



**ANNUAL REPORT  
2007-2008**

**BOARD OF DIRECTORS** : **Shri Sitaram N. Saboo** *Chairman & Managing Director*  
**Shri Narayan S. Saboo** *Jt. Managing Director*  
**Shri Naresh S. Saboo**  
**Shri Jayesh R. Gandhi**  
**Shri Ashok Kumar Sharda**  
**Shri Sachin Kumar Jain**

**AUDITORS** : **Rameshkumar Malpani & Co.**  
*Chartered Accountants*  
401, Trividh Chambers,  
Ring Road, Surat.

**BANKERS** : State Bank of Travancore  
Development Credit Bank

**REGISTERED OFFICE** : A/601 B, International trade centre,  
Majura Gate, Ring Road ,  
Surat - 395002, Gujarat

**PLANTS** : 1. Village : Kudsad  
Tal : Olpad  
Dist. : Surat (Gujarat)

2. Village : Masat (Silvassa)  
Union Territory of Dadra & Nagar Haveli

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**NOTICE**

**NOTICE** is hereby given that **EIGHTEENTH ANNUAL GENERAL MEETING** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Tuesday, 30th day of September 2008 at 10:00 A.M. at registered office of the company to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2008 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To appoint Mr. Sitaram Saboo as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Jayesh Gandhi as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to Section 252, 255, 257 and other applicable provisions of the Companies Act, 1956, Mr. Gopal Sultania be and is hereby appointed as a director liable to retire by rotation."

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

**"RESOLVED THAT** in accordance with the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board/Committee to issue/offer equity shares, including unclassified shares after classifying them as equity/preference shares and/or convertible debentures (fully or partly) and/or non-convertible debentures, all or any of the aforesaid with or without detachable or non detachable warrants, and/or warrants of any nature, bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide, to such persons whether or not such persons are members of the Company including Non-Residents Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies, other entities/authorities and to such other persons, whether through public issue, rights issue, conversion of loans or otherwise for expansion of existing manufacturing facilities, setting up new projects, working capital requirements and for general corporate purposes or any other strategic investments as the Board may deem fit, so that the total amount raised through the aforesaid securities including premium, if any, shall not exceed Rs. 100 Crores, with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the prevailing laws, at such price or prices, or in such manner as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the lead managers, advisors and such other persons and on such terms and conditions including the number of securities to be issued, price, rate of interest, redemption period, manner of redemption, amount of premium



or redemption, the number of equity shares allotted on conversion of debt instruments exercise of rights attached with warrants, the ration of exchange of shares and/or any other financial instruments, period of conversion, fixing of record date or book closure and related or incidental matters.”

“**RESOLVED FURTHER THAT** such of the securities to be issued, as are not subscribed may be disposed of by the Board/Committee, thereof, to such persons and in such manner and on such terms as the Board or Committee may in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to enter into and execute all such arrangements/agreements with any person or persons who may be directly connected or involved in such issuing/offering of securities and that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the issue, offer and allotment of Securities and to give effect to this Resolution.”

For and on behalf of the Board of Directors

Place : SURAT  
Dated : 26-08-08

**SITARAM SABOO**  
CHAIRMAN

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Any instrument appointing a proxy or proxies should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item 5 and 6 is appended hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 22nd September, 2008 to Tuesday, 30th September, 2008 (both days inclusive).
5. Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available.
6. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pin code number, to the Registrar & Share Transfer Agent, Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059
7. The Shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT PURSUANT TO  
SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 5**

Mr. Gopal Sultania is leading industrialist of the town and having great exposure in Textile Industry of Surat. Mr. Gopal Sultania is having more than 20 years of experience in the textile industry. He is presently the director of Devika Fibres Pvt. Ltd. engaged in manufacture of texturising and sized yarn. His experience will be useful for the company and management is confident that with his presence on the Board of your company will achieve new heights. Brief bio-data is covered herein above so separate bio-data is not given.

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

Board of Director recommends the resolution for adoption.

No director is directly or indirectly interested in the resolution.

**Item No. 6**

The Company has been examining its growth opportunities from time to time in line with the objective of becoming competitive in its business. As a part of its future growth strategy, the Company has a few diversification plans as well.

In order to be able to take up the proposed activities as the Board may decide, the Board of Directors consider that it would become necessary to raise finance at appropriate time(s) by issue of appropriate instruments, at such price or prices, however such amount shall not exceed Rs. 100 Crores, as stated in the resolution.

Consent of the Shareholders is sought to authorise the Board of Directors for issuing Securities as stated in the resolution, which would result in issuance of further shares of the Company.

As the Members are aware, as part of the liberalization in economic policies, the Government of India has permitted free pricing of Equity Issues. The Company, in consultation with its Merchant Bankers and Financial Institutions and other Advisors, will fix the detailed terms of the issue which will be in line with the requirements of guidelines issued by Securities and Exchange Board of India (SEBI).

The Resolution set out at Item No.6 is enabling resolution, conferring authority on the Board to cover all contingencies and corporate requirements.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in general meeting decide otherwise.

The Listing Agreement with the Stock Exchanges provide, inter alia, that the Company in the first instance should offer all the shares and debentures issue for subscription pro rata to the equity shareholders unless the shareholders decide otherwise in a general meeting.

Accordingly, consent of the Shareholder is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the various Stock Exchange in India where the Company's Securities are listed.

The proposed resolution is, therefore, recommended for your approval.

All the Directors of the Company may be deemed to be concerned or interested to the extent that they may be entitled to the Securities that will be offered to them on Rights basis or otherwise and applied for and allotted to them.

For and on behalf of the Board of Directors

Place : SURAT  
Dated : 26-08-08

**SITARAM SABOO**  
CHAIRMAN



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**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Annual Report together with the Audited Statements of Account of the Company for the year ended 31st March, 2008 and the Auditors' report thereon.

**Financial Results:**

<b>Particulars</b>	<b>31.03.2008</b>	(Rs. in Lakhs)
		<b>31.03.2007</b>
Sales & other income	<b>12197.20</b>	9395.26
<b>Profits before depreciation, interest and Tax</b>	<b>802.50</b>	592.96
Less : Depreciation	<b>200.80</b>	126.01
Interest	<b>214.00</b>	111.70
<b>Profit before Tax</b>	<b>387.7</b>	355.25
Less: Provision for tax	<b>135.02</b>	122.35
<b>Profit after tax</b>	<b>252.70</b>	232.89

**Current Year Operation:**

Your company has delivered whatever promised and achieved better figures than projected by the Company with growth of about 25% in the turn over, and about 8 % in the PAT. Even cash accruals has also achieved newer heights in the current year. Management has plans to diversify into AAC blocks, the basic raw materials for the construction, which is cheaper and lighter than the bricks and in great demand in the market. Considering this expansion plans no dividends has been recommended by the Board.

**Dividend:**

The directors have not recommended any final dividend.

**Directors:**

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of the Company, Mr. Sitaram Saboo and Mr. Jayesh Gandhi are directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his appointment.

**Audit Committee:**

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

**Director's Responsibility Statement:**

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

- that applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- that the accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- that the annual accounts have been prepared on a going concern basis.

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### **Particulars under Section 217(2A) of the Companies Act, 1956:**

There were no employees who were in receipt of remuneration exceeding the ceiling limit prescribed under the Companies (Particulars of Employees) Rules, 1975 calling for furnishing their particulars.

### **Conservation of Energy, Technology, Absorption and Foreign Exchange Earning and outgo:**

#### **A. Conservation of Energy, Technology and Absorption**

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption is given in the Annexure forming part of the this report.

