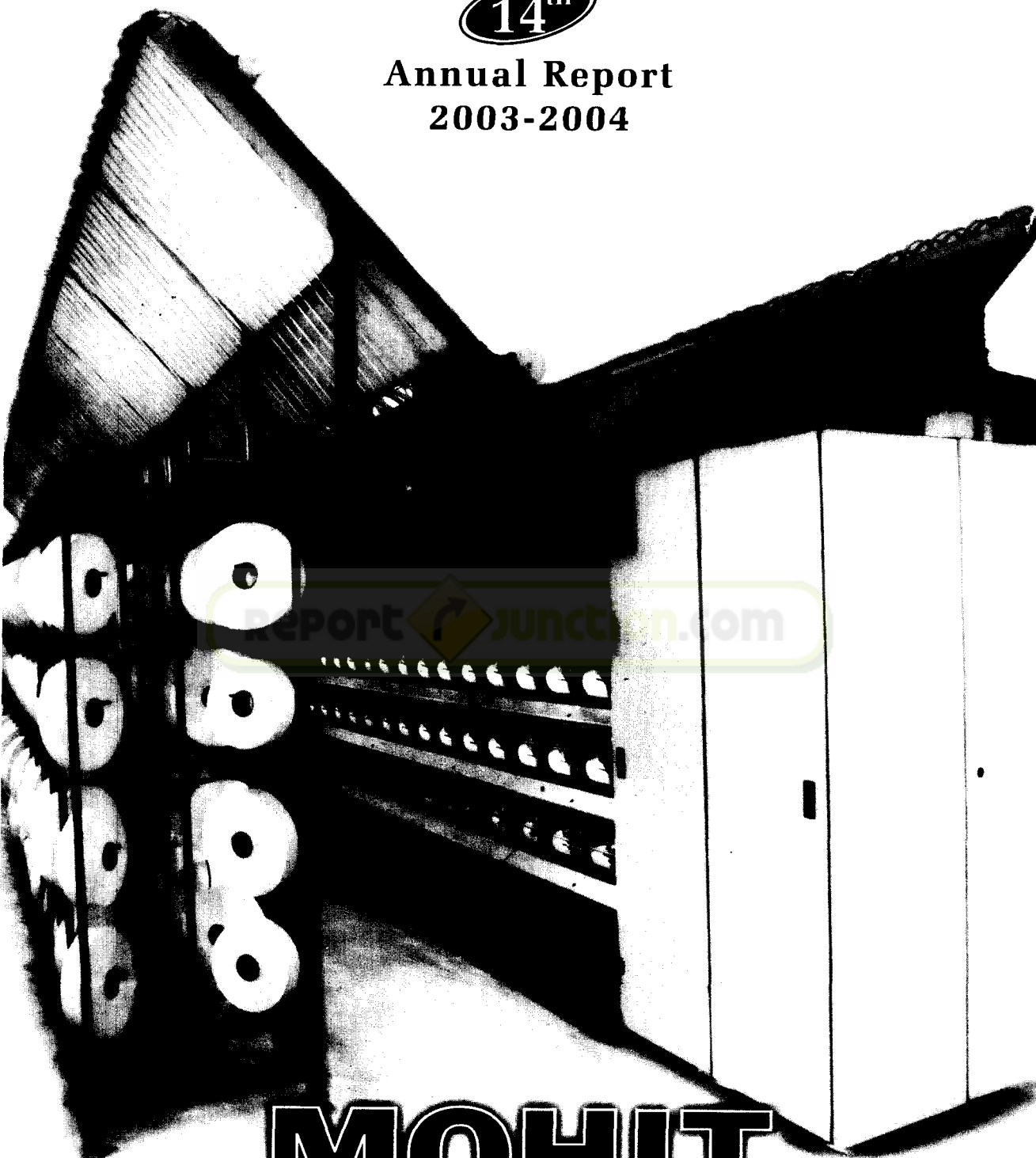


14th

**Annual Report
2003-2004**



**MOHIT
INDUSTRIES LTD.**

ANNUAL REPORT 2003-2004

BOARD OF DIRECTORS : **Shri Sitaram Saboo** *Chairman & Managing Director*
Shri Narayan Saboo *Jt. Managing Director*
Shri Naresh Saboo
Shri Jayesh Gandhi
Shri Girdhar Mundra

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

BANKERS : State Bank of Travancore
 Bank of Baroda
 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

CONTENTS	PAGE
Directors' Report	2
Corporate Governance Report	5
Auditors' Report	9
Balance Sheet	12
Profit & Loss A/C	13
Schedules	14
Balance Sheet Abstract	23
Cash Flow Statement	24

ANNUAL REPORT 2003-2004

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, 2004.

FINANCIAL RESULTS

	2003-04	(Rs. in lacs) 2002-03
Sales	2627.34	3195.20
Other Income	62.65	12.92
Gross Profit Before Int., Dep. & Tax	112.03	105.79
Less : Interest	28.30	31.18
Depreciation	67.09	64.57
Profit Before Tax	16.64	10.04
Add: Provision for Taxation	(6.01)	0.85
Balance of P & L	10.63	10.89

DIVIDEND

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

CURRENT YEAR OPERATIONS

Management is pleased to note that during the current financial year Company has established new plant and machinery worth Rs.1.5 Crores, which will improve company's products and turn over, resultant current year may prove to be a trend Setting year for the Company for future profitability.

FIXED DEPOSITS

The Company has not accepted any deposits during the year.

DIRECTORS

Shri Girdhar Mundra and Shri Jayesh gandhi 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 have been followed alongwith proper explanation relating to material departure.
- (ii) that the directors have selected such accounting policies and applied them consistently 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.

