 7.42 | 44.93 | 599.03 |
| (iii) Disputed Dues-MSME | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - |

TRADE PAYABLE AGEING SCHEDULE AS ON 31ST MARCH, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 10.57 | - | - | - | 10.57 |
| (ii) Others | 398.50 | 10.97 | 7.52 | 36.14 | 453.13 |
| (iii) Disputed Dues-MSME | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - |

21 Other Financial Liabilities

| | | |
|----------------------------------|-------------|-------------|
| (a) Interest Accured But Not Due | - | - |
| (b) Unclaimed Dividend | 0.60 | 0.60 |
| | 0.60 | 0.60 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|-------------------------------------|---------------------------|---------------------------|
| 22 Other Current Liabilities | | |
| (a) Statutory Dues Payable | 34.38 | 30.99 |
| (b) Advance from Customers | 10.00 | 30.39 |
| TOTAL | 44.38 | 61.37 |
| 23 Current Tax Liabilities | | |
| Provision for Tax | 20.72 | 32.72 |
| TOTAL | 20.72 | 32.72 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)
 (Amount in Rupees Lakhs)

| Particulars | For Year Ended on 31st March, 2022 | For Year Ended on 31st March, 2021 |
|--|---------------------------------------|---------------------------------------|
| 24 Revenue from Operations | | |
| (a) Sales of Products:- | | |
| -- Finished Goods | 16014.14 | 14461.82 |
| -- Traded Goods | 317.73 | 356.60 |
| (b) Sales of Services (Job work income) | 1.69 | - |
| (c) Other Operating Revenues | | |
| -- Export Benefits | 257.78 | 132.59 |
| -- Commission Received | 74.11 | - |
| | 16665.45 | 14951.01 |
| 25 Other Income | | |
| Dividend Received | 1.32 | 0.06 |
| Net Gain from Foreign Currency Transaction & Translation | 81.60 | 44.16 |
| Interest Received from Debtors | 52.12 | 14.72 |
| Interest Received on Bank FD & Loans given | 120.00 | 83.22 |
| Interest Received on VAT and Excise | - | 6.41 |
| Government Grant | 12.77 | 12.77 |
| Balances w/back | 3.84 | 2.47 |
| Profit/(Loss) from Derivative Trading | 10.95 | 5.06 |
| Profit/(Loss) from Sales of Shares | 13.93 | - |
| Rent Income | 15.00 | - |
| Insurance Claim Received | 9.19 | - |
| TOTAL | 320.72 | 168.87 |
| 26 Cost of Materials Consumed | | |
| Raw Material Consumed | 12549.12 | 11007.44 |
| TOTAL | 12549.12 | 11007.44 |
| 27 Employee Benefit Expenses | | |
| Salary, Wages & Bonus | 723.91 | 648.74 |
| Staff Welfare Expenses | 13.28 | 11.34 |
| Contribution to Provident Fund & other Funds | 23.02 | 21.17 |
| TOTAL | 760.21 | 681.24 |
| 28 Finance Costs | | |
| Interest | 384.95 | 482.03 |
| Other Bank & Finance Charges | 133.14 | 73.35 |
| TOTAL | 518.09 | 555.38 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | For Year Ended on 31st March, 2022 | For Year Ended on 31st March, 2021 |
|--|---------------------------------------|---------------------------------------|
| 29 Other Expenses | | |
| Manufacturing Expenses | | |
| Stores & Spares consumed | 130.79 | 99.41 |
| Power & Fuel | 779.11 | 785.28 |
| Yarn Oil Consumed | 299.21 | 314.19 |
| Packing Material Consumed | 454.55 | 487.58 |
| Job Charges Paid | 0.32 | 1.37 |
| Factory Expenses | 23.59 | 40.97 |
| Machinery Rent | 5.00 | - |
| Carriage Inward | 0.15 | - |
| | (a) 1692.73 | 1728.80 |
| Establishment Expenses | | |
| Repairs to Machinery | 53.48 | 30.08 |
| Travelling & Conveyance | 90.95 | 21.56 |
| Maintenance & AMC | 0.72 | 0.66 |
| Computer Expenses | 3.45 | 7.63 |
| Demat Charges | 0.09 | 0.01 |
| Donation | 0.22 | 2.11 |
| Electricity Expense | 4.46 | 5.65 |
| Flat maintenance | 0.80 | 2.17 |
| Office & General Expense | 16.04 | 17.95 |
| Interest on Creditors & Taxes | 6.56 | 9.46 |
| Membership Fees | 4.68 | 0.46 |
| Printing & Stationery | 4.29 | 3.92 |
| Communication expense | 7.33 | 8.05 |
| Legal & Professional Expense | 31.10 | 49.73 |
| Insurance | 14.56 | 6.63 |
| Rates & Taxes | 2.28 | 6.84 |
| Rent | - | 6.05 |
| Software Expense | 0.60 | 0.60 |
| GST expense | 0.07 | 0.54 |
| GST Penalty | - | 0.48 |
| PF Penalty | - | 0.63 |
| Security Service Charges | 23.76 | 24.15 |
| | (b) 265.45 | 205.36 |
| Selling and Distribution Expenses | | |
| Commission & Brokerage | 16.36 | 14.28 |
| Discount | 6.92 | 32.42 |
| Loss on Sale of RoDTEP Scrip | 8.10 | - |
| Export Expenses | 342.72 | 252.16 |
| Carriage Outward | 63.03 | 54.79 |
| Cartage Expense | 1.71 | 1.60 |
| Sales Promotion | 4.30 | 0.56 |
| Advertisement | 0.96 | 0.82 |
| | (c) 444.12 | 356.63 |
| TOTAL (a+b+c) | 2402.30 | 2290.79 |

MOHIT INDUSTRIES LIMITED

30 Changes in Inventories of Finished Goods

| | | |
|--|----------------|---------------|
| Opening Stock of Finished Goods | 908.87 | 872.89 |
| Less:- Closing Stock of Finished Goods | 1084.48 | 908.87 |
| TOTAL | -175.60 | -35.99 |

31 Exceptional Item

| | | |
|---|-------------|--------------|
| (a) Profit / (Loss) on Sale of Fixed Assets | 0.81 | 10.00 |
| TOTAL | 0.81 | 10.00 |

MOHIT INDUSTRIES LIMITED

32 CONTINGENT LIABILITY & COMMITMENTS:-

| (i) <u>Contingent Liability In Respect of</u> | | <i>(Amount in Rupees Lakhs)</i> | |
|---|---|---------------------------------|-------------------------|
| | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| (a) | Gujarat Entry Tax Demand of F.Y. 2006-07 pending at appeal stage* * The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law. | 433.18 | 433.18 |
| (b) | Gujarat Entry Tax Demand of F.Y. 2009-10 pending at appeal stage* * The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law. | 513.83 | 513.83 |
| (c) | Gujarat VAT Demand of F.Y. 2010-11 (Tax and Penalty)* 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. | 301.49 323.53 | 301.49 323.53 |
| (d) | Gujarat VAT Demand of F.Y. 2011-12 (Tax and Penalty)* Gujarat Entry Tax Demand of F.Y. 2011-12 pending at appeal stage* * The appeal against above demand is pending before First Appellate Authority (Set aside by Tribunal). The management states that this demand is not sustainable in law. | 72.05 577.26 | 72.05 577.26 |
| (e) | Gujarat Entry Tax Demand of F.Y. 2007-08 pending at appeal stage* * The appeal against above demand is pending before First Appellate Authority The management states that this demand is not sustainable in law. | 1097.26 | 1097.26 |
| (f) | Gujarat VAT Demand of F.Y. 2012-13 (Tax and Penalty)* Gujarat CST Demand of F.Y. 2012-13 (Tax and Penalty)* Gujarat Entry Tax Demand of F.Y. 2012-13 (Tax and Penalty)** * The appeal against above demands is pending before Second Appellate Authority ** 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. | 14.10 4.47 339.64 | 14.10 4.47 339.64 |
| (g) | Excise Duty Demands/ Excise Rebate rejected pending at various Appellate Stages | 213.41 | 213.41 |
| (h) | Excise Duty Demand and Penalty for period April, 2016 to June, 2017 | 848.02 | - |
| (i) | Income Tax Demand of A.Y. 2018-19 disputed in appeal | 6.48 | 6.48 |
| (j) | Income Tax Demand of A.Y. 2011-12 disputed in appeal | 5.71 | 5.71 |

32 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. 21.63 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)

33 PAYMENT TO AUDITORS

(Amount in Rupees Lakhs)

| | 31-03-2022 | 31-03-2021 |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

34

- a) Value of imports
- b) Expenditure in Foreign Currency
- c) Amount remitted in Foreign currency on dividend A/c.

Rs. 313.28 Lakhs (P.Y. Rs. 260.67 Lakhs)
NIL (P.Y. NIL)
NIL (P.Y. NIL)

35

- a) Exports on F.O.B.
- b) Earnings in Foreign Currency

Rs. 5160.16 Lakhs (P.Y. Rs. 5698.84 Lakhs)
NIL (P.Y. NIL)

MOHIT INDUSTRIES LIMITED

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 | 4 | Mittal Shah |

B. Transactions with Related Parties

Amount in Rupees Lakhs

| 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 |
| Transaction during the year | | | | | | | |
| (a) Loans / Advances Given | 75.00 | 220.47 | - | - | - | 13.30 | - |
| (b) Repayment of Loans/Advances Given | 95.00 | 222.98 | - | - | - | 13.50 | - |
| (c) Purchase of Goods | - | - | - | 686.05 | 402.51 | - | - |
| (d) Sales of Goods | - | - | - | 677.47 | 403.24 | - | - |
| (e) Interest Paid | 9.88 | - | - | - | - | - | - |
| (f) Unsecured Loan / Advances Taken | 947.34 | 122.50 | - | - | - | 632.20 | 494.25 |
| (g) Repayment of Unsecured Loan / Advances Taken | 947.34 | 122.50 | - | - | - | 124.53 | 621.20 |
| (h) Rent Income | 15.00 | - | - | - | - | - | - |
| (i) Commission Income | 10.34 | - | - | - | - | - | - |
| (j) Machinery Rent paid | - | - | - | 5.00 | 5.00 | - | - |
| Balances as at Year End | | | | | | | |
| (a) Trade Payables | - | - | - | 225.85 | - | - | - |
| (b) Trade Receivables | - | - | - | 266.02 | 47.30 | - | - |
| (c) Unsecured Loans | 8.89 | 0.70 | - | - | - | 1220.02 | 847.47 |
| (d) Loans / Advance Given | - | 20.00 | - | - | - | 33.68 | - |
| (e) Investments (Share) | - | - | - | 195.22 | 195.22 | - | - |