#### **B. Foreign Exchange earnings and outgo:**

During the year under review, there was no foreign exchange earning or outgo

### **Auditors' Report**

Observations made in the Auditors' Report read with relevant notes in Notes to Accounts, call for comments under Section 217(3) of the Companies Act, 1956 regarding not doing provisions for Gratuity as per accounting standard – 15. Board is of the opinion that Company does not have very high employee strength and very few employees become eligible for Gratuity and management experience till date to deal with the Gratuity issue as and when arises has worked positively, ad decided to continue this practice.

#### **Auditors:**

M/s. Ramesh Kumar Malpani & Co. Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting. They being eligible for reappointment, the Board recommends their reappointment.

#### **Corporate Governance:**

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

#### **Fixed Deposits:**

The Company has not accepted any Fixed deposits under section 58-A of the Companies Act, 1956.

#### **Acknowledgement:**

The Directors would like to thank all the clients of the Company for the unstinted support received from them during the year.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board of Directors

Place : SURAT  
Dated : 26-08-08

**SITARAM SABOO**  
CHAIRMAN

**Annexure**

	<u>2007-08</u>	<u>2006-07</u>
<b>(A) Power and Fuel Consumption:</b>		
1. Electricity		
(a) Purchased		
Units	106.20 lacs	77.41 lacs
Total Amount	397.11lacs	298.13 lacs
Rate/Unit (Rs.)	3.74	3.85
(b) Own Generation		
i) Through Diesel Generator		
Units	.61 Lacs	.56 Lacs
Units per Ltr. of Diesel Oil	3.5	3.5
Rate/Unit (Rs.)	10.09	10.32
ii) Through Steam/Turbine Generator	NIL	NIL
2. Gas	NIL	NIL
3. Oil (LDO)/Diesel	NIL	NIL
4. Furnace Oil	NIL	NIL
5. Other internal generation	NIL	NIL

**(B) Consumption per unit of Production:**

Product	Grey Cloth (mtrs)		
	Electricity	0.40	0.40
Product	Yarn (kg.)		
	Electricity	0.60	0.63

**TECHNOLOGY AGSORPTION, ADAPTATION AND INNOVATION:**

The project of your company has no foreign collaboration, hence no particulars are offered for the same as the Rule 2 of the said Rules does not apply.

**FOREIGN EXCHANGE EARNING/ OUTGO**

	<u>2007-08</u>	<u>(Rs. In Lacs)</u> <u>2006-07</u>
Foreign Exchange Earned	<b>Nil</b>	NIL
Foreign Exchange Used:		
Purchase of capital Goods	<b>Nil</b>	229
Trading Goods	<b>Nil</b>	182
Foreign Travel	<b>Nil</b>	Nil

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**CORPORATE GOVERNANCE REPORT**
**(A) Company's Philosophy on Code of Corporate Governance**

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

**(B) Board of Directors****(i) Board Composition**

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

The constitution of the Board is as given below:

Sr. No.	Name of Director	Category	No. of other Directorships #	Committee Memberships	
				Member	Chairman
1	Mr. Sitaram N. Saboo	Chairman Executive	0	3	0
2	Mr. Narayan S. Saboo	Executive Director	3	0	0
3	Mr. Naresh S. Saboo	Non-Executive	1	0	0
4	Mr. Jayesh R. Gandhi	Non-Executive Independent	0	0	0
5	Mr. Ashok Sharda	Non-Executive Independent	0	3	1
6	Mr. Sachin Kumar Jain	Non-Executive Independent	0	3	2

# Excludes Directorships of Private Limited Companies, Foreign Companies and Alternate Directorships.

# # Committee of Directors include Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only and excludes Memberships in Private Limited Companies, Foreign Companies and Companies of Section 25 of the Companies Act, 1956.

Note : The expression Independent Director means director who apart from receiving director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board, may affect independence of judgement of the director.

**(ii) Board Meetings and Attendance of Directors**

During the financial year ended 31st March, 2008, Board of Directors met 15times on (1) 30/04/2007, (2) 25/06/2007, (3) 26/06/2007, (4) 27/06/2007, (5) 05/07/2007, (6) 30/07/2007, (7) 14/08/2007, (8) 08/09/2007, (9) 28/09/2007, (10) 31/10/2007, (11) 02/11/2007, (12) 04/12/2007, (13) 15/12/2007, (14) 31/01/2008 (14) 04/02/08 and (15) 15.03.2008.

The maximum time gap between any two meetings was not more than four calendar months.



Attendance of Directors at the Board Meetings held during the financial year 2007-2008 and the last Annual General Meeting:

Sr. No.	Name of the Directors	Attendance at Board Meetings		Attendance at last Annual General Meeting
		No. of Meetings held during the year 2007-2008	No. of the Meetings Attended	
1	Mr. Sitaram N. Saboo	15	14	Yes
2	Mr. Naraya N. Saboo	15	15	Yes
3	Mr. Naresh S. Saboo	15	15	Yes
4	Mr. Jayesh R. Gandhi	15	6	Yes
5	Mr. Ashok Sharda	15	6	Yes
6	Mr. Sachin Jain	15	10	No

(iii) Directors seeking appointment/re-appointment:

Mr. Sitaram Saboo and Mr. Jayesh Gandhi retires by rotation and, being eligible offers himself for re-appointment.

**(C) Committees of the Board**

(i) Audit Committee

The Audit Committee consists of three Directors Mr. Ashok Sharda, Mr. Sitaram Saboo and Mr. Sachin Jain. Mr. Ashok Sharda acts as a Chairman of the Audit Committee Meetings. Three Audit Committee Meetings were held during the financial year 2007-2008 on 26/08/2007, 01/11/2007 and 30/03/2008. The Compositions of the Audit Committee and the attendance of each director at these meetings were as follows:

Sr. No.	Members of Audit Committee	No. of Meetings Attended
1	Mr. Sitaram Saboo	3
2	Mr. Sachin Jain	3
3	Mr. Ashok Sharda	3

The terms of reference of the Audit Committee are in line with Clause 49 II (C) & (D) of the Stock Exchange Listing Agreement and Section 292A of the Companies Act, 1956. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company. The Committee has full access to financial information and also verified utilization of funds collected through Rights Issue. The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing with the management the financial statements and adequacy of internal control systems.

The Committee discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Audit Committee also discussed major issues related to risk management and compliances.

(ii) Remuneration Committee

The Remuneration Committee has been constituted to recommend / review the remuneration package of the Executive Directors, based on performance and defined criteria.

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

Mr. Sachin Jain is the Chairman and Mr. Sitaram Saboo & Mr. Ashok Sharda are the members of the Remuneration Committee.

The Remuneration Committee met once on 30/03/2008 during the Financial Year ended March 31, 2008 in which all the members were present.

Details of remuneration paid to the Directors during the year 2007-2008 are as follows:

Sr. No.	Name of the Directors	Sitting Fees (Rs.)	Salary and Perquisites (Rs.)	Commission (Rs.)	Total Remuneration (Rs.)
1	Mr. Narayan Saboo	0	110000.00	0	110000.00

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(iii) Shareholders/Investors Grievance Committee:

The Company has a Shareholders/Investors Grievance Committee of the Board comprising Mr. Sachin Jain, Mr. Sitaram Saboo and Mr. Ashok Sharda as members. The various issues addressed in connection with shareholders' and Investors' services and complains are:

(a) Share Transfers:

- i) Approve and register transfer and transmission of shares, in cases where applicable.
- ii) Sub-division/ consolidation of Share Certificates.
- iii) Issue of duplicate share certificates in lieu of lost share certificates.
- iv) Affix common seal on share certificates and maintain safe custody of common seal.