MOHIT INDUSTRIES LIMITED

(iii) that the directors have 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 and for preventing and detecting fraud and other irregularities.

(iv) that the directors have prepared the annual accounts on a going concern basis.

AUDITORS

Messrs. Ramesh Kumar Malpani & Co. Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956.

PERSONNEL

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

Corporate Governance Report as stipulated under Clause 49 of the Listing Agreement is attached herewith.

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 : 10/08/2004
PLACE : Surat

Chairman

ANNUAL REPORT 2003-2004

Annexure

	<u>2003-04</u>	<u>2002-03</u>
(A) Power and Fuel Consumption		
1 Electricity		
(a) Purchased		
Units	34.46 Lac	33.93 Lac
Total Amount	124.94 Lac	126.78 Lac
Rate/Unit (Rs.)	3.63	3.74
(b) Own Generation		
i) Through Diesel Generator		
Units	0.62 Lac	1.53 Lac
Units per Ltr. of Diesel Oil	3.00	3.00
Rate/Unit (Rs.)	7.35	4.95
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	0.50	0.50
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Product : Yarn (kg)

- Electricity	1.14	1.16
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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>2003-04</u>	<u>2002-03</u>
A) Total Foreign Exchange used :	NIL	NIL
B) Total Foreign Exchange earned :	NIL	NIL

MOHIT INDUSTRIES LIMITED**CORPORATE GOVERNANCE REPORT**

(as required vide clause 49 of the listing agreement with Stock Exchange)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency and accountability leading to management reliability are the touchstone of the Corporate Governance at MOHIT INDUSTRIES LTD. The ultimate objective of the Corporate Governance at MOHIT INDUSTRIES LTD. is to enhance shareholder's value in the long term. However, the Corporate Governance at Mohit Industries Ltd. is continuously making efforts to implement sound governance practices.

2. BOARD OF DIRECTORS

(A) MOHIT INDUSTRIES LTD. is having 5 Directors on its Board consisting of 1 Executive and 4 Non-Executive Directors with Non-Executive Chairman. None of the directors on the Board is a member of more than 10 committees and Chairman of more than 5 committee, across all the companies in which he is director.

The category, composition, attendance of each Director at the Board Meeting, last Annual General Meeting and the number of other Directorship and Chairmanship/ Membership of Committees of each Director in various companies are given below :

Sr. No.	Name of Director	Category	Attendance Board Meeting	Particulars Last AGM	No. of other Directorships Committee Memberships/ Chairmanships		
					O.D.	C.M.	C.C.
1.	Narayan S. Saboo	Executive Non-Independent	07	Yes	3	0	0
2.	Sitaram N. Saboo	Non-Executive Non-Independent	07	Yes	0	0	0
3.	Naresh S. Saboo	Non-Executive Non-Independent	07	Yes	0	3	-
4.	Jayesh R. Gandhi	Non-Executive Independent	04	Yes	0	3	3
5.	Girdhar G. Mundra	Non-Executive Independent	04	Yes	0	3	-

Directors Retire/Resigned : NIL

(O.D.) - Other Directorships (C.M.) - Committee Membership (C.C.) - Committee Chairmanship

(B) NO OF BOARD MEETINGS HELD AND DATES :

During the Financial Year 2003-2004, the Board met for 7 times.

The dates of the Board Meetings are 1. 30-04-2003, 2. 24-05-2003 3. 31-07-2003, 4. 18-08-2003, 5. 30-10-2003, 6. 20-01-2004, 7. 31-03-2004

3. AUDIT COMMITTEE

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit Committee of Mohit Industries Ltd. presently consists of 3 Non-Executive Directors.

ANNUAL REPORT 2003-2004

Composition of Audit Committee and attendance of Directors at the Audit Committee is shown below :

Sr. No.	Director	Category	No. of Meetings	
			Held	Attended
01.	Jayesh Gandhi, Chairman	Non Executive	3	3
02.	Sitaram Saboo	Non Executive	3	3
03.	Girdhar Mundra	Non Executive	3	3

Audit Committee meeting held on 30.04.2003, 31.07.2003 and 31.03.2004 during the year.

The necessary quorum was present at the meeting.

4. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee during the year. Composition of Remuneration Committee and attendance of Directors at the Remuneration Committee is shown below :

Sr. No.	Director	Category	No. of Meetings	
			Held	Attended
01.	Jayesh Gandhi, Chairman	Non Executive	1	1
02.	Sitaram Saboo	Non Executive	1	1
03.	Girdhar Mundra	Non Executive	1	1

No Directors remuneration paid during the year.

Besides above, the Company has not paid any sitting fees to the Non-Executive Independent Directors. Remuneration Committee meeting held on 31.03.2004 during the year.

5. INVESTOR'S GRIEVANCES COMMITTEE

The Company has formed an Investor's Grievances Committee to specially look into the redressal of Investors' complaints like Transfer of Shares, Non-receipt of Balance Sheet etc. during the year consisting of three Non-Executive Directors viz. Mr. Sitaram Saboo, Mr. Jayesh Gandhi (Chairman) and Mr. Girdhar Mundra.

Investors Grievances Committee meeting held on 31.03.2004 during the year.

Mr. Narayan Saboo has been appointed as the Compliance Officer.

The number of complaints/requests received from the shareholders during the last financial year and the number of pending complaints is given below :

Received during the year 2003-2004 : Nil

Pending as on 31.03.2004 : Nil

During the year, the Company has constituted a Committee of its Executives for approval of Share transfers, transmissions and transpositions. Generally, the Committee meets once in a month.

All the requests for share transfer etc. were processed and the related share certificates were dispatched within 30 days from the date of receipt.

Number of pending Shares Transfer as on 31.03.2004 : Nil