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

Amount in Rupees Lakhs

| Particulars | Enterprises Controlled by Key Management personnel | Subsidiary | Associates | Key Management Personnel & Relatives of Key Management Personnel |
|---|--|------------|------------|--|
| (a) Sales of Goods - Mohit Overseas Ltd. | - | - | - | 677.47 |
| (b) Machinery Rent Paid -- Mohit Overseas Ltd. | - | - | - | 5.00 |
| (c) Interest Paid - Bigbloc Construction Ltd. - Starbigbloc Building Material Pvt. Ltd. | 1.34 8.54 | - | - | - |
| (d) Purchase of Goods -- Mohit Overseas Ltd. | - | - | - | 686.05 |

MOHIT INDUSTRIES LIMITED

| | | | | | |
|---|--------|---|--|--|--------|
| (e) Unsecured Loans / Advances Taken | | | | | |
| - Narayan Saboo | - | - | | | 290.35 |
| - Naresh Saboo | - | - | | | 190.50 |
| - Manish Saboo | - | - | | | 143.52 |
| - Narayan Saboo (HUF) | - | - | | | 1.83 |
| - Sitaram Saboo | - | - | | | 6.00 |
| - Bigbloc Construction Ltd. | 390.34 | - | | | - |
| - Starbigbloc Building Material Pvt. Ltd. | 542.00 | - | | | - |
| - Soul Clothing Pvt. Ltd. | 15.00 | - | | | - |
| (f) Repayment of Unsecured Loans / Advances Taken | | | | | |
| - Narayan Saboo | - | - | | | 80.89 |
| - Naresh Saboo | - | - | | | 29.44 |
| - Manish Saboo | - | - | | | 7.07 |
| - Narayan Saboo (HUF) | - | - | | | 0.61 |
| - Sitaram Saboo | - | - | | | 6.52 |
| - Bigbloc Construction Ltd. | 390.34 | - | | | - |
| - Starbigbloc Building Material Pvt. Ltd. | 542.00 | - | | | - |
| - Soul Clothing Pvt. Ltd. | 15.00 | - | | | - |
| (g) Rent Income | | | | | |
| - Starbigbloc Building Material Pvt. Ltd. | 15.00 | - | | | - |
| (h) Commission Income | | | | | |
| - Starbigbloc Building Material Pvt. Ltd. | 10.34 | - | | | - |
| (i) Loans / Advance Given | | | | | |
| - Mask Investments Ltd. | 75.00 | - | | | - |
| (j) Repayment of Loans / Advances Given | | | | | |
| - Mask Investments Ltd. | 75.00 | - | | | - |
| | | | | | |
| | | | | | |
| | | | | | |

37 EARNINGS PER SHARE

(Amount in Rupees Lakhs)

| SI. No. Particulars | UNIT OF MEASUREMENT | 31-Mar-22 | 31-Mar-21 |
|--|------------------------|-----------|-----------|
| 1 Net Profit / (Loss) after tax | Rs. | 28.47 | 67.74 |
| 2 Weighted Average Number of Equity Shares | Number | 141.58 | 141.58 |
| 3 Earnings Per Share - Basic & Diluted | 1 / 2 | 0.20 | 0.48 |

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

Amount in Rs. Lakhs

| Sr. No. | Particulars | As At March 31, 2022 | As At March 31, 2021 |
|------------|--|----------------------|----------------------|
| A. | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 8.04 | 10.57 |
| 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 | - | - |
| 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 | - | - |

MOHIT INDUSTRIES LIMITED

F. 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. The liability to pay interest u/s 16 of MSMED Act is provided in books of accounts as and when same is claimed by supplier by raising Debit Note in respect of the same. Accordingly, the above disclosure has been given as per liability of Trade Payable shown in the books of accounts of the company.

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.

(Amount in Rupees Lakhs)

| Particulars | F.Y. 2021-22 | F.Y. 2020-21 |
|----------------------------|--------------|--------------|
| Provident Fund | 22.05 | 20.39 |
| Employees' State Insurance | .97 | .78 |

(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. 2021-22 | F.Y. 2020-21 |
|-------------|--------------|--------------|
| Gratuity | 3.37 | 15.27 |

41 Income Tax

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

(Amount in Rupees Lakhs)

| Particulars | F.Y. 2021-22 | F.Y. 2020-21 |
|--|--------------|--------------|
| Current income tax: | | |
| -- In respect of the current period | 20.72 | 32.72 |
| -- In respect of the prior periods | 7.26 | 12.41 |
| Deferred tax | | |
| -- In respect of the current period | -20.22 | -8.98 |
| Income tax expense recognized in the statement of profit or loss | 7.76 | 36.16 |

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:

(Amount in Rupees Lakhs)

| Particulars | F.Y. 2021-22 | F.Y. 2020-21 |
|--|--------------|--------------|
| Profit Before Tax | 36.23 | 103.90 |
| Enacted Income Tax Rate in India | 25.17% | 25.17% |
| Computed Expected Tax Expenses | 9,11,752 | 26,15,074 |
| Effect of | | |
| -- Deferred Tax | -20.22 | -8.98 |
| -- Adjustment to Current tax for prior periods | 7.26 | 12.41 |
| -- Impact of charges on account of Computation | 11.60 | 6.57 |
| Income tax expense recognized in the statement of profit or loss | 7.76 | 36.16 |

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 Committee 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.

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Notes Forming Part of Accounts as at 31st March, 2022

44 ADDITIONAL REGULATORY INFORMATION

(Amount in Rupees Lakhs)

(i) KEY FINANCIAL RATIOS:-

(a) CURRENT RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------------|------------------------|------------------------|
| Current Assets | 6002.42 | 6062.56 |
| Current Liabilities | 4275.68 | 4363.28 |
| Current Ratio (in times) | 1.40 | 1.39 |

(b) DEBT TO EQUITY RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Total Borrowings | 5214.00 | 5054.95 |
| Total Equity (Other than OCI Through FVOCI) | 2999.59 | 2971.12 |
| Debt to Equity Ratio (in times) | 1.74 | 1.70 |

(c) DEBT SERVICE COVERAGE RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Earning for Debt Service = Net profit after tax + Non-Cash operating expenses + interest + Other adjustments | 676.56 | 794.48 |
| Debt Services = Interest + Repayment of Long Term Debts | 852.40 | 646.63 |
| Debt Service Coverage Ratio (in times) | 0.79 | 1.23 |

Explanation:- The change in ratio is due to more repayment of Long Term borrowings including Unsecured loans and also fall in profit during year.

(d) RETURN ON EQUITY RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Profit After Tax | 28.47 | 67.74 |
| Opening Total Equity (Other than OCI Through FVOCI) | 2971.12 | 2903.38 |
| Closing Total Equity (Other than OCI Through FVOCI) | 2999.59 | 2971.12 |
| Average Total Equity | 2985.36 | 2937.25 |
| Return on Equity Ratio (in %) | 0.95% | 2.31% |

Explanation: Fall in Ratio is due to fall in profit during the year compared to last year.

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| (e) INVENTORY TURNOVER RATIO | | <i>(Amount in Rupees Lakhs)</i> | |
|--|--|---------------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Revenue from Operations | | 16665.45 | 14951.01 |
| Opening Inventories | | 2186.54 | 2111.77 |
| Closing Inventories | | 2365.52 | 2186.54 |
| Average Inventories | | 2276.03 | 2149.15 |
| Inventory Turnover Ratio (in times) | | 7.32 | 6.96 |

| (f) TRADE RECEIVABLE TURNOVER RATIO | | | |
|---|--|------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Revenue from Operations | | 16665.45 | 14951.01 |
| Opening Trade Receivable | | 1750.74 | 1637.40 |
| Closing Trade Receivable | | 1931.04 | 1750.74 |
| Average Trade Receivable | | 1840.89 | 1694.07 |
| Trade Receivable Turnover Ratio (in times) | | 9.05 | 8.83 |

| (f) TRADE PAYABLE TURNOVER RATIO | | | |
|--|--|------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Purchase of Goods / Services | | 15588.29 | 13619.41 |
| Opening Trade Payable | | 463.70 | 620.49 |
| Closing Trade Payable | | 607.07 | 463.70 |
| Average Trade Payable | | 535.38 | 542.09 |
| Trade Payable Turnover Ratio (in times) | | 29.12 | 25.12 |

| (h) NET WORKING CAPITAL TURNOVER RATIO | | | |
|--|--|------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Revenue from Operations | | 16665.45 | 14951.01 |
| Opening Working Capital | | 1699.28 | 942.31 |
| Closing Working Capital | | 1726.74 | 1699.28 |
| Average Working Capital | | 1713.01 | 1320.80 |
| Net Working Capital Turnover Ratio (in times) | | 9.73 | 11.32 |

MOHIT INDUSTRIES LIMITED

(i) NET PROFIT RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------|------------------------|------------------------|
| Profit After Tax | 28.47 | 67.74 |
| Revenue from Operations | 16665.45 | 14951.01 |
| Net Profit Ratio (in %) | 0.17% | 0.45% |

Explanation: Fall in Ratio is due to decrease in profit during the year compared to preceding year.

(j) RETURN ON CAPITAL EMPLOYED

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Profit before tax & finance cost | 421.18 | 585.94 |
| Capital Employed = Net Worth + borrowings + Deferred Tax Liabilities | 8393.54 | 8226.24 |
| Return on Capital Employed (in %) | 5.02% | 7.12% |

Explanation: Variation is due to decrease in Net Profit during the year.

(k) RETURN ON INVESTMENTS

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Income generated from investments (Including FVOCI) | 584.87 | 18.90 |
| Opening Invested Funds (including FVOCI effect) | 230.64 | 201.90 |
| Closing Invested Funds (including FVOCI effect) | 1252.82 | 230.64 |
| Average Invested Funds | 741.73 | 216.27 |
| Return on Investment (in %) | 78.85% | 8.74% |

Explanation: Variation in return is due increase in Investments during the year and FVOCI during the year.