(b) Shareholders'/Investors' complaints pertaining to:

- i) Non-receipt of Shares after transfer.
- ii) Non-receipt of Annual Report.
- iii) Other matters related to or arising out of Shareholders/Investors services.

The minutes of the Committee are placed before the Board. The quorum of the Committee is two members. The Committee meets regularly as prescribed under the Clause 49 of the listing agreement, to effect Share Transfers and for other related matters as referred in Point (a) to (b) above.

During the financial year ended 31st March 2008, all the complaints, received by the Company, were resolved to the satisfaction of the Shareholders/Investors.

There are no pending share transfers as on 31st March, 2008 except for those cases which are constrained by dispute or legal proceedings.

**(D) General Body Meetings:**

Year	Day & Date	Venue	Time
2005	25.07.2005	Meeting Hall, Super Yarn Market, Zampa Bazar, Surat	11.00 A.M.
2006	29.09.2006	—DO—	11.00 A.M.
2007	29.09.2007	A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat – 395 002	04.00 P.M.

Company has passed one Special Resolution through postal ballot regarding change in object clause during the last year. No Special Resolution is being put through postal ballot in the ensuing AGM as there is no such business, which statutorily requires voting through postal ballot.

**(E) Disclosures:**

(i) Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large. However the transactions detailed in Note No. 13 of Schedule 'S' to the accounts may be considered as related party transactions.

(ii) Disclosure of Accounting Treatment :

Company has not followed the treatment different from that prescribed in an Accounting Standard in the preparation of financial statements.

(iii) Risk Management :

The company has appointed insurance and other management consultants to assess risk and keep track to minimize the risk.

(iv) Proceeds from Right Issue :

Necessary periodical statements duly certified where ever required were placed before the Audit Committee.

(v) Compliances by the Company:

The Company has generally complied with the requirements of the Listing Agreement with the Stock Exchange as well as the regulations and guidelines prescribed by SEBI.

**(F) Means of Communication:**

(i) The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Stock Exchange, Mumbai immediately after the conclusion of the respective meeting.

(ii) The Management Discussion and Analysis Report forms a part of this Annual Report.

**(G) General Shareholders' Information:**

- (i) Date, time and venue of Annual General Meeting of Shareholders : 30.09.2008  
10:00 A.M. A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat.
- (ii) Financial Calendar (tentative and subject to change)  
Financial reporting for quarter ended  
June 30, 2008 : By July 31, 2008  
September 30, 2008 : By October 31, 2008  
December 31, 2008 : By January 31, 2009  
March 31, 2009 : By April 30, 2009  
Annual General Meeting for year ended 31st March 2009 – By September 30, 2009.
- (iii) Dates of book closures  
From 22nd September, 2008 to 30th September, 2008 (both days inclusive)
- (iv) Listing on stock exchanges  
The Company's shares are listed and traded on The Stock Exchange, Mumbai.
- (v) Stock Exchange Code  
531453
- (vi) Stock Market price data

Monthly high and low at the Stock Exchange, Mumbai for financial year ended 31st March, 2008:

Month	High Rs.	Low Rs.
April, 2007	42.10	23.00
May, 2007	38.60	25.10
June, 2007	36.35	23.10
July, 2007	42.70	29.00
August, 2007	31.40	22.40
September, 2007	25.90	20.10
October, 2007	24.55	18.00
November, 2007	24.90	16.20
December, 2007	31.20	18.55
January, 2008	40.00	17.35
February, 2008	21.30	16.10
March, 2008	17.35	12.20

- (viii) Registrar and Share Agents:  
Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059  
Tel No.: (022) 2859 4060, 2859 6060 Fax No.: (022) 2850 3748 Email ID: adroits@vsnl.net

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

- (x) Distribution of Shareholding as on March 31, 2008

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 500	2099	71.96	449162	3.85
501 - 1000	385	13.20	330938	2.84
1001 - 5000	306	10.48	719478	6.17
5001 - 10000	46	1.58	339301	2.91
10001 & above	81	2.78	9818696	84.23
Total	2917	100.00	11657575	100.00

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(xi) Categories of Shareholding as on March 31, 2008

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Promoters	9	0.31	2295848	19.69
Person Acting in Concert	3	0.10	3860460	33.12
Banks, Financial Institutions, Insurance Companies	0	0	0	0
Private Corporate Bodies	168	5.77	1399196	12.00
NRI	22	0.75	101928	0.88
Indian Public	2715	93.07	4000143	34.31
Total	2917	100.00	11657575	100.00

(xii) Dematerialization of shares and liquidity

About 98% of the Equity Shares have already been dematerialized upto 31st March, 2008 Mohit Industries Limited are listed at Mumbai Stock Exchange and being traded occasionally.

(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

There are no GDR/ADR/Warrant or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

(xiv) Plant Location

Kim Unit : Plot No. 5&6, Village Kudsad, Taluka Olpad, District Surat

Silvassa Unit: Plot No. 2, Moje Masat, Survey No. 301/1, Dadra Nagar Haveli

(xv) Address for Correspondence:

**Mohit Industries Limited**

A/601 B, International Trade Center, Majura Gate, Ring Road, Surat – 395 002, Gujarat, India

Tel No: (0261) 2463261-62-63 Fax: (0261) 2463264 Email: mohit\_ind\_ltd@yahoo.co.in

### 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, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

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

Place : Surat.  
Date : 26.08.2008



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**AUDITORS' REPORT**

To,  
The Members of  
MOHIT INDUSTRIES LTD., SURAT

We have audited the attached Balance Sheet of MOHIT INDUSTRIES LTD., as at 31st March, 2008 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 ('the Order') issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph above, we report that:-

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 **except for Accounting Standard-15 on Employee Benefits in respect of provision for Long Term Employee Benefit & Defined Benefit plans.**
- e) On the basis of the written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and **subject to Note No. 1(E) of Schedule 'T' of Statement of Accounting Policies and Notes on Accounts in respect of provision of Long Term Employee Benefits & Defined Benefit Plan**, give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - 1) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2008,
  - 2) In case of the Profit & Loss account, of the profit of the company for the year ended on that date.
  - 3) In case of the cash flow statement, of the cash flows of the company for the year ended on that date.

**For RKM & CO.**  
Chartered Accountants

**(RAMESH KUMAR MALPANI)**  
Proprietor  
M. No. 33840

Surat,  
11-08-2008

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.  
(c) The company has not disposed off substantial part of fixed assets during the year.
- ii. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.  
(b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on such physical verification.
- iii. (a) The company has granted advances in the nature of loans to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties to whom such advances have been granted is one. The maximum amount involved during the year was Rs. 2.13 Crores and the year end balance was Rs. 2.13 crores.  
(b) In our opinion and as explained to us, the rate of interest and other terms and conditions on which the advances in the nature of loans have been granted to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, are, prima facie, not prejudicial to the interest of the company.  
(c) As explained to us, the payment of principal and interest, wherever applicable, in respect of advances so given are regular  
(d) As explained to us, there are no overdue amounts of principal or interest in respect of advances so given.  
(e) The company has not taken loans from companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, provisions of clause 4(iii) (e) to (g) of the Order are not applicable.
- iv. In our opinion and according to information and explanation given to us, there are adequate internal control systems with regard to purchases of inventories and fixed assets. ***However, in our opinion the internal control systems of the company are not adequate commensurate with the size of the company and nature of its business with regard to sale of goods and services. During the course of our audit, we have observed major weakness in internal control systems with regard to sale of goods which need to be corrected.***
- v. (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301, have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered into during the financial year at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The company has not accepted any deposit from public.
- vii. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.



