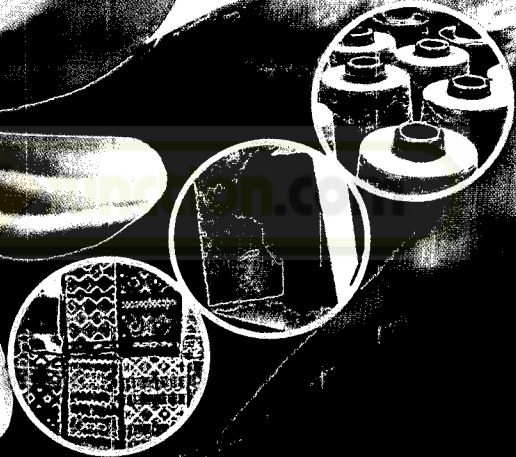


Our New Venture

**nxtbloc**

Autoclaved Aerated Concrete Blocks



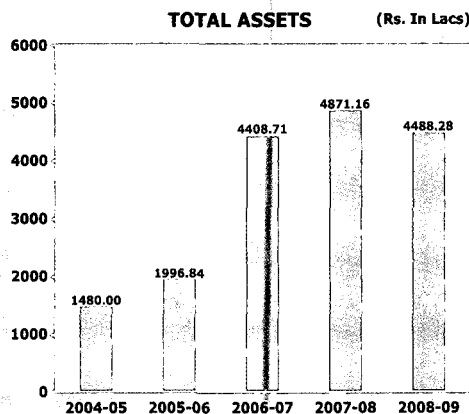
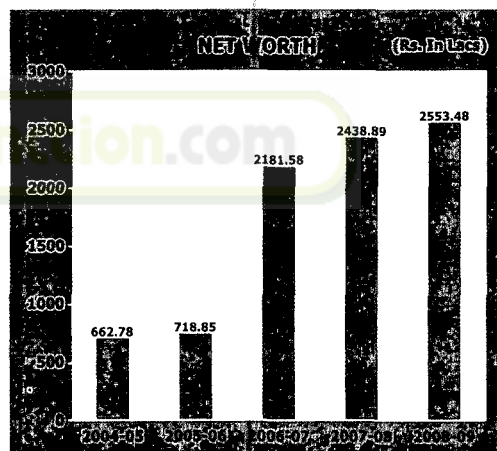
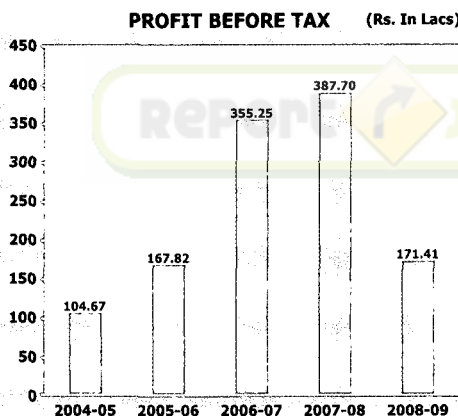
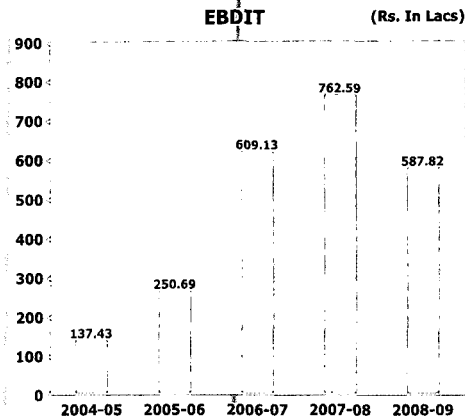
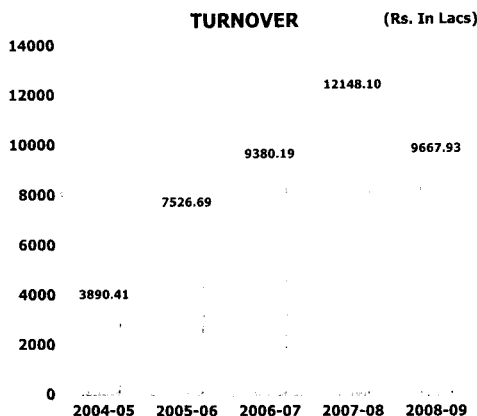
Higher in Technology Better in Quality