MOHIT INDUSTRIES LIMITED

(ii) Borrowings from banks or financial institutions on the basis of security of current assets

The material differences in amount of quarterly statement / return filed with Bank and as per books of accounts as given below:-

(Amount in Rupees Lakhs)

| Quarter | Name of Bank | Particulars of Securities Provided | Amount as per Books of accounts | Amount reported in Quarterly statement / return | Amount of Difference | Reasons for Material difference |
|-----------------|----------------------|------------------------------------|---------------------------------|---|----------------------|---------------------------------|
| June, 2021 | SVC Co-Op. Bank Ltd. | Inventories | 2305.59 | 1852.51 | 453.08 | Note No. 1 below |
| June, 2021 | SVC Co-Op. Bank Ltd. | Trade Payable for Goods | 439.30 | 150.64 | 288.67 | Note No. 1 below |
| September, 2021 | Axis Bank Ltd. | Inventories | 2545.62 | 2647.36 | -101.73 | Note No. 1 below |
| September, 2021 | Axis Bank Ltd. | Trade Payable for Goods | 157.80 | 85.41 | 72.39 | Note No. 1 below |
| December, 2021 | Axis Bank Ltd. | Inventories | 2970.89 | 2533.26 | 437.63 | Note No. 1 below |
| December, 2021 | Axis Bank Ltd. | Trade Payable for Goods | 302.86 | 85.41 | 217.45 | Note No. 1 below |
| March, 2022 | Axis Bank Ltd. | Inventories | 2365.52 | 2434.09 | -68.57 | Note No. 1 below |
| March, 2022 | Axis Bank Ltd. | Trade Payable for Goods | 270.02 | 151.49 | 118.53 | Note No. 1 below |

Note on Explanation for difference in amount as per Books of accounts and amount reported in quarterly statement / return filed with bank :-

- 1 The difference between amounts as per books of accounts and amounts reported in quarterly statement filed with bank is because stock statements are filed with bank before updation / finalization of accounts for quarterly limited review / audit of the accounts. Hence, debtors, creditors and stock are reported on adhoc basis with bank without complete updation of books of accounts.

(iii) Loans given to related parties:-

(a) Without Specifying any terms or period of repayment

(Amount in Rupees Lakhs)

| Type of Borrower | Current Period | | Previous Period | |
|------------------|--------------------|--------------|--------------------|-------------|
| | Amount Outstanding | % of Total | Amount Outstanding | % of Total |
| Promoters | - | 0.00% | - | 0% |
| Directors | - | 0.00% | - | 0% |
| KMPs | - | 0.00% | - | 0% |
| Related Parties | - | 0.00% | .70 | 100% |
| Total | - | 0.00% | .70 | 100% |

As per our Audit Report Attached

For & On Behalf of Board of Directors

For RAJENDRA SHARMA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 108390W

Sd/-
Narayan Saboo
(Managing Director)

(Rajendra Ratanlal Sharma)

Partner

M. No. 044393

Surat, 27th May, 2022

Sd/-
Manish Saboo
(Director & CFO)

Sd/-
Mittal Shah
(Company Secretary)

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, 2022, 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 2022 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 | <p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 32(i) to the Standalone Financial Statements.</p> | <p>Principal Audit Procedures:</p> <p>Obtained details of completed tax assessments and demands as on year ended March 31, 2022 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, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p> |
| 2 | <p>Foreign exchange fluctuation and export policies of India and other countries are considered to be Key Audit Matters.</p> <p>A significant portion of revenue is generated through export of products of the company. Any change in the duty structure, import and export policy has significant bearing on revenue realization of the Company. Fluctuation in exchange rate of Indian currency has significant bearing on profitability.</p> | <p>Principal Audit Procedures:</p> <p>Our audit approach includes verification of balances outstanding (Debits and Credits); on account of foreign exchange; as at the end of the year and to assure that the same is adjusted to a value at the exchange rate that is prevailing at the close of last day of the current year.</p> |
| 3 | <p>Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2</p> <p>Inventories constitutes material component of financial statement. Correctness, completeness and valuation are critical for reflecting true and fair financial results of operations.</p> | <p>Principal Audit Procedures:</p> <p>We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical verification of inventories:</p> <p>a) Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls throughout the year.</p> <p>b) Testing on sample basis the accuracy of cost</p> |

| | |
|--|--|
| | <p>of inventory by verifying supporting documents.</p> <p>c) Performed alternate procedures which included inspection of supporting documentation relating to purchases, sales and production records relating to inventory as at year-end.</p> <p>d) Discussion with those charged with responsibility of overlooking inventory management process.</p> |
|--|--|

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 and Board of Director's of the Holding Company use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) 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 believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' 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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are following qualifications or adverse remarks in these CARO Reports:-

| Sr. No. | | Name | CIN | Holding Company / Subsidiary / Associate / Joint Venture | Clause Number of CARO Report which is qualified or adverse |
|----------------|--|--------------------------|-----------------------|---|---|
| 1 | | Mohit Industries Limited | L17119GJ1991PLC015074 | Holding Company | Clause (ii) (b) |
| 2 | | Mohit Overseas Limited | U17299MH1991PLC302663 | Associate Company | Clause (xvii) |

| | | | | | |
|---|--|---------------------|-----------------------|-------------------|---------------|
| 3 | | Mohit Yarns Limited | U17119MH1993PLC302664 | Associate Company | Clause (xvii) |
|---|--|---------------------|-----------------------|-------------------|---------------|

2. 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 Sr. No. 1 under the 'Key Audit 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 2022 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 2022 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, 2022 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:
 - vi. 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;
 - vii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

viii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

ix. (a) The respective managements of the Holding Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or its associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(d) The respective managements of the Holding Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(e) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

x. The company has not declared any dividend during the year.

**For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: - 108390W**

**(RAJENDRA RATANLAL SHARMA)
PARTNER
Membership No. : 044393
UDIN: 22044393AJSPWT7820**

Surat, 27th May, 2022

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, 2022 Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, 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, 2022.

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 2022, 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.

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.

**For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 108390W**

**(RAJENDRA RATANLAL SHARMA)
PARTNER
Membership No. : 044393
UDIN: 22044393AJSPWT7820**

Surat, 27th May, 2022

MOHIT INDUSTRIES LIMITED

Consolidated Balance Sheet As At 31st March, 2022

(Amount in Rupees Lakhs)

| Particulars | Note No. | Figures as at 31st March, 2022 | Figures as at 31st March, 2021 |
|--------------------------------------|----------|--------------------------------|--------------------------------|
| I ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 4 | 2181.11 | 2421.46 |
| (b) Capital Work In Progress | | - | - |
| (c) Other Intangible Assets | 4 | 1.77 | 2.61 |
| (d) Investment Properties | 5 | 76.73 | 76.73 |
| (e) Financial Assets | | | |
| (i) Investments | 6 | 11478.74 | 2605.32 |
| (ii) Other Financial Assets | 7 | 120.01 | 3.15 |
| (f) Other Non-Current Assets | 8 | 21.63 | 20.82 |
| SUB-TOTAL | | 13879.99 | 5130.09 |
| 2 Current Assets | | | |
| (a) Inventories | 9 | 2365.52 | 2186.54 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 10 | 1931.04 | 1750.74 |
| (ii) Cash & Cash Equivalents | 11 | 10.52 | 25.64 |
| (iii) Other Bank Balances | 12 | 0.44 | 19.79 |
| (iv) Loans | 13 | 833.06 | 1242.77 |
| (c) Other Current Assets | 14 | 861.84 | 837.09 |
| SUB-TOTAL | | 6002.42 | 6062.56 |
| TOTAL | | 19882.41 | 11192.65 |
| II EQUITIES & LIABILITIES | | | |
| A Equity | | | |
| (a) Equity Share Capital | 15 | 1415.76 | 1415.76 |
| (b) Other Equity | | 12389.60 | 3940.28 |
| SUB-TOTAL | | 13805.36 | 5356.03 |
| B Liabilities | | | |
| 1 Non- Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 1611.08 | 1250.06 |
| (b) Deferred Tax Liability | 17 | 179.95 | 200.17 |
| (c) Government Grants | 18 | 10.34 | 23.11 |
| SUB-TOTAL | | 1801.37 | 1473.34 |
| 2 Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 3602.92 | 3804.89 |
| (ii) Trade Payables | 20 | 607.07 | 463.70 |
| (iii) Other Financial liabilities | 21 | 0.60 | 0.60 |
| (b) Other Current Liabilities | 22 | 44.38 | 61.37 |
| (c) Current Tax Liabilities | 23 | 20.72 | 32.72 |
| SUB-TOTAL | | 4275.68 | 4363.28 |
| TOTAL | | 19882.41 | 11192.65 |

MOHIT INDUSTRIES LIMITED

**Statement of Accounting Policies and Notes
Forming Part of Financial Statements**

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 May, 2022**

For & On Behalf of Board of Directors

**Sd/-
Narayan Saboo
(Managing Director) Sd/-
Manish Saboo
(Director & CFO)**

**Sd/-
Mittal Shah
(Company Secretary)**

MOHIT INDUSTRIES LIMITED

Consolidated Statement of Profit & Loss for the year ended on 31st March, 2022

(Amount in Rupees Lakhs)

| Particulars | Note No. | Figures for the year ended on 31-03-2022 | Figures for the year ended on 31-03-2021 |
|---|----------|--|--|
| I. Revenue from Operations | | | |
| Revenue from Operations | 24 | 16665.45 | 14951.01 |
| II. Other Income | 25 | 320.72 | 168.87 |
| III. Total Revenue (I+II) | | 16986.16 | 15119.88 |
| IV. Expenses | | | |
| Cost of Materials Consumed | 26 | 12549.12 | 11007.44 |
| Purchase of Traded Goods | | 633.49 | 282.40 |
| Changes in Inventories of Finished Goods & Trading Goods | 30 | -175.60 | -35.99 |
| Employee Benefit Expenses | 27 | 760.21 | 681.24 |
| Finance Costs | 28 | 518.09 | 555.38 |
| Depreciation & Amortization | 4 | 263.14 | 244.70 |
| Other Expenses | 29 | 2402.30 | 2290.79 |
| Total Expenses | | 16950.75 | 15025.98 |
| V. Profit / (Loss) Before Exceptional Item & Tax | | 35.42 | 93.90 |
| VI. Exceptional Item | 31 | 0.81 | 10.00 |
| VII. Profit / (Loss) Before Prior Period Item | | 36.23 | 103.90 |
| VIII. Prior Period Item (Income / (Expenses) | | - | - |
| IX. Profit / (Loss) Before Tax | | 36.23 | 103.90 |
| X. Tax Expenses | | | |
| For Current Tax | | 20.72 | 32.72 |
| For Deferred Tax Charge / (Credit) | | -20.22 | -8.98 |
| Income Tax of Earlier Years | | 7.26 | 12.41 |
| Sub-Total | | 7.76 | 36.16 |
| XI. Profit / (Loss) for the Period After Tax | | 28.47 | 67.74 |
| XII. Share in Profit / (Loss) of Associates (net of tax) | | -16.05 | 0.97 |
| XIII. Profit / (Loss) for the Period | | 12.42 | 68.72 |
| Profit/(Loss) attributable to Non Controlling Interest | | - | - |
| Profit/(Loss) attributable to Owners of the Parent | | 12.42 | 68.72 |