- viii. As explained to us, the company is maintaining accounts and records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956. However, no such accounts/ records were verified by us.
- ix. (a) As explained to us, laws of Employee State Insurance are not applicable to the company. In respect of other undisputed statutory dues including provident fund, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, the company has generally been regular in depositing the same with appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x. The company has no accumulated losses at the end of financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders during the year.
- xii. In our opinion, and according to the information and explanations given to us and based on information available, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- xiv. The company has maintained proper records regarding transactions and contracts for trading of shares and has done timely entries in such records. According to the informations and explanations given to us, all the investments are in the company's own name **except investment in Government Securities (Kisan Vikas Patra) which are held in the name of directors on behalf of the company.**
- xv. The company has given guarantee to State Bank of Travancore in respect of loan taken by Mohit Overseas Limited, in which the company is one of the main promoters. According to information and explanations given to us, we are of the opinion that the terms and conditions of guarantee so given are not, prima facie, prejudicial to the interest of the company.
- xvi. In our opinion, the term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies act, 1956.
- xix. The company has not issued debentures during the year. Hence, the provisions of Clause 4(xix) of the Order are not applicable to the company.
- xx. The company has not made any public issue during the year. Hence, the provisions of Clause 4(xx) of the Order are not applicable to the company.
- xxi. **As informed to us, fraud on the company was done during the year by way of unrecorded sales to the tune of Rs. 182.17 lacs at factory premises of the company. The unrecorded sales have now been credited in books of accounts of the company.**

For RKM & CO.  
Chartered Accountants

(RAMESH KUMAR MALPANI)

Proprietor

M. No. 33840

Surat,  
11-08-2008

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**BALANCE SHEET AS ON 31ST MARCH, 2008**

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>I. SOURCES OF FUNDS</b>			
1. Share Holders Fund:			
- Share Capital	A	<b>116575750.00</b>	116575750.00
- Reserve & Surplus	B	<b>128553339.63</b>	103285409.06
Sub Total		<b>245129089.63</b>	219861159.06
2. Loan Funds			
- Secured Loans	C	<b>227921881.95</b>	208200387.36
Sub Total		<b>227921881.95</b>	208200387.36
3. Deferred Tax Liability		<b>15304560.00</b>	14513489.00
Total		<b>488355531.58</b>	442575035.42
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets	D		
- Gross Block		<b>288822225.45</b>	277401183.45
- Less:- Depreciation		<b>93333054.45</b>	73522462.45
		<b>195489171.00</b>	203878721.00
- Add: Capital Work In Progress		<b>1300000.00</b>	2119499.00
		<b>196789171.00</b>	205998220.00
2. Investment	E	<b>38781458.32</b>	26647200.00
3. Current Assets, Loans And Advances			
Inventories	F	<b>43884645.00</b>	61836575.00
Sundry Debtors	G	<b>137067085.26</b>	111739367.94
Cash & Bank Balances	H	<b>5748017.08</b>	5501460.71
Loans & Advances	I	<b>118472048.70</b>	66983200.02
Sub Total		<b>305171796.04</b>	246060603.67
Less:- Current Liabilities & Provisions	J		
Current Liabilities		<b>41006989.78</b>	31963782.25
Provisions		<b>12619500.00</b>	5870000.00
Sub Total		<b>53626489.78</b>	37833782.25
Net Current Assets		<b>251545306.26</b>	208226821.42
4. Misc. Expenditure :	K		
(To the extent not written off or adjusted)		<b>1239596.00</b>	1702794.00
Total		<b>488355531.58</b>	442575035.42
STATEMENT OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S		
As per our Audit report of even date <b>For RKM &amp; CO.</b> <i>Chartered Accountants</i> <b>(RAMESH KUMAR MALPANI)</b> <i>PROPRIETOR</i>	FOR AND ON BEHALF OF BOARD <b>SITARAM SABOO</b> <i>Director</i> <b>NARAYAN SABOO</b> <i>Director</i> <b>NARESH SABOO</b> <i>Director</i>		
Place : Surat Date : 11/08/2008	Place : Surat Date : 11/08/2008		

**MOHIT INDUSTRIES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>I. INCOME</b>			
- Income From Operations	L	<b>1214809713.00</b>	938018552.92
- Other Income	M	<b>4909290.74</b>	1507372.75
Total Rs.		<b>1219719003.74</b>	939525925.67
<b>II. EXPENDITURE</b>			
Operating Expenses	N	<b>1110228361.86</b>	855601290.14
Administrative Expenses	O	<b>15187066.29</b>	11164963.20
Selling & Distribution Expense	P	<b>10232629.00</b>	8550087.00
Repairs & Maintenance		<b>2902989.00</b>	1730202.00
Financial Charges	Q	<b>21653561.02</b>	11169820.20
Depreciation		<b>20084657.00</b>	12601006.00
Loss On Sale Of Assets/Investment		<b>196157.00</b>	71981.71
Loss On Derivative Transactions		—	2648508.38
Misc. Expenditure W/Off	R	<b>463198.00</b>	463198.00
Total Rs.		<b>1180948619.17</b>	904001056.63
<b>III. PROFIT/LOSS (I-II)</b>			
		<b>38770384.57</b>	35524869.04
Provision For Tax			
- For Current Year		<b>12550000.00</b>	5800000.00
- For Deferred Tax		<b>791071.00</b>	6255155.00
- Income Tax of Earlier Years		<b>91883.00</b>	110399.00
Provision For Fringe Benefit Tax		<b>69500.00</b>	70000.00
Profit After Tax		<b>25267930.57</b>	23289315.04
Balance B/F. From Previous Year		<b>14678809.06</b>	5282044.02
Amount Available For Appropriation		<b>39946739.63</b>	28571359.06
-> Interim Dividend Paid/Proposed		—	11657575.00
-> Tax On Interim Dividend		—	1634975.00
-> Transfer To General Reserve		—	600000.00
Balance Carried To Balance Sheet		<b>39946739.63</b>	14678809.06
Average Outstanding Shares during the year		<b>11657575.00</b>	10626940.00
Face Value Of Shares		<b>10.00</b>	10.00
Basic Earnings Per Share		<b>2.17</b>	2.19
Diluted Earnings Per Share		<b>2.17</b>	2.19
STATEMENT OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S		
As per our Audit report of even date <b>For RKM &amp; CO.</b> <i>Chartered Accountants</i>	FOR AND ON BEHALF OF BOARD		
<b>(RAMESH KUMAR MALPANI)</b> <i>PROPRIETOR</i>	<b>SITARAM SABOO</b> <i>Director</i>		
	<b>NARAYAN SABOO</b> <i>Director</i>		
	<b>NARESH SABOO</b> <i>Director</i>		
Place : Surat	Place : Surat		
Date : 11/08/2008	Date : 11/08/2008		

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**SCHEDULES 'A' TO 'S' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH, 2008**