**MOHIT**  
INDUSTRIES LTD.

19<sup>th</sup>

**ANNUAL REPORT**



## ANNUAL REPORT 2008-2009

**BOARD OF DIRECTORS :** **Shri Sitaram N. Saboo** *Chairmen & Managing Director*  
**Shri Narayan S. Saboo** *Jt. Managing Director*  
**Shri Naresh S. Saboo**  
**Shri Jayesh R. Gandhi**  
**Miss Ayushi Jain**  
**Shri Sachin Kumar Jain**

**AUDITORS :** **RKM & Co.**  
*Chartered Accountant*  
 401, Trivedh Chambers,  
 Ring Road, Surat.

**BANKERS :** Stat Bank of Travancore

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

**PLANT :**

1. Village : Kudsad  
 Olpad  
 Surat (Gujarat)
2. Village : Masat (Silvasa)  
 Union Territory of Dadra & Nagar Haveli
3. AAC Blocks Division  
 Village : Gowade, Tal. Palghar  
 Dist. Thane (Maharashtra)

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ANNUAL REPORT 2008-2009

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**NOTICE**

**NOTICE** is hereby given that **NINETEENTH ANNUAL GENERAL MEETING** of the members of **MOHIT INDUSTRIES LIMITED** will be held on Tuesday, 29th day of September, 2009 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, 2009 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. Narayan Saboo as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Naresh Saboo 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, Ms. Ayushi Sudhir Jain be and is hereby appointed as a director liable to retire by rotation."

For and On behalf of the Board of Directors

Place : Surat

Date : 27-07-2009

**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 is appended hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 21<sup>ST</sup> September, 2009 to Monday, 28th September, 2009 (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, Jaferbhoj 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.

**MOHIT INDUSTRIES LIMITED**

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

**Item No. 5**

Ms. Ayushi Sudhir Jain was appointed as an additional director of the company during the year. She is Commerce Graduate and an expert in finance and accounts. She is having more than 2 years of experience in the field of accounts in large manufacturing company. She is having excellent knowledge in the accounts taxation and finance field. Her knowledge will be useful for the company and management is confident that with her presence and knowledge will take the company to newer 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 Ms. Ayushi Sudhir Jain 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.

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



For and On behalf of the Board of Directors

Place : Surat  
Date : 27-07-2009

**SITARAM SABOO**  
CHAIRMAN

## ANNUAL REPORT 2008-2009

**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 31<sup>st</sup> March, 2009 and the Auditors' report thereon.

**Financial Results:**

<b>Particulars</b>	<b>(Rs. In Lakhs)</b>	
	<b><u>31.03.2009</u></b>	<b><u>31.03.2008</u></b>
Sales & other income	<b>9729.68</b>	12197.20
<b>Profits before depreciation, interest and Tax</b>	<b>587.82</b>	802.5
Less: Depreciation	<b>195.68</b>	200.80
Interest	<b>220.74</b>	214.00
<b>Profit before Tax</b>	<b>171.40</b>	387.70
Less: Provision for tax	<b>61.46</b>	135.02
<b>Profit after tax</b>	<b>109.94</b>	252.70

**Current Year Operation:**

As planned last year, Your company has started implementation of AAC Blocks. Project has been appraised by GITCO and loan portion of the project has been sanctioned by State Bank of Travancore.

**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. Narayan Saboo and Mr. Naresh Saboo 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 Ms. Ayushi Jain , 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 31<sup>st</sup> March, 2009 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.

**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 this report.

**B. Foreign Exchange Earnings and Outgo :**

The detail of Foreign Exchange Earning / Outgo is given in Annexure forming part of this report.