MOHIT INDUSTRIES LIMITED

| | | | |
|--|---------------------|---------------------|--|
| XIV. OTHER COMPREHENSIVE INCOME | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| -- Equity Instruments valued at Fair Value Through OCI | 569.63 | 18.85 | |
| -- Share in OCI Of Associates | 7867.28 | 1933.79 | |
| (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 | - | - | |
| Other Comprehensive Income for the Period | 8436.91 | 1952.63 | |
| Other Comprehensive Income attributable to Non Controlling Interest | | | |
| Other Comprehensive Income attributable to Owners of the Parent | 8436.91 | 1952.63 | |
| XV. Total Comprehensive Income for the Period | 8449.33 | 2021.35 | |
| Total comprehensive income attributable to Non-controlling Interest | | | |
| Total comprehensive income attributable to Owners of the Parent | 84,49,32,554 | 20,21,35,212 | |
| XVI. Earnings per share | 37 | | |
| (of Face Value of Rs. 10/- each) | | | |
| (a) Basic | 0.09 | 0.49 | |
| (b) Diluted | 0.09 | 0.49 | |
| Statement of Accounting Policies and Notes Forming Part of Financial Statements | | | |
| | 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 May, 2022

For & On Behalf of Board of Directors

Sd/-
Narayan Saboo
(Managing Director)

Sd/-
Manish Saboo
(Director & CFO)

Sd/-
Mittal Shah
(Company Secretary)

MOHIT INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Amount in Rupees Lakhs)

| PARTICULARS | 2021-22 | 2020-21 |
|---|----------------------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extra-ordinary items | 36.23 | 103.90 |
| ADJUSTMENTS FOR: | | |
| 1 Depreciation & Amortization | 263.14 | 244.70 |
| 2 Interest & Dividend Classified as Investment Cash Flows | -121.32 | -83.28 |
| 3 Amortization of Government Grants | -12.77 | -12.77 |
| 4 (Profit) / Loss on disposal of Fixed Assets & Investments | -0.81 | -10.00 |
| 5 (Profit) / Loss on sale of Investments | -13.93 | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 150.54 | 242.56 |
| ADJUSTMENTS FOR: | | |
| 1 (Increase) / Decrease in Trade Receivables | -180.31 | -113.33 |
| 2 (Increase) / Decrease in Other Assets | -7.82 | 131.71 |
| 3 (Increase) / Decrease in Inventories | -178.99 | -74.77 |
| 4 Increase / (Decrease) in Trade Payable | 143.37 | -156.79 |
| 5 Increase / (Decrease) in Other Financial Liabilities | - | 184.87 |
| 6 Increase / (Decrease) in Other Current Liabilities | -17.00 | -0.88 |
| CASH GENERATED FROM OPERATIONS | -90.21 | 213.36 |
| 1 Income Taxes Paid | -57.73 | -24.85 |
| NET CASH FROM OPERATING ACTIVITIES | A -147.94 | 188.52 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| 1 Payment for Property, Plant & Equipment | -27.92 | -50.44 |
| 2 Proceeds from Sale of Property, Plant & Equipment | 6.79 | 10.00 |
| 3 Payment for Purchase of Investments | -551.69 | -9.89 |
| 4 Proceeds from sale of investments | 113.06 | - |
| 5 (Increase) / Decrease in Loans & Deposits | 312.21 | -79.45 |
| 6 Interest & Dividend Income | 121.32 | 83.28 |
| NET CASH USED IN INVESTMENT ACTIVITIES | B -26.24 | -46.50 |

MOHIT INDUSTRIES LIMITED

C. CASH FLOW FROM FINANCING ACTIVITIES

| | | | |
|--|----------|---------------|----------------|
| 1 Repayment of Working Capital Borrowings | | -878.78 | -3.18 |
| 2 Proceeds from Term Loans | | 516.33 | 525.81 |
| 3 Proceeds from Unsecured Loans | | 521.50 | -706.32 |
| NET CASH FROM FINANCING ACTIVITIES | C | 159.05 | -183.70 |
| NET INCREASE IN CASH & CASH EQUIVALENTS | | | |
| | | (A+B+C) | -15.12 |
| CASH AND CASH EQUIVALENTS (OPENING) | | 25.64 | 67.32 |
| CASH AND CASH EQUIVALENTS (CLOSING) | | 10.52 | 25.64 |

As per our Audit Report Attached

For & On Behalf of Board of Directors

For RAJENDRA SHARMA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 108390W

Sd/-

Sd/-

Narayan Saboo

Manish Saboo

(Managing Director)

(Director & CFO)

(Rajendra Ratanlal Sharma)

Partner

M. No. 044393

Surat, 27th May, 2022

Sd/-

Mittal Shah

(Company Secretary)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2022

A. EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2022 (Amount in Rupees Lakhs)

| Balance as at 1st April 2021 | Changes in the Equity Share Capital during the Year | Balance as at 31st March 2022 |
|------------------------------|---|-------------------------------|
| 1415.76 | - | 1415.76 |

EQUITY SHARE CAPITAL FOR THE YEAR ENDED ON 31ST MARCH, 2021

| Balance as at 1st April 2020 | Changes in the Equity Share Capital during the Year | Balance as at 31st March 2021 |
|------------------------------|---|-------------------------------|
| 1415.76 | - | 1415.76 |

B. OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2022 (Amount in Rupees Lakhs)

| PARTICULARS | RESERVES AND SURPLUS | | | | TOTAL |
|--|----------------------------|-----------------|-------------------|----------------------------|-----------------|
| | Securities Premium Reserve | General Reserve | Retained Earnings | FVOCI - Equity Instruments | |
| <u>As at 31st March 2022</u> | | | | | |
| Opening Balance as at 1st April 2021 | 587.67 | - | 1187.76 | 2164.84 | 3940.28 |
| Profit for the Year | - | - | 12.42 | - | 12.42 |
| Other Comprehensive Income of the year | - | - | - | 8436.91 | 8436.91 |
| Dividend including DDT | - | - | - | - | - |
| Closing Balance as at 31st March 2022 | 587.67 | - | 1200.18 | 10601.75 | 12389.60 |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2022

OTHER EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2021

(Amount in Rupees Lakhs)

| PARTICULARS | Reserves & Surplus | | | Other Comprehensive Income | TOTAL |
|--|----------------------------|-----------------|-------------------|---|----------------|
| | Securities Premium Reserve | General Reserve | Retained Earnings | Equity Instruments Through other Comprehensive Income | |
| As at 31st March 2021 | | | | | |
| Opening Balance as at 1st April 2020 | 587.67 | - | 1119.05 | 212.21 | 1918.92 |
| Profit for the Year | - | - | 68.72 | - | 68.72 |
| Other Comprehensive Income of the year | - | - | - | 1952.63 | 1952.63 |
| Dividend including DDT | - | - | - | - | - |
| Closing Balance as at 31st March 2021 | 587.67 | - | 1187.76 | 2164.84 | 3940.28 |

As per our Audit Report Attached

For & On Behalf of Board of Directors

For RAJENDRA SHARMA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 108390W

Sd/-
Narayan Saboo
(Managing Director)

Sd/-
Manish Saboo
(Director & CFO)

(Rajendra Ratanlal Sharma)

Partner

M. No. 044393

Surat, 27th May, 2022

Sd/-
Mittal Shah
(Company Secretary)

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for the year ended 31st March, 2022

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.

MOHIT INDUSTRIES LIMITED

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.

MOHIT INDUSTRIES LIMITED (TEXTILE DIVISION)