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>SCHEDULE 'A' : SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
16000000 equity shares of Rs. 10/- each (P.Y. 16000000 equity shares)	<b>160000000.00</b>	160000000.00
<b>ISSUED</b>		
12182900 Equity Shares of Rs. 10/- each (P.Y. 12182900 E. Shares)	<b>121829000.00</b>	121829000.00
TOTAL RS.	<b>121829000.00</b>	121829000.00
<b>SUBSCRIBED &amp; PAID UP CAPITAL</b>		
11657575 E. Share of Rs. 10/- each fully paid up. (P.Y. 11657575 E. Share of Rs. 10/- each)	<b>116575750.00</b>	116575750.00
	<b>116575750.00</b>	116575750.00
<b>SCHEDULE 'B' : RESERVE &amp; SURPLUS</b>		
1) Share premium A/c.	<b>86284000.00</b>	86284000.00
2) General Reserve		
Opening Balance	1060000	
Transfer from State Subsidy	1262600	
	<b>2322600.00</b>	1060000.00
3) State subsidy (Transferred to General Reserve)	—	1262600.00
4) Profit & Loss Account	<b>39946739.63</b>	14678809.06
	<b>128553339.63</b>	103285409.06
<b>SCHEDULE 'C' : SECURED LOANS</b>		
<b>(A) TERM LOANS</b>		
1) State Bank of Travancore	—	179137.00
2) SIDBI (T/L)	<b>1346141.00</b>	2009106.00
3) State Bank of Travancore (TL-II)	<b>6847152.00</b>	9659534.00
4) State Bank of Travancore (TL -III)	<b>67118329.00</b>	86725744.00
5) State Bank of Travancore (TL -IV)	<b>3419138.00</b>	5563833.00
6) State Bank of Travancore (TL -V)	<b>2122409.00</b>	4400900.00
<b>(B) CAR LOAN</b>		
1) City Bank	<b>271816.03</b>	—
<b>(C) WORKING CAPITAL LIMITS</b>		
1) State Bank of Travancore (C.C. Limit)	<b>119720155.92</b>	99662133.36
2) Development Credit bank (Bill discounting)	<b>27076741.00</b>	—
	<b>227921881.95</b>	208200387.36

**NOTES OF SCHEDULE 'C'**

- 1) Term Loan from State Bank of Travancore are secured by mortgage on factory land and building and hyphothecation of plant and machinery equipment etc. pertaining to texturising unit at silvassa. Term Loan from State Bank of Travancore is secured by equitable mortgage of factory shed at Plot No. 5,6,14 and 15 Block No. 792 and Plot No. 1 to 5, 30 & 31 of Block No. 787 village : Kudsad Taluka : Olpad Dist.: Surat and Plot No.ndbyhypothecation of 4 Nos. of TFO 3 & 4 Survey No. 301/2/1 Village:- Masat Dadra & Nagar Haveli and Water Jet Looms Texturising Machinerics purchased after 31-03-2005 and all the Machinery at Kim division of the company.


**MOHIT INDUSTRIES LIMITED**

- 2) Term Loan from SIDBI is secured by hypothecation of 6 nos. of TFO machines together with winder cops rolls and other accessories acquired by the company out of the loan taken from SIDBI. Term Loan is also secured by lien on F.D. of State Bank Of Travancore of Rs. 3 Lakhs.
- 3) Cash credit facilities from State Bank of Travancore is secured by the hypothecation of stocks and Book Debts pertaining to both Kim and Silvassa divisions of the company.
- 4) Citi Bank Car Loan is secured by hypothecation of Motor Car.
- 5) Limit from Development Credit Bank Ltd. Under Purchase Line of Credit is only secured by mortgage of Office Premises at 601/B-A International Trade Centre Ring Road Surat.

**SCHEDULE 'D' : FIXED ASSETS**

Particulars	Rate of Depn	As on 01/04/07	Addition	Deduction	As on 31/03/08	As on 01/04/07	Provided during the year	Deductions	As on 31/03/08	As on 31/03/08	As on 31/03/07
Land & Land Devp.	—	3187780.00	5115639.00	0.00	8303419.00	0.00	0.00	0.00	0.00	8303419.00	3187780.00
Factory Building	3.34%	44382897.65	4598156.00	0.00	48981053.65	5630477.65	1490202.00	0.00	7120679.65	41860374.00	38752420.00
Office Building	1.63%	3229800.00	150000.00	0.00	3379800.00	6635.00	52662.00	0.00	59297.00	3320503.00	3223165.00
Plant & Machinery	10.34%	143796719.00	0.00	0.00	143796719.00	63029171.00	10523259.00	0.00	73552430.00	70244289.00	80767548.00
Water Jet Looms	10.34%	68423126.00	599539.00	0.00	69022665.00	1746166.00	7095598.00	0.00	8841764.00	60180901.00	66676960.00
Electric Inst.	4.75%	8474937.80	551040.00	0.00	9025977.80	1616800.80	413206.00	0.00	2030006.80	6995971.00	6858137.00
Office & Fact. Eqp.	4.75%	1296348.00	151772.00	0.00	1448120.00	332946.00	66288.00	0.00	399234.00	1048886.00	963402.00
Vehicle	9.50%	2018105.00	446778.00	620222.00	1844661.00	755203.00	169905.00	274065.00	651043.00	1193618.00	1262902.00
Furniture	6.33%	1544717.00	240700.00	0.00	1785417.00	189368.00	105556.00	0.00	294924.00	1490493.00	1355349.00
Diesel Tank	4.75%	161435.00	0.00	0.00	161435.00	64288.00	7668.00	0.00	71956.00	89479.00	97147.00
Computer	16.21%	885318.00	187640.00	0.00	1072958.00	151407.00	160313.00	0.00	311720.00	761238.00	733911.00
<b>Total</b>		<b>277401183.45</b>	<b>12041264.00</b>	<b>620222.00</b>	<b>288822225.45</b>	<b>73522462.45</b>	<b>20084657.00</b>	<b>274065.00</b>	<b>93333054.45</b>	<b>195489171.00</b>	<b>203878721.00</b>
<b>Previous Year</b>		<b>159936258.45</b>	<b>117464925.00</b>	<b>0.00</b>	<b>277401183.45</b>	<b>60921456.45</b>	<b>12601006.00</b>	<b>0.00</b>	<b>73522462.45</b>	<b>203878721.00</b>	<b>99014802.00</b>

**SCHEDULE 'E' : INVESTMENTS (AT COST)**

LONG TERM INVESTMENTS	NUMBER	FACE VALUE	BOOK VALUE AS AT 31-03-2008	BOOK VALUE AS AT 31-03-2007
1) Government Securities (Unquoted)				
Kisan Vikas Patra			<b>300000.00</b>	300000.00
2) INVESTMENTS IN EQUITY SHARES				
A) Quoted Shares:				
a) Fairdeal Filament Ltd.	11407	10	<b>197607.50</b>	—
b) Trigyn Technology Ltd.	17750	10	<b>608894.82</b>	—
B) Unquoted and Fully Paid Up:				
a) Mohit Yarns Ltd.	663000	10	<b>15723000.00</b>	6000000.00
b) Mohit Overseas Pvt. Ltd.	394000	10	<b>3799000.00</b>	3000000.00
c) Sasmi Co-op. Soc.			<b>7200.00</b>	7200.00
C) Shares Application Money with:				
a) Mohit Overseas Pvt. Ltd.			<b>6250000.00</b>	6250000.00
b) Devika Fibres Pvt. Ltd.			<b>1800000.00</b>	1800000.00
c) Mohit Apparel Pvt. Ltd			<b>1832000.00</b>	1655000.00
d) Mohit Yarns Ltd			<b>670000.00</b>	7635000.00
3) INVESTMENTS IN IMMOVABLE PROPERTY				
Flat at Soffitel Tower			<b>7593756.00</b>	—
			<b>38781458.32</b>	26647200.00
Aggregate Book value of Quoted Investments			<b>806502.32</b>	—
Aggregate Book value of Un-Quoted Investments			<b>37974956.00</b>	26647200.00
Aggregate market value of Quoted Investments			<b>493771.30</b>	—