**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 made provision for Long term Employee Benefits. Board is of the opinion that Company doesn't have high nos. of men power plus turnover is also very nominal compared to the size of the company hence company has practice to not to provide for long term employee benefits.

**Auditors :**

M/s. RKM & 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  
Date : 27-07-2009

**SITARAM SABOO**  
CHAIRMAN

## ANNUAL REPORT 2008-2009

**Annexure**

	<u>2008-09</u>	<u>2007-08</u>
<b>(A) Power and Fuel Consumption:</b>		
1. Electricity		
(a) Purchased		
Units	<b>87.36 Lacs</b>	106.20 Lacs
Total Amount	<b>398.55 Lacs</b>	397.11 Lacs
Rate/Unit (Rs.)	<b>4.56</b>	3.74
(b) Own Generation		
i) Through Diesel Generator		
Units	<b>0.6 Lacs</b>	0.61 Lacs
Units per Ltr. of Diesel Oil	<b>3.5</b>	3.5
Rate/Unit (Rs.)	<b>10.15</b>	10.09
ii) Through Steam/Turbine Generator	<b>NIL</b>	NIL
2. Gas	<b>NIL</b>	NIL
3. Oil (LDO)/Diesel	<b>NIL</b>	NIL
4. Furnace Oil	<b>NIL</b>	NIL
5. Other internal generation	<b>NIL</b>	NIL

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

Product	Grey Cloth (mtrs)		
	Electricity	<b>0.40</b>	0.40
Product	Yarn (kg.)		
	Electricity	<b>0.60</b>	0.60

**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>2008-09</u>	<u>2007-08</u>
	(Rs. in Lacs)	
Foreign exchange earned	<b>NIL</b>	NIL
Foreign Exchange Used:		
Purchase/Advance for capital Good	<b>116.19</b>	NIL
Trading Goods	<b>NIL</b>	NIL
Foreign Travel	<b>NIL</b>	NIL



## MOHIT INDUSTRIES LIMITED

## 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:

S r. No.	Name of the Directors	Category	No. of other Directorships #	Committee Membership # #	
				Member	Chairman
1	Mr. Sitaram N. Saboo	Chairman Executive	0	3	0
2	Mr. Naraya N. Saboo	Executive Director	2	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.Sachin Kumar Jain	Non-Executive Independent	0	3	2
6	Mr. Gopal Sultania	Non-Executive Independent	3	0	0
7	Ms. Ayushi Sudhir Jain	Non-Executive Independent	0	3	1

# Excludes Directships 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.

**ANNUAL REPORT 2008-2009****(ii) Board Meetings and Attendance of Directors**

During the financial year ended 31<sup>st</sup> March, 2009, Board of Directors met 15 times on (1) 05/04/2008, (2) 30/04/2008, (3) 23/06/2008, (4) 31/07/2008, (5) 26/08/2008, (6) 30/09/2008, (7) 10/10/2008, (8) 31/10/2008, (9) 31/01/2009, (10) 10/02/2009, (11) 13/02/2009, (12) 10/03/2009, (13) 26/03/2009, (14) 30/03/2009, (15) 31/03/2009.

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 2008-2009 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 2008-2009	No. of the Meetings Attended
1	Mr. Sitaram N. Saboo	15	15
2	Mr. Narayan N. Saboo	15	15
3	Mr. Naresh S. Saboo	15	15
4	Mr. Jayesh R. Gandhi	15	7
5	Mr. Sachin Jain	15	10
6	Mr. Gopal Sultania	15	2
7	Ms. Ayushi Sudhir Jain	15	5

**(iii) Directors seeking appointment/re-appointment:**

Mr. Narayan Saboo and Mr. Naresh Saboo retire 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 Ms. Ayushi Jain, Mr. Sitaram Saboo and Mr. Sachin Jain. Ms. Ayushi Jain acts as a Chairman of the Audit Committee Meetings.

Three Audit Committee Meetings were held during the financial year 2008-2009 on 16/08/2008, 10/02/2009 and 30/03/2009. 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	Ms. Ayushi Jain	2

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.