4. PROPERTY, PLANT & EQUIPMENT

(Amount in Rupees Lakhs)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | NET BLOCK | | |
|--------------------------------|------------------------------------|----------------------------|----------------------------|--------------------------------------|-------------------------------------|--|-----------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Balance as at 1st April 2021 | Additions / Adjustments | Disposals / Retirements | Balance as at 31st March, 2022 | Balance as at 1st April, 2021 | Depreciation Charge for the year | On Disposals | Balance as at 31st March, 2022 | Balance as at 31st March, 2022 | Balance as at 31st March, 2021 |
| Land | 161.55 | 0 | 0 | 161.55 | 0 | 0 | 0 | 0 | 161.55 | 161.55 |
| Factory Building | 2182.67 | 4.04 | 0 | 2186.70 | 580.62 | 70.82 | 0 | 651.45 | 1535.26 | 1602.04 |
| Office Building | 33.80 | 0 | 0 | 33.80 | 7.70 | 0.54 | 0 | 8.24 | 25.56 | 26.10 |
| Plant & Machinery | 2323.56 | 0 | 22.89 | 2300.67 | 2030.67 | 74.08 | 17.40 | 2087.36 | 213.31 | 292.89 |
| Generator Set | 46.21 | 0 | 0 | 46.21 | 43.90 | 0 | 0 | 43.90 | 2.31 | 2.31 |
| Water Jet Looms | 747.59 | 0 | 0 | 747.59 | 700.72 | 6.43 | 0 | 707.15 | 40.43 | 46.87 |
| Water Jet Imported | 584.34 | 0 | 0 | 584.34 | 478.17 | 67.80 | 0 | 545.97 | 38.36 | 106.17 |
| Electric Installation | 198.48 | 21.32 | 0 | 219.80 | 165.05 | 10.42 | 0 | 175.47 | 44.33 | 33.43 |
| Office & Factory Equipments | 132.47 | .34 | 0 | 132.81 | 90.56 | 9.68 | 0 | 100.24 | 32.57 | 41.91 |
| Vehicles | 146.08 | 0 | 9.73 | 136.34 | 59.45 | 14.70 | 9.25 | 64.90 | 71.44 | 86.63 |
| Furniture | 34.98 | 0 | 0 | 34.98 | 25.46 | 1.50 | 0 | 26.95 | 8.03 | 9.53 |
| Diesel Tank | 1.61 | 0 | 0 | 1.61 | 1.61 | 0 | 0 | 1.61 | 0 | 0 |
| Computer | 67.14 | 2.23 | 0 | 69.37 | 55.10 | 6.32 | 0 | 61.42 | 7.95 | 12.03 |
| Total Tangible Assets | 6660.46 | 27.92 | 32.62 | 6655.76 | 4239.00 | 262.30 | 26.64 | 4474.66 | 2181.11 | 2421.46 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Computer Software | 11.29 | 0 | 0 | 11.29 | 8.68 | 0.84 | 0 | 9.52 | 1.77 | 2.61 |
| Total Intangible Assets | 11.29 | 0 | 0 | 11.29 | 8.68 | 0.84 | 0 | 9.52 | 1.77 | 2.61 |
| Previous Year | 6749.94 | 50.44 | 128.63 | 6671.75 | 4131.60 | 244.70 | 128.63 | 4247.68 | 2424.07 | 2618.34 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|---|---------------------------|---------------------------|
| 5 Investment Properties | | |
| <i>Gross Carrying Amount</i> | | |
| Opening Gross Carrying Amount | 76.73 | 76.73 |
| Additions | - | - |
| Closing Gross Carrying Amount | <u>76.73</u> | <u>76.73</u> |
| <i>Accumulated Depreciation</i> | | |
| Opening Accumulated Depreciation | - | - |
| Additions | - | - |
| Closing Accumulated Depreciation | - | - |
| <i>Net Carrying Amount</i> | <u>76.73</u> | <u>76.73</u> |
| 6 Non-Current Investments | | |
| A. Equity Accounted Associates | | |
| (a) Mohit Yarns Limited | <i>No. of Shares</i> | |
| Original Cost | 663000 | |
| Share in Profit / (Loss) in Associate | 157.23 | 157.23 |
| Share in OCI of Associate | 141.78 | 148.54 |
| Carrying amount at year end | <u>6062.77</u> | <u>1307.40</u> |
| | 6361.78 | 1613.18 |
| (b) Mohit Overseas Limited | 394000 | |
| Original Cost | 37.99 | 37.99 |
| Share in Profit / (Loss) in Associate | 62.24 | 71.52 |
| Share in OCI of Associate | 3959.13 | 847.22 |
| Carrying amount at year end | <u>4059.35</u> | <u>956.73</u> |
| (a) Investment in Equity Instruments (Fully Paid Up) | | |
| (i) Unquoted | <i>No. of Share</i> | <i>No. of Shares</i> |
| (a) Sasmi Co-op. Society Ltd. | 1 | 0.07 |
| (b) ITC Co-op. Hsg. Soc. Ltd. | 5 | 0.00 |
| (c) Shamrao Vithal Co.op Bank | 100 | 0.03 |
| (ii) Quoted | | |
| (a) Trigyn Technology Ltd. | 6 | 0.01 |
| (Cost of Rs. 194/-) | | 0.0 |
| (b) BigBloc Construction Limited | 1151024 | 1054.34 |
| (Cost of Rs. 4,74,44,393/-) | | 25.45 |
| (c) Filatex India Limited | 0 | - |
| (d) Bhatia Communication & Retail | 3000 | 0.70 |
| (Cost of Rs. 33,510/-) | | - |
| (e) Yes Bank Ltd. | 20000 | 2.46 |
| (Cost of Rs. 2,65,317/-) | | - |
| TOTAL | | <u>11478.74</u> |
| | | <u>2605.32</u> |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 | | | | |
|--|--|---------------------------|--------------|-----------|-------------------|---------|
| 7 Non Current Financial Assets - Other Financial Assets <i>(Unsecured, Considered Good by Directors)</i> | | | | | | |
| (a) Security Deposits | 120.01 | 3.15 | | | | |
| TOTAL | 120.01 | 3.15 | | | | |
| 8 Other Non-Current Assets | | | | | | |
| (a) Capital Advances | 21.63 | 20.82 | | | | |
| TOTAL | 21.63 | 20.82 | | | | |
| 9 Inventories | | | | | | |
| (a) Raw Materials & Stock in process | 1196.95 | 1185.75 | | | | |
| (b) Finished Goods | 1084.48 | 908.87 | | | | |
| (c) Yarn Oil | 20.41 | 17.10 | | | | |
| (d) Packing Material | 51.79 | 62.36 | | | | |
| (e) Stores & Spares | 11.89 | 12.46 | | | | |
| TOTAL | 2365.52 | 2186.54 | | | | |
| 10 Trade Receivables <i>(Unsecured, considered good by Directors)</i> | | | | | | |
| Sundry Debtors | 1738.89 | 1633.36 | | | | |
| Other Trade Receivables | 192.15 | 117.37 | | | | |
| TOTAL | 1931.04 | 1750.74 | | | | |
| TRADE RECEIVABLE OUSTANDING | | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | | Totals |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 1691.25 | 24.02 | 30.15 | 7.52 | 178.12 | 1931.04 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| TRADE RECEIVABLE AGEING SCHEDULE AS ON 31ST MARCH, 2021 | | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | | Totals |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 1533.03 | 7.16 | 11.97 | 4.00 | 194.57 | 1750.74 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| 11 Cash & Cash Equivalents | | | | | | |
| (a) Cash on Hand | | 7.37 | 13.15 | | | |
| (b) Balances in Bank in Current Account | | 3.14 | 12.47 | | | |
| (c) Balances in Bank in EEFC Account | | .1 | .1 | | | |
| TOTAL | | 10.52 | 25.64 | | | |
| 12 Cash & Bank Balances | | | | | | |
| (a) Balances with Bank in F.D. (As margin Deposits) | | | | | | |
| -- F.D. with State Bank of Travancore | | 0.44 | 19.79 | | | |
| TOTAL | | 0.44 | 19.79 | | | |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|--|---------------------------|---------------------------|
| 13 Loans <i>(Unsecured, considered good by Directors)</i> | | |
| (d) Loans & Advances Given | | |
| -- To Related Parties | - | 0.70 |
| -- To Others | 833.06 | 1242.08 |
| TOTAL | 833.06 | 1242.77 |
| 14 Other Current Assets <i>(Unsecured, considered good by Directors)</i> | | |
| (a) Interest Accrued on Bank FDR | 0.02 | 3.11 |
| (b) Advance to Suppliers | 64.53 | 71.23 |
| (c) Balances with Revenue / Government Authorities | 734.30 | 663.48 |
| (d) Other Advances | 62.99 | 99.27 |
| TOTAL | 861.84 | 837.09 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for the year ended 31st March, 2022

(Amount in Rupees Lakhs)

| Particulars | As At 31st | As At 31st |
|---|----------------|----------------|
| | March, 2022 | March, 2021 |
| 15 Share Capital | | |
| Authorized Share Capital | | |
| 2,50,00,000 equity shares of Rs. 10/- each (As at 31-03-2020: 1,50,00,000 equity shares) | 2500.00 | 2500.00 |
| Issued Share Capital | | |
| 1,46,82,900 Equity Shares of Rs. 10/- each (As at 31-03-2020, 1,46,82,900 equity shares) | 1468.29 | 1468.29 |
| Subscribed & Fully Paid Up | | |
| 1,41,57,575 equity shares of Rs. 10/- each, fully paid up (as at 31-03-2020, 1,41,57,575 equity shares of Rs. 10/- each) | 1415.76 | 1415.76 |
| TOTAL RS. | 1415.76 | 1415.76 |

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 | As at 31st |
|---|-------------------------|-------------------------|
| | March, 2022 (Number) | March, 2021 (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 2022 | | As at 31 March 2021 | |
| | 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% |
| Narayan Sitaram Saboo | 7,85,779 | 5.55% | 7,05,005 | 4.98% |

MOHIT INDUSTRIES LIMITED

15.4 Shares in the company Held by promoter at the end of the year

| Sr. No. | Promoter Name | No. of Shares held as on 31st March, 2022 | % of Total Shares Held | % Change during the year |
|------------|-----------------------------|--|---------------------------|-----------------------------|
| 1 | Naresh Sitaram Saboo | 78,424 | 0.55% | 0.00% |
| 2 | Narayan Sitaram Saboo | 7,85,779 | 5.55% | 11.46% |
| 3 | Narayan Sitaram Saboo - HUF | 27,866 | 0.20% | 0.00% |
| 4 | Manish N. Saboo | 75,440 | 0.53% | 0.00% |
| 5 | Sitaram Nandlal Saboo - HUF | 30,100 | 0.21% | 0.00% |
| 6 | Ayushi Manish Saboo | 60,000 | 0.42% | 0.00% |
| 7 | Madhu Narayan Saboo | 6,21,878 | 4.39% | 0.00% |
| 8 | Sitaram Nandlal Saboo | 1,90,021 | 1.34% | -20.83% |
| 9 | Sonia Naresh Saboo | 60,000 | 0.42% | 0.00% |
| 10 | Mohit Narayan Saboo | 1,62,836 | 1.15% | 0.00% |
| 11 | Mohit Yarns Limited | 19,70,609 | 13.92% | 0.00% |
| 12 | Mohit Overseas Limited | 15,98,622 | 11.29% | 0.00% |
| 13 | Mask Investments Limited | 14,28,881 | 10.09% | 0.00% |
| 14 | Mohit Exim Private Limited | 6,00,000 | 4.24% | 0.00% |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|--|-----------------------------------|-----------------------------------|
| 16 Non-Current Financial Liabilities - Borrowings | | |
| (a) Secured Loans | | |
| (i) Term Loans - from Banks & NBFC | | |
| -- Term Loans from Banks | 1587.32 | 1048.24 |
| -- Car Loans | 36.54 | 59.28 |
| Less:- (a) Current Maturities of Long Term Debts | 1623.85 | 1107.52 |
| (b) Interest Accrued But not Due | 385.67 | 374.36 |
| Sub-Total | 1238.18 | 733.16 |
| (b) Unsecured Loans | | |
| (i) Loans from Director | | |
| Less:- (a) Current Maturities of Long Term Debts | 372.90 | 516.90 |
| (b) Interest Accrued But not Due | - | - |
| Sub-Total | 372.90 | 516.90 |
| TOTAL | 1611.08 | 1250.06 |

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 Axis Bank are repayment in Monthly installments of Rs. 832392/-; Rs. 914750/-; Rs. 1300000/- and Rs. 11,58,000/- each and shall be repaid by May, 2022; December, 2024 and March, 2025. The rate of interest is 7.50% p.a.

Term loan of SVC Bank of Rs. 413 Lakhs (O/s Amount Rs. 401.39 Lakhs) shall be repaid in monthly installments of Rs. 17,60,000/- and shall be repaid by June, 2024. The rate of interest is 8.50% p.a.

(b) Car Loan from Kotak Mahindra Prime Limited is repayable in instalments of Rs. 24945/- and Rs. 26662/- 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. 99,059/- each.

17 Deferred Tax Liabilities

Deferred Tax Liabilities:

Property, Plant & Equipment

181.09

201.69

Deferred Tax Assets:

Demerger Expenses (Deferred in Income Tax)

-1.14

-1.52

Net Deferred Tax Liability / (Asset)

179.95

200.17

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | As At 31st March, 2022 | As At 31st March, 2021 |
|---|------------------------|------------------------|
| 18 Government Grants | | |
| Opening Balances | 23.11 | 35.88 |
| Add:- Grants During the Year | - | - |
| Less:- Released to profit and loss | 12.77 | 12.77 |
| | 10.34 | 23.11 |
| 19 Current Financial Assets - Borrowings | | |
| (a) Secured Loans | | |
| (i) Cash Credit Limit From Banks | 1292.70 | 1725.57 |
| (ii) Export Packing Credit Limit | 913.49 | 1359.39 |
| Sub-Total | 2206.18 | 3084.96 |
| (b) Current Maturities of Long Term Debt | | |
| Sub-Total | 385.67 | 374.36 |
| (c) Unsecured Loans | | |
| (i) From Companies (Repayable on demand) | 163.94 | - |
| (ii) From Related Parties Companies | 8.89 | - |
| (iii) From Directors & Their relatives | 838.23 | 345.57 |
| Sub-Total | 1011.06 | 345.57 |
| TOTAL | 3602.92 | 3804.89 |

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.