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PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>SCHEDULE 'F' : INVENTORIES</b>		
(As taken valued & certified by a Director)		
1) Raw Materials & work in progress	<b>26685777.00</b>	27592020.00
2) Finished Goods	<b>12377328.00</b>	29244555.00
3) Oil & lubricant	<b>1307100.00</b>	1502000.00
4) Packing Material	<b>3004850.00</b>	2472400.00
5) Stores & Spares	<b>509590.00</b>	1025600.00
TOTAL RS.	<b>43884645.00</b>	61836575.00
<b>SCHEDULE 'G' : SUNDRY DEBTORS</b>		
(Unsecured but considered good by Directors)		
1) Debts outstanding for a period Exceedings Six Months	<b>5703959.00</b>	3604524.00
2) Others	<b>131363126.26</b>	108134843.94
TOTAL RS.	<b>137067085.26</b>	111739367.94
<b>SCHEDULE 'H' : CASH AND BANK BALANCE</b>		
a) Cash on hand	<b>2184099.35</b>	2243504.35
b) Bank of Baroda	-	6515.76
c) HDFC Bank	<b>117028.00</b>	102986.86
d) ICICI Bank	<b>6000.00</b>	-
e) Balance with Surat People's Co.Op. Bank	<b>8596.73</b>	9034.73
f) Balance with Bank of Baroda Parsi Sheri	<b>26545.00</b>	106632.00
g) Balance with Gujarat Ind. Co.Op. Bank	-	4080.01
h) F.D. With State Bank of Travancore	<b>3243590.00</b>	2973014.00
i) F.D. with Surat People's Co.Op. Bank	<b>55693.00</b>	55693.00
j) Development Credit Bank	<b>106465.00</b>	-
TOTAL RS.	<b>5748017.08</b>	5501460.71
<b>SCHEDULE 'I' : LOANS AND ADVANCES</b>		
(Unsecured but considered good by Directors)		
a) Loans Given	<b>11950899.00</b>	14308957.00
b) Deposits	<b>155411.00</b>	10194122.00
c) Advance Given for Capital Goods	<b>21507890.00</b>	21902068.00
d) Advance Recoverable in cash or in kind or for value to be recd.	<b>84857848.70</b>	20578053.02
TOTAL RS.	<b>118472048.70</b>	66983200.02

**MOHIT INDUSTRIES LIMITED**

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>SCHEDULE 'J' : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) CURRENT LIABILITIES</b>		
1) Advance from customers	670350.15	180571.15
2) Sundry Creditors for Goods	15529533.00	7501973.00
3) Sundry Creditors for Exps.	21243914.81	23049188.81
4) Sundry Creditors for Others	3563191.82	1232049.29
TOTAL RS.	<u>41006989.78</u>	<u>31963782.25</u>
<b>B) PROVISIONS</b>		
Provision for Tax	12550000.00	5800000.00
Provision for F.B.T.	69500.00	70000.00
TOTAL RS.	<u>12619500.00</u>	<u>5870000.00</u>
<b>SCHEDULE 'K' : MISC. EXPENDITURE</b>		
Preliminary Expenses	1239596.00	1702794.00
TOTAL RS.	<u>1239596.00</u>	<u>1702794.00</u>
<b>SCHEDULE 'L' : INCOME FROM OPERATIONS</b>		
Trading Sale	—	17152859.00
Manufacturing Sale	1197636724.00	919584518.92
Factory Sales	18217332.00	—
Other Operating Income	3099969.00	—
Commission Received	—	4378767.00
	<u>1218954025.00</u>	<u>941116144.92</u>
Less: - Discount Allowed	1651247.00	3097592.00
Cartage	2493065.00	—
	<u>1214809713.00</u>	<u>938018552.92</u>
<b>SCHEDULE 'M' : OTHER INCOME</b>		
Dividend Received	2568.00	2460.00
Interest	880391.73	1426128.75
Service Charges	83458.00	78784.00
Rent Received	370000.00	—
Profit on trading of Shares/Derivatives	3140376.28	—
Profit on sale of Investments	93663.73	—
Other Income	338833.00	—
	<u>4909290.74</u>	<u>1507372.75</u>

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PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>SCHEDULE 'N' : OPERATING EXPENSES</b>		
Imported Yarn Purchased (Trading)	-	16837946.00
Raw Material Consumed	<b>976356320.00</b>	778402230.69
Stores & Spares consumed	<b>7478029.86</b>	3690334.00
Wages	<b>16827281.00</b>	12354275.00
Octroi	<b>1108557.00</b>	893710.03
Power & Fuel charges	<b>40322379.00</b>	30394138.25
Job Charges	<b>140217.00</b>	627716.00
Cartage	<b>2194180.00</b>	2525436.17
Oil & Lubricant Consumed	<b>24006328.00</b>	19864843.00
Packing Material Consumed	<b>24903643.00</b>	13243341.00
Other Factory Cost	<b>24200.00</b>	30452.00
	<b>1093361134.86</b>	878864422.14
Add: Opening Stock of Finished Goods & Trading Goods	<b>29244555.00</b>	5981423.00
	<b>1122605689.86</b>	884845845.14
Less: Closing Stock of Finished Goods & Trading Goods	<b>12377328.00</b>	29244555.00
	<b>1110228361.86</b>	855601290.14
<b>SCHEDULE 'O' : ADMINISTRATIVE EXPENSES</b>		
Salary & Bonus	<b>9046304.00</b>	5409995.00
Staff Welfare	<b>185343.00</b>	154288.00
Travelling & Conveyance Exps.	<b>279526.00</b>	185088.00
Postage & Telegram & Telephone	<b>563049.00</b>	618180.00
Printing & Stationery	<b>321929.00</b>	257707.00
Auditors & Remuneration	<b>168540.00</b>	112360.00
Directors Remunerations	<b>110000.00</b>	228000.00
Legal & Professional Expenses	<b>823806.00</b>	610434.60
Electric Exps.	<b>181555.00</b>	148160.00
Insurance Exps.	<b>297176.00</b>	281905.00
Vehicle Expenses	<b>480779.26</b>	404594.18
Annual Listing Fee	<b>30600.00</b>	30300.00
Charity & Donation	<b>19231.00</b>	31000.00
Corporation Tax	<b>58990.67</b>	132155.92
Office & General Exps.	<b>744655.40</b>	873043.00
Computer Exps.	<b>475316.00</b>	199920.00
Professional Tax	<b>12180.00</b>	1000.00
Provident Fund Contribution	<b>300843.00</b>	184384.00
Cost Audit fees	<b>10000.00</b>	11224.00
Demat Expenses	<b>43914.00</b>	501026.00
Membership fees	<b>34735.00</b>	6235.00
Misc. balance W/off	<b>8306.96</b>	409.10
Rent Expenses	<b>114000.00</b>	115666.40
Security Service Charges	<b>876287.00</b>	667888.00
	<b>15187066.29</b>	11164963.20

**MOHIT INDUSTRIES LIMITED**

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>SCHEDULE 'P' : SELLING &amp; DISTRIBUTION EXPENSES</b>		
Brokerage & Commission	<b>9507499.00</b>	7526147.00
Advertisement	<b>52293.00</b>	905496.00
Bad Debts	<b>562537.00</b>	71384.00
Sales Promotion Expenses	-	41155.00
Sales Tax Exps.	<b>110300.00</b>	5905.00
	<b>10232629.00</b>	8550087.00
<b>SCHEDULE 'Q' : FINANCIAL CHARGES</b>		
Interest Paid	<b>21401735.03</b>	10619325.16
Bank Charges	<b>251825.99</b>	550495.04
	<b>21653561.02</b>	11169820.20
<b>SCHEDULE 'R' MISC. EXPENDITURE WRITTEN OFF</b>		
Preliminary Exps.	<b>463198.00</b>	463198.00
	<b>463198.00</b>	463198.00

**SCHEDULE 'S' : STATEMENT OF ACCOUNTING POLICIES & NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES****A. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the Historical Cost Convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

**B. INVENTORIES**

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

**C. INVESTMENTS**

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

**D. DEPRECIATION**

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

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

**E. EMPLOYEE BENEFITS**

All the Short Term Employee Benefits are accounted for on the basis of services rendered by the employees of the company. Contribution to Provident Fund are charged to Profit & Loss Account as when the contribution is made. No provision has been made for Long Term Employee Benefits and Defined Benefit Plans as in opinion of the management no such liabilities has accrued as at the end of the accounting year.

