

**12th ANNUAL REPORT
2001-2002**

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MOHIT INDUSTRIES LIMITED

ANNUAL REPORT 2001-2002

MOHIT INDUSTRIES LIMITED

BOARD OF DIRECTORS : **Shri Sitaram Saboo** *Chairman & Managing Director*
Shri Narayan Saboo *Jt. Managing Director*
Shri Naresh Saboo
Shri Jayesh Gandhi
Shri Girdhar Mundra
Shri Shankarbhai Patel *(Nominee GIIC)*

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

BANKERS : State Bank of Travancore
 Surat Peoples' Co-Op. Bank Ltd.

REGISTERED OFFICE : 227, Super Yarn Market,
 Zampa Bazar, Surat - 395 003.
 (Gujarat)

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

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

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MOHIT INDUSTRIES LIMITED**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting the Annual Report and the audited accounts for the financial year ended 31st March, 2002.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	2001-02	2000-01
Sales	2328.99	2274.40
Other Income	17.63	24.95
Gross profit before Int. & Dep.	99.49	100.72
Less: Interest	35.45	37.59
Depreciation	63.82	62.96
Profit before Tax	0.22	0.17
Less: Provision for Taxation	—	0.01
Add: Income Tax for earlier year	0.02	—
Add: Amt. Transfer from General Reserve to Set Off Accumulated Deferred Tax Liability on INITIAL adopted	30.00	—
Less: Net Provision for Accumulated Deferred Tax Liability	35.61	—
Balance of Profit & Loss	(-) 5.37	0.16

DIVIDEND

Due to inadequate profit company has not declared dividend for the year under review.

FIXED DEPOSITS

The Company has not accepted any deposits during the year.

DIRECTORS

Shri Naresh Saboo retire by rotation and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure.
- (ii) that the directors had selected such accounting policies and applied them cosistently and made judgements 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 or loss of the company for the year under review.
- (iii) 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 safegaurding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that the directors had prepared the annual accounts on a going concern basis.

AUDITORS

Messrs Rameshkumar Malpani & Co. Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. Members are requested to appoint auditors at the General Meeting.

PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies

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(Particulars of Employees) Rules, 1975 as amended, no employee is drawing remuneration in excess of the prescribed limits.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

CORPORATE GOVERNANCE

Conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are applicable to the company within the financial year 2002-2003 and Management is taking necessary steps for the compliance.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and shareholders during the year under review. Your directors wish to place on record their deep sense of appreciation for devoted services of the Executives, Staff and workers of the Company for its success.

For and on behalf of the Board of Directors

DATE : 05/09/2002
PLACE : Surat

Sitaram Saboo
Chairman

Annexure

	<u>2001-02</u>	<u>2000-01</u>
(A) Power and Fuel Consumption		
1 Electricity		
(a) Purchased		
Units	26.14 Lac	25.82 Lac
Total Amount	95.14 Lac	92.50 Lac
Rate/Unit (Rs.)	3.64	3.58
(b) Own Generation		
i) Through Diesel Generator		
Units	3.73 Lac	1.32 Lac
Units per Ltr. of Diesel Oil	3.00	3.00
Rate/Unit (Rs.)	4.73	4.35
ii) Through Steam/Turbine generator	NIL	NIL
2. Gas	NIL	NIL
3. Oil (LDO)/Diesel	NIL	NIL
4. Furnance oil	NIL	NIL
5. Other internal generation	NIL	NIL
(B) Consumption per unit of Production		
Product : Grey Cloth (mtrs)		
- Electricity	0.45	0.45
Product : Yarn (kg)		
- Electricity	1.20	1.10

TECHNOLOGY ABSORPTION, 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 & OUT GO :

	<u>2001-02</u>	<u>2000-01</u>
A) Total Foreign Exchange used :	NIL	NIL
B) Total Foreign Exchange earned :	NIL	NIL

MOHIT INDUSTRIES LIMITED**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, 2002 and also the Profit and Loss account 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 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 Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board 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 above, we state 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 account as required by law have been kept by the company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account of the company.
- d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 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 Balance Sheet and Profit & Loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - 1) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2002, and
 - 2) In case of the Profit & Loss account of the profit of the company for the year ended on that date.

For RAMESH KUMAR MALPANI & CO.
Chartered Accountants

SURAT
05/09/2002

(RAMESH KUMAR MALPANI)
Proprietor

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As informed to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the fixed assets of the company have been revalued during the year.