20 Current Financial Assets - Trade Payables

| | | |
|--|---------------|---------------|
| <i>A. Total outstanding dues of micro enterprises and small enterprises (See Note No. 38)</i> | 8.04 | 10.57 |
| <i>B. Total outstanding dues of creditors other than micro enterprises and small enterprises:-</i> | 599.03 | 453.13 |
| TOTAL | 607.07 | 463.70 |

TRADE PAYABLE DUE FOR PAYMENT

| Particulars | Outstanding for following periods from due date of | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 7.66 | 0.38 | - | - | 8.04 |
| (ii) Others | 545.48 | 1.20 | 7.42 | 44.93 | 599.03 |
| (iii) Disputed Dues-MSME | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - |

TRADE PAYABLE AGEING SCHEDULE AS ON 31ST MARCH, 2021

| Particulars | Outstanding for following periods from due date of | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 10.57 | - | - | - | 10.57 |
| (ii) Others | 398.50 | 10.97 | 7.52 | 36.14 | 453.13 |
| (iii) Disputed Dues-MSME | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - |

21 Other Financial Liabilities

| | | |
|----------------------------------|-------------|-------------|
| (a) Interest Accured But Not Due | - | - |
| (b) Unclaimed Dividend | 0.60 | 0.60 |
| | 0.60 | 0.60 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

| Particulars | (Amount in Rupees Lakhs) | |
|-------------------------------------|---------------------------|---------------------------|
| | As At 31st March, 2022 | As At 31st March, 2021 |
| 22 Other Current Liabilities | | |
| (a) Statutory Dues Payable | 34.38 | 30.99 |
| (b) Advance from Customers | 10.00 | 30.39 |
| TOTAL | 44.38 | 61.37 |
| 23 Current Tax Liabilities | | |
| Provision for Tax | 20.72 | 32.72 |
| TOTAL | 20.72 | 32.72 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | For Year Ended on 31st March, 2022 | For Year Ended on 31st March, 2021 |
|--|---------------------------------------|---------------------------------------|
| 24 Revenue from Operations | | |
| (a) Sales of Services (Job Charges Received) | 1.69 | - |
| (b) Sales of Products:- | | |
| -- Finished Goods (Including Excise Duty) | 16014.14 | 14461.82 |
| -- Traded Goods | 317.73 | 356.60 |
| (c) Other Operating Revenues | | |
| -- Export Benefits | 257.78 | 132.59 |
| -- Commission Received | 74.11 | - |
| | 16665.45 | 14951.01 |
| 25 Other Income | | |
| Dividend Received | 1.32 | 0.06 |
| Net Gain from Foreign Currency Transaction & Translation | 81.60 | 44.16 |
| Interest Received from Debtors | 52.12 | 14.72 |
| Interest Received on Bank FD & Loans given | 120.00 | 83.22 |
| Interest Received on VAT and Excise | - | 6.41 |
| Government Grant | 12.77 | 12.77 |
| Balances w/back | 3.84 | 2.47 |
| Profit/(Loss) from Currency Derivative Trading | 10.95 | 5.06 |
| Profit/(Loss) from Sales of Shares | 13.93 | - |
| Rent Income | 15.00 | - |
| Insurance Claim Received | 9.19 | - |
| | 320.72 | 168.87 |
| 26 Cost of Materials Consumed | | |
| Raw Material Consumed | 12549.12 | 11007.44 |
| | 12549.12 | 11007.44 |
| 27 Employee Benefit Expenses | | |
| Salary, Wages & Bonus | 723.91 | 648.74 |
| Staff Welfare Expenses | 13.28 | 11.34 |
| Contribution to Provident Fund & other Funds | 23.02 | 21.17 |
| | 760.21 | 681.24 |
| 28 Finance Costs | | |
| Interest Paid | 384.95 | 482.03 |
| Other Bank & Finance Charges | 133.14 | 73.35 |
| | 518.09 | 555.38 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)
(Amount in Rupees Lakhs)

| Particulars | For Year Ended on 31st March, 2022 | For Year Ended on 31st March, 2021 |
|--|---------------------------------------|---------------------------------------|
| 29 Other Expenses | | |
| Manufacturing Expenses | | |
| Stores & Spares consumed | 130.79 | 99.41 |
| Power & Fuel | 779.11 | 785.28 |
| Yarn Oil Consumed | 299.21 | 314.19 |
| Packing Material Consumed | 454.55 | 487.58 |
| Job Charges Paid | 0.32 | 1.37 |
| Factory Expenses | 23.59 | 40.97 |
| Machinery Rent | 5.00 | - |
| Carriage Inward | 0.15 | - |
| (a) | 1692.73 | 1728.80 |
| Establishment Expenses | | |
| Repairs to Machinery | 53.48 | 30.08 |
| Travelling & Conveyance | 90.95 | 21.56 |
| Maintenance & AMC | 0.72 | 0.66 |
| Computer Expenses | 3.45 | 7.63 |
| Demat Charges | 0.09 | 0.01 |
| Donation | 0.22 | 2.11 |
| Electricity Expense | 4.46 | 5.65 |
| Flat maintenance | 0.80 | 2.17 |
| Office & General Expense | 16.04 | 17.95 |
| Interest on Creditors & Taxes | 6.56 | 9.46 |
| Membership Fees | 4.68 | 0.46 |
| Printing & Stationery | 4.29 | 3.92 |
| Communication expense | 7.33 | 8.05 |
| Legal & Professional Expense | 31.10 | 49.73 |
| Insurance | 14.56 | 6.63 |
| Rates & Taxes | 2.28 | 6.84 |
| Rent | - | 6.05 |
| Software Expense | 0.60 | 0.60 |
| GST expense | 0.07 | 0.54 |
| GST Penalty | - | 0.48 |
| PF Penalty | - | 0.63 |
| Security Service Charges | 23.76 | 24.15 |
| (b) | 265.45 | 205.36 |
| Selling & Distribution Expenses | | |
| Commission & Brokerage | 16.36 | 14.28 |
| Discount | 6.92 | 32.42 |
| Loss on Sale of RoDTEP Scrip | 8.10 | - |
| Export Expenses | 342.72 | 252.16 |
| Carriage Outward | 63.03 | 54.79 |
| Cartage Expense | 1.71 | 1.60 |
| Sales Promotion | 4.30 | 0.56 |
| Advertisement | 0.96 | 0.82 |
| (c) | 444.12 | 356.63 |
| TOTAL (a+b+c) | 2402.30 | 2290.79 |

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Financial Statements for year ended 31st March, 2022 (contd...)

(Amount in Rupees Lakhs)

| Particulars | For Year Ended on 31st March, 2022 | For Year Ended on 31st March, 2021 |
|--|---------------------------------------|---------------------------------------|
| 30 Changes in Inventories of Finished Goods | | |
| Opening Stock of Finished Goods | 908.87 | 872.89 |
| Less:- Closing Stock of Finished Goods | 1084.48 | 908.87 |
| TOTAL | -175.60 | -35.99 |
| | | |
| 31 Exceptional Item | | |
| (a) Profit / (Loss) on Sale of Fixed Assets | 0.81 | 10.00 |
| TOTAL | 0.81 | 10.00 |

MOHIT INDUSTRIES LIMITED

32 CONTINGENT LIABILITY & COMMITMENTS:-

(i) Contingent Liability In Respect of

(Amount in Rupees Lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|-------------------------|-------------------------|
| (a) Gujarat Entry Tax Demand of F.Y. 2006-07 pending at appeal stage* * The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law. | 433.18 | 433.18 |
| (b) Gujarat Entry Tax Demand of F.Y. 2009-10 pending at appeal stage* * The Tribunal has set-aside the order to First Appellate Authority. The management states that the demand is not sustainable in law. | 513.83 | 513.83 |
| (c) Gujarat VAT Demand of F.Y. 2010-11 (Tax and Penalty)* 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. | 301.49 323.53 | 301.49 323.53 |
| (d) Gujarat VAT Demand of F.Y. 2011-12 (Tax and Penalty)* Gujarat Entry Tax Demand of F.Y. 2011-12 pending at appeal stage* * The appeal against above demand is pending before Tribunal The management states that this demand is not sustainable in law. | 72.05 577.26 | 72.05 577.26 |
| (e) Gujarat Entry Tax Demand of F.Y. 2007-08 pending at appeal stage* * The appeal against above demand is pending before First Appellate Authority The management states that this demand is not sustainable in law. | 1097.26 | 1097.26 |
| (f) Gujarat VAT Demand of F.Y. 2012-13 (Tax and Penalty)* Gujarat CST Demand of F.Y. 2012-13 (Tax and Penalty)* Gujarat Entry Tax Demand of F.Y. 2012-13 (Tax and Penalty)* * The appeal against above demands is pending before Second Appellate Authority * 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. | 14.10 4.47 339.64 | 14.10 4.47 339.64 |
| (g) Excise Duty Demands/ Excise Rebate rejected pending at various Appellate Stages | 213.41 | 213.41 |
| (h) Excise Duty Demand and Penalty for period April, 2016 to June, 2017 | 848.02 | - |
| (i) Income Tax Demand of A.Y. 2018-19 disputed in appeal | 6.48 | 6.48 |
| (j) Income Tax Demand of A.Y. 2011-12 disputed in appeal | 5.71 | 5.71 |

(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. 21.63 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)

33 PAYMENT TO AUDITORS

(Amount in Rupees Lakhs)

| 31-03-2022 | 31-03-2021 |
|------------|------------|
| 3.25 | 3.25 |
| - | - |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | | |
|---------------------------------------|-------------|-------------|
| Audit Fees (Including Tax Audit Fees) | 3.25 | 3.25 |
| For Taxation Matters | - | - |
| TOTAL | 3.25 | 3.25 |

| | |
| --- | --- |
| Audit Fees (Including Tax Audit Fees) | 3.25 |
<td style

MOHIT INDUSTRIES LIMITED

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

B. Transactions with Related Parties

Amount in Rupees Lakhs

| 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 |
| Transaction during the year | | | | | | | | |
| (a) Loans / Advances Given | 75.00 | 220.47 | - | - | - | 13.30 | - | - |
| (b) Repayment of Loans/Advances Given | 95.00 | 222.98 | - | - | - | 13.50 | - | - |
| (c) Purchase of Goods | - | - | - | - | 686.05 | 402.51 | - | - |
| (d) Sales of Goods | - | - | - | - | 677.47 | 403.24 | - | - |
| (e) Interest Received | 9.88 | - | - | - | - | - | - | - |
| (f) Unsecured Loan / Advances Taken | 947.34 | 122.50 | - | - | - | - | 632.20 | 494.25 |
| (g) Repayment of Unsecured Loan / Advances Taken | 947.34 | 122.50 | - | - | - | - | 124.53 | 621.20 |
| (h) Machinery Rent paid | - | - | - | - | 5.00 | 5.00 | - | - |
| (i) Rent Income | 15.00 | - | - | - | - | - | - | - |
| (j) Commission Income | 10.34 | - | - | - | - | - | - | - |
| Balances as at Year End | | | | | | | | |
| (a) Trade Payables | - | - | - | - | 225.85 | - | - | - |
| (b) Trade Receivables | - | - | - | - | 266.02 | 47.30 | - | - |
| (c) Unsecured Loans | 8.89 | 0.70 | - | - | - | - | 1220.02 | 847.47 |
| (d) Loans / Advance Given | - | 20.00 | - | - | - | 33.68 | - | - |
| (e) Investments (Share) | - | - | - | - | 195.22 | 195.22 | - | - |