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### F. FIXED ASSETS

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

### G. CAPITAL ISSUE EXPENDITURE/PRELIMINARY EXPENSES

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

### H. VALUE ADDED TAX (VAT): -

VAT credit received on purchases is reduced from respective item of purchases. VAT paid on Sales is credited to Vat Credit Account and differential amount is paid. Thus, the company has followed exclusive method of accounting whereby purchases, sales and stock is shown exclusive of VAT and accounted for in separate VAT Account.

### I. FOREIGN CURRENCY TRANSACTION

The Foreign Currency Transaction of the company includes purchases of Raw material and Fixed Assets which are valued at the Rate prevailing at the time of the transaction.

### J. DEFERRED TAX LIABILITY

	Deferred Tax (Assets)/Liability as at 01/04/2007	Current Year Charge/(Credit)	Deferred Tax (Assets)/Liability as at 31/03/2008
--	--	---------------------------------	--

#### Deferred Tax Liability

Tax effect on excess of net block over written down value as per the provisions of the I.T. Act, 1961	14,513,489.00	791,071.00	15,304,560.00
	<u>14,513,489.00</u>	<u>791,071.00</u>	<u>15,304,560.00</u>

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

### K. Contingent liabilities are not provided for, but are disclosed by way of notes on accounts.

2. a) Contingent liability not provided for in respect of guarantee given to State Bank of Travancore for loans/credit facilities taken by associate company namely Mohit Overseas Ltd., Rs. 1,47,00,000/- (P.Y. Rs. 1,47,00,000/-). To secure this guarantee and loan so taken by Mohit Overseas Ltd., the bank has extended the first charge on entire fixed assets of the kim unit of the company. Also, the company has procured Machines under EPCG (Export Promotion Capital Goods Scheme) as per which the company has saved total Excise Duty value of Rs. 1,46,76,070/- (P.Y. Rs. 14676070) against its Export Obligation of USD 29,35,214 to be fulfilled within eight year from purchase of Machinery.
- b) Contingent liability not provided in respect of Notional Mark to Market loss of Rs. 6.57 Million on outstanding Foreign Exchange Swap Contract entered by the company with ICICI BANK LIMITED. The management is of view that actual liability accrues only at time of maturity of contract in September'09 and final amount of Profit or loss can be ascertained at that time only.
- c) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (P.Y. Rs. NIL) against which advance paid is Rs. NIL (P.Y. Rs. NIL).

### 3. REMUNERATION TO AUDITORS

	<u>31/03/2008</u>	<u>31/03/2007</u>
Audit Fees (Including Tax Audit Fees)	150,000.00	100,000.00
Service Tax	18,540.00	12,360.00
<b>TOTAL</b>	<u><b>168,540.00</b></u>	<u><b>112,360.00</b></u>

**4. REMUNERATION TO DIRECTORS**

	<b><u>31/03/2008</u></b>	<u>31/03/2007</u>
Executive Directors	<b>110,000.00</b>	228,000.00
Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956		
Net Profit Before Taxation	<b>38,770,384.57</b>	35,524,869.04
Add:- Loss on Sale of Assets/Investments	<b>196,157.00</b>	71,981.71
Loss on Derivative Transactions	-	2,648,508.38
Managerial Remuneration	<b>110,000.00</b>	228,000.00
	<b>39,076,541.57</b>	38,473,359.13
Less:- Profit on Sales of Assets	<b>93,663.73</b>	-
Profit on Trading of Shares/Derivates	<b>3,140,376.28</b>	-
	<b>35,842,501.56</b>	38,473,359.13
Maximum Remuneration Allowable (Sec. 198)	<b>3,942,675.17</b>	4,232,069.50
Remuneration Paid According to Resolution	<b>110,000.00</b>	228,000.00

**5. LICENSED AND INSTALLED CAPACITY**

ITEM	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Art Silk Cloth	MTRS.	N.A.	9500000 (9500000)	8120037.25 (5270642.25)
Texturised Yarn	KGS.	N.A.	14617000 (14617000)	13227818.276** (10598696.144)**

\*\* Includes wastage yarn of 52100.680 Kgs. (P.Y. 38632.634 Kgs.)

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

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

ITEM	UNIT	OPENING STOCK		CLOSING STOCK	
		QTY	AMT.	QTY	AMT.
ART SILK CLOTH	MTRS.	1095598.45 (104375.25)	21113495.00 (1481085.00)	568744.26* (1095598.45)	8458996.00 (21113495.00)
TEXTURISED YARN	KGS.	114015.572 (58172.240)	8131060.00 (4500338.00)	51305.191** (114015.572)	3918332.00 (8131060.00)

\* There is shortage of 1144.44 Mtrs. in Finished Stock.

\*\* Out of Production 272965.250 Kgs. was transferred to Cloth Division.

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

ITEM	UNIT	PURCHASE		SALES	
		QTY	AMT.	QTY	AMT.
ART SILK CLOTH	MTRS.	0 [0]	0 [0]	8645747.00 (4277185.29)	145875236.00 (68998522.48)
TEXTURISED YARN	KGS.	0 (302400.00)	0 (16837946.00)	13017563.407 (10314308.45)	1051761488.00 (867738855.44)

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### 8. CONSUMPTION OF RAW MATERIALS

Item	Unit	Opening Stock		Purchase/Tranf.		Resale		Consumption		Closing Stock	
		Qty.	Amt.	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.
YARN	KGS.	353601.520	27592020	13699293.539	975450077.00	0	0	13714364	976356320.00	338530.635	26685777
FOR MFG.		(144713.294)	(11267464.00)	(10865560.375)	(795199226.69)	(5593.798)	(472440)	(10651078)	(778402230.69)	(353601.520)	(27592020)

- 9) a) Value of imports on C.I.F. NIL (P.Y. RS. 4,11,32,858/-)  
b) Expenditure in Foreign Currency NIL (P.Y. RS. NIL)  
c) Amount remitted in Foreign currency on dividend A/c. NIL (P.Y. RS. NIL)
- 10) a) Exports on F.O.B. NIL (P.Y. RS. NIL)  
b) Earnings in Foreign Currency NIL (P.Y. RS. NIL)
- 11) Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.
- 12) Advances include a sum of Rs. 213.45 lacs (P.Y. Rs. NIL) due from a company in which directors of this company are directors and which is a company under the same management under section 370(1B) of the Companies Act, 1956.

### 13) RELATED PARTY RELATIONSHIP AND TRANSACTION

NAME OF RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	AMT. (RS. IN LACS)
Mohit Overseas Ltd.	Key Management Personal & Relatives & Their Concerns	Advances Given	213.45
		Investments (Shares)	37.99
		Investments (Share Application)	62.50
		Guarantee Given	147.00
		Rent Received	1.20
		Sundry Debtors	1.20
		Sales	0.44
Mohit Yarns Ltd.	Key Management Personal & Relatives & Their Concerns	Purchases	0.34
		Investments (Shares)	157.23
		Investments (Share Application)	6.70
		Rent Received	1.20
Mask Investments Ltd.	Key Management Personal & Relatives & Their Concerns	Sundry Debtors	1.20
		Rent Received	1.20
Mohit Apparel Pvt. Ltd.	Key Management Personal & Relatives & Their Concerns	Investments (Share Application)	18.32
Narayan Saboo	Key Management Personal & Relatives & Their Concerns	Directors Remuneration	1.10
		Creditors for Expenses	1.10
		Investments Purchase	30.67
Smt. Madhu Saboo	Key Management Personal & Relatives & Their Concerns	Investments Purchase	24.15

- 14) The company operates in Texturising Division and Power Loom Division both covered in Textile Segment and thus predominant source of Risk and Return of the company is associated with Textile segment and hence no Segment Reporting is given as per AS-17 issued by the Institute of Chartered Accountants of India.
- 15) Previous year figures have been regrouped wherever thought necessary to make them comparable with figures of current year.