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

Amount in Rupees Lakhs

| Particulars | Enterprises Controlled by Key Management personnel | Subsidiary | Associates | Key Management Personnel & Relatives of Key Management Personnel | |
|--|--|------------|------------|--|---------------------------------------|
| | | | | Current Year | Previous Year |
| (a) Sales of Goods - Mohit Overseas Ltd. | - | - | 677.47 | - | - |
| (b) Machinery Rent Paid -- Mohit Overseas Ltd. | - | - | 5.00 | - | - |
| (c) Interest Received - Bigbloc Construction Ltd. - Starbigbloc Building Material Pvt. Ltd. | 1.34 8.54 | - | - | - | - |
| (d) Purchase of Goods -- Mohit Overseas Ltd. | - | - | 686.05 | - | - |
| (e) Unsecured Loans / - Narayan Saboo - Naresh Saboo - Manish Saboo - Narayan Saboo (HUF) - Sitaram Saboo - Bigbloc Construction Ltd. - Starbigbloc Building Material Pvt. Ltd. | - - - - - 390.34 542.00 | - | - | 290.35 190.50 143.52 1.83 6.00 - | 190.50 143.52 1.83 6.00 - |
| - Soul Clothing Pvt. Ltd. | 15.00 | - | - | - | - |

MOHIT INDUSTRIES LIMITED

| | | | | | | | |
|---------------------------------|--------|---|---|---|---|-------|--|
| (f) Repayment of Unsecured | | | | | | | |
| - Narayan Saboo | - | - | - | - | - | 80.89 | |
| - Naresh Saboo | - | - | - | - | - | 29.44 | |
| - Manish Saboo | - | - | - | - | - | 7.07 | |
| - Narayan Saboo (HUF) | - | - | - | - | - | 0.61 | |
| - Sitaram Saboo | - | - | - | - | - | 6.52 | |
| - Bigbloc Construction Ltd. | 390.34 | - | - | - | - | - | |
| - Starbigbloc Building Material | | | | | | | |
| Pvt. Ltd. | 542.00 | - | - | - | - | - | |
| - Soul Clothing Pvt. Ltd. | 15.00 | - | - | - | - | - | |
| (g) Rent Income | | | | | | | |
| - Starbigbloc Building Material | | | | | | | |
| Pvt. Ltd. | 15.00 | - | - | - | - | - | |
| (h) Commission Income | | | | | | | |
| - Starbigbloc Building Material | | | | | | | |
| Pvt. Ltd. | 10.34 | - | - | - | - | - | |
| (i) Loans / Advance Given | | | | | | | |
| - Mask Investments Ltd. | 75.00 | - | - | - | - | - | |
| (j) Repayment of Loans / | | | | | | | |
| - Soul Clothing Pvt. Ltd. | 20.00 | - | - | - | - | - | |
| - Mask Investments Ltd. | 75.00 | - | - | - | - | - | |

37 EARNINGS PER SHARE

| Sl. No. | Particulars | UNIT OF MEASUREMENT | Amount in Rupees Lakhs | |
|------------|--|------------------------|------------------------|----------------|
| | | | March 31, 2022 | March 31, 2021 |
| 1 | Net Profit / (Loss) after tax | Rs. | 12.42 | 68.72 |
| 2 | Weighted Average Number of Equity Shares | Number | 1,41,57,575 | 1,41,57,575 |
| 3 | Earnings Per Share - Basic & Diluted | 1 / 2 | 0.09 | 0.49 |

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

| Sr. No. | Particulars | As At March 31, 2022 | Amount in Rupees Lakhs | |
|------------|--|----------------------|------------------------|-------|
| | | | As At March 31, 2021 | |
| A. | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | | 8.04 | 10.57 |
| 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 | | - | - |
| 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 | | - | - |

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. The liability to pay interest u/s 16 of MSMED Act is provided in books of accounts as and when same is claimed by supplier by raising Debit Note in respect of the same. Accordingly, the above disclosure has been given as per liability of Trade Payable shown in the books of accounts of the company.

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 | Amount in Rupees Lakhs | |
|----------------------------|------------------------|--------------|
| | F.Y. 2021-22 | F.Y. 2020-21 |
| Provident Fund | 22.05 | 20.39 |
| Employees' State Insurance | 0.97 | 0.78 |

(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. 2021-22 | F.Y. 2020-21 |
|-------------|--------------|--------------|
| Gratuity | 3.37 | 15.27 |

MOHIT INDUSTRIES LIMITED

41 Income Tax

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

| Particulars | Amount in Rupees Lakhs | |
|---|------------------------|--------------|
| | F.Y. 2021-22 | F.Y. 2020-21 |
| Current income tax: | | |
| – In respect of the current period | 20.72 | 32.72 |
| – In respect of the prior periods | 7.26 | 12.41 |
| Deferred tax | | |
| – In respect of the current period | -20.22 | -8.98 |
| Income tax expense recognized in the statement of profit or loss | 7.76 | 36.16 |

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 | Amount in Rupees Lakhs | |
|---|------------------------|--------------|
| | F.Y. 2021-22 | F.Y. 2020-21 |
| Profit Before Tax | 36.23 | 103.90 |
| Enacted Income Tax Rate in India | 25.17% | 25.17% |
| Computed Expected Tax Expenses | 9.12 | 26.15 |
| Effect of | | |
| – Deferred Tax | -20.22 | -8.98 |
| – Adjustment to Current tax for prior periods | 7.26 | 12.41 |
| – Impact of charges on account of Computation | 11.60 | 6.57 |
| Income tax expense recognized in the statement of profit or loss | 7.76 | 36.16 |

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 Committee 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, 2022 |
| 2 Mohit Overseas Limited | 49.25% | 31st March, 2022 |

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

Amount in Rupees Lakhs

| 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 |
|--------------------------|---------------------------------|--|-----------------------------|---|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| A Parent | | | | | | | | |
| Mohit Industries Limited | 24.51% | 3384.22 | 229.24% | 28.47 | 6.75% | 569.63 | 7.08% | 598.10 |
| B Associates | | | | | | | | |
| 1 Mohit Overseas Limited | 29.40% | 4059.35 | -54.47% | -6.76 | 36.88% | 3111.91 | 36.75% | 3105.14 |
| 2 Mohit Yarns Limited | 46.08% | 6361.78 | -74.77% | -9.29 | 56.36% | 4755.37 | 56.17% | 4746.09 |
| | 100.00% | 13805.36 | 100.00% | 12.42 | 100.00% | 8436.91 | 100.00% | 8449.33 |

MOHIT INDUSTRIES LIMITED

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

Amount in Rupees Lakhs

| | Name of Associates | Mohit Overseas Ltd. | Mohit Yarns Ltd. |
|---|--|--|--|
| 1 | Latest Audited Balance Sheet | 31st March, 2022 | 31st March, 2022 |
| 2 | Shares of Associate/Joint Ventures held by the company | | |
| | A Number | 394000 | 663000 |
| | B Amount of Investment in Associates | 37.99 | 157.23 |
| | C Extend of Holding% | 49.25% | 46.69% |
| 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 | Not Applicable | Not Applicable |
| 5 | Net worth attributable to shareholding as per latest Audited Balance Sheet | 4096.38 | 6324.76 |
| 6 | Profit/(Loss) for the year | | |
| | (i) Considered in Consolidation | -6.76 | -9.29 |
| | (ii) Not Considered in Consolidation | -6.97 | -10.60 |

- 1 Name of Associate which is yet to commence business:- None
- 2 Names of associates or joint ventures which have been liquidated or sold during the year:- None

46 Previous Year Figures have been regrouped/rearranged wherever necessary.

MOHIT INDUSTRIES LIMITED

Notes Forming Part of Accounts as at 31st March, 2022

47 ADDITIONAL REGULATORY INFORMATION

(Amount in Rupees Lakhs)

I KEY FINANCIAL RATIOS:-

(a) CURRENT RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------------|------------------------|------------------------|
| Current Assets | 6002.42 | 6062.56 |
| Current Liabilities | 4275.68 | 4363.28 |
| Current Ratio (in times) | 1.40 | 1.39 |

(b) DEBT TO EQUITY RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Total Borrowings | 5214.00 | 5054.95 |
| Total Equity (Other than OCI Through FVOCI) | 3203.61 | 3191.19 |
| Debt to Equity Ratio (in times) | 1.63 | 1.58 |

(c) DEBT SERVICE COVERAGE RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Earning for Debt Service = Net profit after tax + Non-Cash operating expenses + interest + Other adjustments | 676.56 | 794.48 |
| Debt Services = Interest + Repayment of Long Term Debts | 852.40 | 646.63 |
| Debt Service Coverage Ratio (in times) | 0.79 | 1.23 |

Explanation:- The change in ratio is due to more repayment of Long Term borrowings including Unsecured loans and also fall in profit during year.

(d) RETURN ON EQUITY RATIO

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Profit After Tax | 12.42 | 68.72 |
| Opening Total Equity (Other than OCI Through FVOCI) | 3191.19 | 3122.47 |
| Closing Total Equity (Other than OCI Through FVOCI) | 3203.61 | 3191.19 |
| Average Total Equity | 3197.40 | 3156.83 |
| Return on Equity Ratio (in %) | 0.39% | 2.18% |

Explanation: Fall in Ratio is due to fall in profit during the year compared to last year.