**16. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No. : 15074 State Code : 04  
 Balance Sheet Date : 31-03-2008

**II. CAPITAL RAISED DURING THE YEAR (AMT. RS. IN ' 000)**

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

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN '000)**

Total Liabilities 488356 Total Assets 488356

**Sources of Funds**

Paid up Capital 116576 Reserve & Surplus 128553  
 Secured Loans 227922 Unsecured Loans 0  
 Deferred Tax Liability 15305

**Application of Funds**

Net Fixed Assets 196789 Investments 38781  
 Net Current Assets 251545 Misc. Exps. 1240

**IV. PERFORMANCE OF COMPANY (AMT. RS. IN '000)**

Turnover 1219719 Total Exps. 1180949  
 Profit Before Tax 38770 Profit After Tax 25268  
 Earning per share (Rs.) 2.17 Dividend Per Share Nil

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

Item Code No. (ITC Code) 54076009  
 Product Discription MAN MADE FABRICS ON POWER LOOMS  
 Item Code No. (ITC Code) 54023300  
 Product Discription TEXTURISED YARN

As per our Audit report of even date  
**For RAMESH KUMAR MALPANI & CO.**  
*Chartered Accountants*

**(RAMESH KUMAR MALPANI)**  
*PROPRIETOR*

Place : Surat  
 Date : 11/08/2008

FOR AND ON BEHALF OF BOARD

**SITARAM SABOO** *Director*

**NARAYAN SABOO** *Director*

**NARESH SABOO** *Director*

Place : Surat  
 Date : 11/08/2008

## ANNUAL REPORT 2007-2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	2007-2008	2006-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra-ordinary items	<b>38,770,384.57</b>	35,524,869.04
<b>ADJUSTMENTS FOR:</b>		
1 Depreciation	<b>20,084,657.00</b>	12,601,006.00
2 Preliminary & Public Issue Exp. w/off	<b>463,198.00</b>	463,198.00
3 Interest Paid/Payable	<b>21,401,735.03</b>	10,619,325.16
4 Loss on Sale of Fixed Assets	<b>196,157.00</b>	71,981.71
5 Interest, Dividend & Rent Received	<b>(1,252,959.73)</b>	(1,428,588.75)
7 Profit on sale of shares	<b>(93,663.73)</b>	—
8 (Profit)/Loss on derivative transactions	<b>(3,140,376.28)</b>	2,648,508.38
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>76,429,131.86</b>	60,500,299.54
<b>ADJUSTMENTS FOR:</b>		
1 Trade & Other Receivable		
a) Debtors	<b>(25,327,717.32)</b>	(46,025,891.94)
b) Loans & Advances	<b>(58,331,847.46)</b>	(551,443.09)
2 Inventories	<b>17,951,930.00</b>	(42,451,783.00)
3 Trade Payables	<b>9,043,207.53</b>	18,903,123.41
<b>CASH GENERATED FROM OPERATIONS</b>	<b>19,764,704.61</b>	(9,625,695.08)
1 Interest Paid	<b>(21,401,735.03)</b>	(10,619,325.16)
2 Direct Taxes Paid	<b>(13,364,795.00)</b>	(8,096,301.95)
3 Preliminary Expenses/Preoperative Exp. Incurred	—	(1,565,992.00)
<b>NET CASH FROM OPERATING ACTIVITIES 'A'</b>	<b>(15,001,825.42)</b>	(29,907,314.19)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
1 Purchase of Fixed Assets	<b>(11,221,765.00)</b>	(114,848,894.00)
2 Sale of Fixed Assets	<b>150,000.00</b>	—
3 Investments made during the year	<b>(12,134,258.32)</b>	(13,690,000.00)
4 Profit (Loss) on sale/speculative trading of shares	<b>3,140,376.28</b>	(2,720,490.09)
5 Loans & Deposits	<b>13,975,334.78</b>	(44,565,022.91)
6 Interest, Dividend & Rent Recd.	<b>1,252,959.73</b>	1,428,588.75
7 Profit on Sale of Shares	<b>93,663.73</b>	—
<b>NET CASH USED IN INVESTMENT ACTIVITIES 'B'</b>	<b>(4,743,688.80)</b>	(174,395,818.25)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
1 Proceeds from issue of Share capital	—	68,689,750.00
2 Proceeds from additional Securities Premium	—	68,689,750.00
3 Proceeds from Long Term Borrowing	—	55,070,432.48
4 Increase in Cash Credit/W.C. Facilities from Banks	<b>47,134,763.56</b>	53,231,678.20
5 Proceeds from Unsecured Loan	—	(19,643,391.49)
6 Repayment of Finance/Lease Liabilities	<b>(27,413,268.97)</b>	—
7 Dividend paid	—	(17,403,895.00)
8 Tax on Dividend paid	—	(2,440,897.00)
<b>NET CASH FROM FINANCING ACTIVITIES 'C'</b>	<b>19,721,494.59</b>	206,193,427.19
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	<b>(24,019.63)</b>	1,890,294.75
CASH AND CASH EQUIVALENTS (OPENING)	<b>2,472,753.71</b>	582,458.96
CASH AND CASH EQUIVALENTS (CLOSING)	<b>2,448,734.08</b>	2,472,753.71

As per our Audit report of even date  
**For RAMESH KUMAR MALPANI & CO.**  
Chartered Accountants

**(RAMESH KUMAR MALPANI)**  
PROPRIETOR

Place : Surat  
Date : 11/08/2008

FOR AND ON BEHALF OF BOARD

**SITARAM SABOO** Director

**NARAYAN SABOO** Director

**NARESH SABOO** Director

Place : Surat  
Date : 11/08/2008

**MOHIT INDUSTRIES LTD.**

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

**ATTENDANCE SLIP**

Name of the attending Member : \_\_\_\_\_  
(In Block Letters)

Folio No. : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_  
(To be filled in if the Proxy attends instead of the Member)

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of the Company at the Registered office of the Company A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat - 395002, Gujarat, on Tuesday the 30th day of September, 2008.

\_\_\_\_\_  
Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTE : Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance after the same has been duly signed.

----- **TEAR HERE** -----

**MOHIT INDUSTRIES LTD.**

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

**FORM OF PROXY**

I/We \_\_\_\_\_

of \_\_\_\_\_ being member/s of the above named Company

hereby appoint \_\_\_\_\_ or failing him \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, the 30th day of September, 2008 and at any adjournment thereof. Unless otherwise instructed, the proxy will act as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Folio No. : \_\_\_\_\_ No. of Share : \_\_\_\_\_

Signature \_\_\_\_\_

Affix 1 Re. Revenue Stamp
------------------------------------

N.B.: Proxy forms must reach the Company's Registered Office not less than 48 hours before the meeting.

**BOOK-POST  
PRINTED MATTER**

To,

If undelivered, please return to :

**MOHIT INDUSTRIES LIMITED**

**Registered Office:**

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