MOHIT INDUSTRIES LIMITED

| (e) INVENTORY TURNOVER RATIO | | <i>(Amount in Rupees Lakhs)</i> | |
|--|--|---------------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Revenue from Operations | | 16665.45 | 14951.01 |
| Opening Inventories | | 2186.54 | 2111.77 |
| Closing Inventories | | 2365.52 | 2186.54 |
| Average Inventories | | 2276.03 | 2149.15 |
| Inventory Turnover Ratio (in times) | | 7.32 | 6.96 |

| (f) TRADE RECEIVABLE TURNOVER RATIO | | | |
|---|--|------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Revenue from Operations | | 16665.45 | 14951.01 |
| Opening Trade Receivable | | 1750.74 | 1637.40 |
| Closing Trade Receivable | | 1931.04 | 1750.74 |
| Average Trade Receivable | | 1840.89 | 1694.07 |
| Trade Receivable Turnover Ratio (in times) | | 9.05 | 8.83 |

| (g) TRADE PAYABLE TURNOVER RATIO | | | |
|--|--|------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Purchase of Goods / Services | | 15588.29 | 13619.41 |
| Opening Trade Payable | | 463.70 | 620.49 |
| Closing Trade Payable | | 607.07 | 463.70 |
| Average Trade Payable | | 535.38 | 542.09 |
| Trade Payable Turnover Ratio (in times) | | 29.12 | 25.12 |

| (h) NET WORKING CAPITAL TURNOVER RATIO | | | |
|--|--|------------------------|------------------------|
| Particulars | | As at 31st March, 2022 | As at 31st March, 2021 |
| Revenue from Operations | | 16665.45 | 14951.01 |
| Opening Working Capital | | 1699.28 | 942.31 |
| Closing Working Capital | | 1726.74 | 1699.28 |
| Average Working Capital | | 1713.01 | 1320.80 |
| Net Working Capital Turnover Ratio (in times) | | 9.73 | 11.32 |

MOHIT INDUSTRIES LIMITED

(i) NET PROFIT RATIO

(Amount in Rupees Lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------|------------------------|------------------------|
| Profit After Tax | 12.42 | 68.72 |
| Revenue from Operations | 16665.45 | 14951.01 |
| Net Profit Ratio (in %) | 0.07% | 0.46% |

Explanation: Fall in Ratio is due to decrease in profit during the year compared to preceding year.

(j) RETURN ON CAPITAL EMPLOYED

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Profit before tax & finance cost | 421.18 | 585.94 |
| Capital Employed = Net Worth + borrowings + Deferred Tax Liabilities | 8597.55 | 8446.31 |
| Return on Capital Employed (in %) | 4.90% | 6.94% |

Explanation: Variation is due to decrease in Net Profit during the year.

(k) RETURN ON INVESTMENTS

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Income generated from investments (Including FVOCI) | 8452.15 | 1952.69 |
| Opening Invested Funds (including FVOCI effect) | 2605.32 | 641.82 |
| Closing Invested Funds (including FVOCI effect) | 11478.74 | 2605.32 |
| Average Invested Funds | 7042.03 | 1623.57 |
| Return on Investment (in %) | 120.02% | 120.27% |

MOHIT INDUSTRIES LIMITED

II. Borrowings from banks or financial institutions on the basis of security of current assets

(Amount in Rupees Lakhs)

The material differences in amount of quarterly statement / return filed with Bank and as per books of accounts as given below:-

| Quarter | Name of Bank | Particulars of Securities Provided | Amount as per Books of accounts | Amount reported in Quarterly statement / return | Amount of Difference | Reasons for Material difference |
|-----------------|----------------------|------------------------------------|---------------------------------|---|----------------------|---------------------------------|
| June, 2021 | SVC Co-Op. Bank Ltd. | Inventories | 2305.59 | 1852.51 | 453.08 | Note No. 1 below |
| June, 2021 | SVC Co-Op. Bank Ltd. | Trade Payable for Goods | 439.30 | 150.64 | 288.67 | Note No. 1 below |
| September, 2021 | Axis Bank Ltd. | Inventories | 2545.62 | 2647.36 | -101.73 | Note No. 1 below |
| September, 2021 | Axis Bank Ltd. | Trade Payable for Goods | 157.80 | 85.41 | 72.39 | Note No. 1 below |
| December, 2021 | Axis Bank Ltd. | Inventories | 2970.89 | 2533.26 | 437.63 | Note No. 1 below |
| December, 2021 | Axis Bank Ltd. | Trade Payable for Goods | 302.86 | 85.41 | 217.45 | Note No. 1 below |
| March, 2022 | Axis Bank Ltd. | Inventories | 2365.52 | 2434.09 | -68.57 | Note No. 1 below |
| March, 2022 | Axis Bank Ltd. | Trade Payable for Goods | 270.02 | 151.49 | 118.53 | Note No. 1 below |

Note on Explanation for difference in amount as per Books of accounts and amount reported in quarterly statement / return filed with bank :-

1 The difference between amounts as per books of accounts and amounts reported in quarterly statement filed with bank is because stock statements are filed with bank before updation / finalization of accounts for quarterly limited review / audit of the accounts. Hence, debtors, creditors and stock are reported on adhoc basis with bank without complete updation of books of accounts.

III. Loans given to related parties:-

(Amount in Rupees Lakhs)

(a) Without Specifying any terms or period of repayment

| Type of Borrower | Current Period | | Previous Period | |
|------------------|--------------------|--------------|--------------------|-------------|
| | Amount Outstanding | % of Total | Amount Outstanding | % of Total |
| Promoters | - | 0.00% | - | 0% |
| Directors | - | 0.00% | - | 0% |
| KMPs | - | 0.00% | - | 0% |
| Related Parties | - | 0.00% | 0.70 | 100% |
| Total | - | 0.00% | 0.70 | 100% |

As per our Audit Report Attached

For & On Behalf of Board of Directors

For RAJENDRA SHARMA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 108390W

Sd/-
Narayan Saboo
(Managing Director)

(Rajendra Ratanlal Sharma)

Partner

M. No. 044393

Surat, 27th May, 2022

Sd/-
Manish Saboo
(Director & CFO)

Sd/-
Mittal Shah
(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

| | |
|------------------------|--|
| Name of the member(s): | |
| Registered Address: | |

| | | | |
|---------------|--|------------|--|
| Folio No | | *DP ID | |
| No. of Shares | | *Client ID | |

* Applicable to holders holding shares in demat/electronic form

I hereby record my attendance at the 32nd Annual General Meeting of the Company held on Friday, the 30th day of September, 2022 at the registered office of the company situated at 204, 2nd Floor, Jay Sagar Complex, Behind J.K Tower, Near Sub-Jail, Khatodara, Surat 395002, Gujarat, India at 10:00 A.M.

Shareholders Signature

Note:

1. Please fill this attendance slip and hand it over at the entrance of the Meeting Hall.
2. Members signature should be in accordance with the specimen signature in the Register of Members of the Company.
3. Members are requested to bring their copy of the Annual Report and this Attendance Slip at the Annual General Meeting of the Company.

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

Form MGT-11
PROXY FORM

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

| | |
|------------------------|--|
| Name of the member(s): | |
| Registered Address: | |
| E-mail ID: | |
| Folio No/ *Client ID: | |
| *DP ID: | |

*Applicable for holders holding shares in demat/ electronic mode
 I/We, being the member(s) of Shares of the above named company, hereby appoint

1. Name: Address:

 E-mail ID: Signature: **Or**
failing him
2. Name: Address:

 E-mail ID: Signature: **Or**
failing him
3. Name: Address:

 E-mail ID: Signature:

As my/our proxy to attend and vote (on a poll) for me/ us and my/our behalf at the 12th Annual General Meeting of the Company, to be held on Friday, the 30th day of September, 2022 at 10:00 a.m. at 204, 2nd Floor, Jay Sagar Complex, Behind J.K Tower, Near Sub-Jail, Khatodara, Surat 395002, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Ordinary Resolution | For | Against |
|----------------|--|------------|----------------|
| 1 | Adoption of Annual Accounts, Auditor's & Director's Report. | | |
| 2 | Re-appointment of Mr. Manish Saboo (DIN: 01576187), Director. Who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3 | Re-Appointment Of M/S. Rajendra Sharma & Associates., Chartered Accountants as a Statutory Auditors of the Company | | |
| 4 | To ratify the remuneration of the Cost Auditor for the Financial Year Ending 31 st March, 2023. | | |

Signed this _____ day of _____ 2022.

Affix Re. 1
Revenue Stamp

 Signature of Shareholder

Note: 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.

BALLOT FORM

1. Name(s) of Member(s) :
(Including joint holders, if any)
2. Registered address of the :
Sole/first named Member
3. Registered folio No./ :
DP ID No./Client ID No.*
(*Applicable to investors holding Shares in dematerialized form)
4. Number of Shares held :
5. I/We herby exercise my/our vote in respect of the Resolution to be passed through Postal Ballot for the Business stated in the Postal Ballot Notice and Explanatory Statement annexed thereto by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick (✓) mark at the appropriate box below:

| Item No. | Item | Nature of Resolution | No. of shares | I/We Assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) | (ABSTAIN) |
|-----------------|--|-----------------------------|----------------------|--|---|------------------|
| 1 | Adoption of Annual Accounts, Auditor's & Director's Report. | Ordinary | | | | |
| 2 | Re-appointment of Mr. Manish Saboo (DIN: 01576187), Director. Who retires by rotation and being eligible, offers himself for re-appointment. | Ordinary | | | | |
| 3 | Re-Appointment Of M/S. Rajendra Sharma & Associates., Chartered Accountants as a Statutory Auditors of the Company | Ordinary | | | | |
| 4 | To ratify the remuneration of the Cost Auditor for the Financial Year Ending 31 st March, 2023. | Ordinary | | | | |

Place:

Date:

(Member)

ELECTRONIC VOTING PARTICULAR

| |
|------------------------------|
| EVEN (E VOTING EVENT NUMBER) |
| 121502 |

E-Voting shall remain start on Tuesday, 27th Day of September, 2022 (9.00 a.m.) and will be open till Thursday, 29th day of September, 2022 till the close of working hours (i.e. 5.00 p.m.).

Note: Please read the instructions printed overleaf carefully before exercising your vote.

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THE MINISTRY OF CORPORATE AFFAIRS HAS TAKEN A "GREEN INITIATIVE IN THE CORPORATE GOVERNANCE" BY ALLOWING PAPERLESS COMPLIANCES BY THE COMPANIES AND HAS ISSUED CIRCULAR STATING THAT SERVICE OF NOTICE/DOCUMENTS INCLUDING ANNUAL REPORT CAN BE SENT BY E-MAIL TO ITS MEMBERS. TO SUPPORT THIS GREEN INITIATIVE OF THE GOVERNMENT, MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESS, SO FAR, ARE REQUESTED TO GET THEIR E-MAIL ADDRESSES, IN RESPECT OF ELECTRONIC HOLDING WITH DEPOSITORY THROUGH THEIR CONCERNED DEPOSITORY PARTICIPANTS. MEMBERS, WHO HOLD SHARES IN PHYSICAL FORM, ARE REQUESTED TO GET THEIR SHARES DEMATERIALIZED.



**Teamwork Builds Trust
and Trust Builds Speed**

www.mohitindustries.com



MOHIT INDUSTRIES LIMITED
CIN No.: L17119GJ1991PLC015074

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E : contact@mohitindustries.com