



# 17<sup>th</sup> Annual Report

2008-2009

## Board of Directors

**Shri Dayaram Khanchandani**  
Chairman

**Shri Kanhaiya Lal Khanchandani**  
Managing Director

**Smt. Pushpa Khanchandani**  
Whole-time Director

**Shri Murli Meghnani**  
Independent Director

**Shri Ashok Kumar Patni**  
Independent Director

**Shri Kishore Motiyani**  
Independent Director

## Factory

E-3, RIICO Industrial Area,  
Sitapura, Sanganer, Jaipur

## Auditors

**P.C. Modi & Co.**  
"Shree Dham"  
R-20, Yudhister Marg,  
C-Scheme, Jaipur

## Company Law Advisor

**S.C. Sharma & Associates**  
Jaipur

## Bankers

**State Bank of Bikaner & Jaipur**

## Registered Office

G1/150, Garment Zone, E.P.I.P. RIICO Industrial  
Area, Sitapura, Sanganer, Jaipur

## Registrar of Share Transfers

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Center,  
Near Dada Harsukhdas Mandir,  
New Delhi 110 062  
Tel : (011) 2996 1281/82  
Fax : (011) 2996 1284

**NOTICE**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting (AGM) of M. K. Exim (India) Limited will be held at the Registered Office: G-1/150, Garment Zone, EPIP, RIICO Ind. Area, Sitapura, Sanganer, Jaipur-302022 (Wednesday) 30<sup>th</sup> September, 2009 at 10.00 a.m. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive and adopt the balance sheet as at 31<sup>st</sup> March, 2009 and the profit & loss account for the year ended on that date and the report of the directors and auditors thereon.
2. To appoint a director in place of Smt. Pushpa Khanchandani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Dayaram Khanchandani, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint auditors and to fix their remuneration.

**NOTES:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be lodged with the company at its registered office at least 48 hours before the time of the meeting.
- b. The Register of Members and Transfer books of the company will remain closed from 23<sup>rd</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).
- c. The shareholders desiring any information as regards accounts are requested to write to the company at an early date, so as to enable the management to keep information ready.

- d. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrar & Share Transfer Agent, viz., Beetal Financial and Computer Services Private Limited, Beetal House, 99, Madangir, 3<sup>rd</sup> Floor, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062 quoting their folio members.

FURTHER, please note that in the case of demat shares, any change(s) required in address, bank details, ECS mandate, power of attorney and also requests for registration of nomination, Transmission etc. are to be intimated to your DP and not to the company or our registrars.

By order of the Board  
Sd/-  
(K. L. Khanchandani)  
Managing Director

Place: Jaipur  
Date: 1st September, 2009

**ANNEXURE TO THE AGM NOTICE****ANNEXURE - A**

Details of Director seeking appointment / reappointment in Annual General Meeting pursuant to Clause 49 of Listing Agreement

<b>Name of Director</b>	Shri Daya Ram Khanchandani	Smt. Pushpa Khanchandani
<b>Date of Birth</b>	15.04.1931	07.06.1957
<b>Date of Appointment</b>	31.12.1992	19.10.2000
<b>Designation</b>	Chairman	Whole Time Director
<b>Expertise in specific Functional areas</b>	Business	Business
<b>Qualifications</b>	Metriculate	M.A.
<b>Name of Companies in which Directorship held as on 31.03.2009</b>	M.K.Ingots Casting Pvt Ltd. Symphony Jewels Pvt.Ltd.	NIL
<b>Member of the Committees of the Board of other Companies as on 31.03.2009</b>	NIL	NIL

By order of the Board  
Sd/-  
**(K. L. Khanchandani)**  
Managing Director

Place: Jaipur  
Date: 01<sup>st</sup> September, 2009

## DIRECTORS' REPORT

Yours Directors have great pleasure in presenting the 17<sup>th</sup> Annual Report on the performance of your Company for the financial year ended on 31<sup>st</sup> March, 2009 along with Audited Statement of Accounts.

The highlights of the financial results of the Company for the Financial Year ended on 31<sup>st</sup> March, 2009 are as under: -

## FINANCIAL HIGHLIGHTS

Particulars	Rs. In Lacs	
	Financial Year ended on	
	2008-09	2007-08
Sales and other Income	277.80	147.95
Profit before interest & dep.	(5.17)	27.71
Interest	24.20	71.05
Profit after interest but before depreciation	29.40	43.34
Depreciation	35.55	49.18
Profit/(Loss) before tax	(64.92)	(92.52)
Provision for taxation	0.00	0.00
Provision for FBT	1.04	1.35
Deferred Tax Liability (Created)/Reversed	(9.23)	23.49
Net Profit/(Loss) after Tax	(56.73)	(70.38)

## FINANCIAL PERFORMANCE

The turnover during the financial year 2009 was Rs. 2,50,35,960 in comparison of previous year Rs. 1,77,81,450. The turnover has increased by approx. 41 percentage. During the year under review the margin has reduced due to reverse market conditions in garment industry specially relevant with exports

## FIXED DEPOSITS:

The Company has not received/accepted any deposit with in the Section 58A of the Companies Act, 1956 and the rules made there under.

## RESPONSIBILITY STATEMENT:

The Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

## CORPORATE GOVERNANCE:

The Company has implemented all the Provisions of the Corporate Governance as stipulated by Clause 49 of the Listing Agreement with all the Stock Exchanges where the Company's securities are listed. It has always been a constant endeavor of the Company to adopt Good Corporate Governance code through independent board, transparent disclosures, and Shareholders empowerment for creating and sustaining shareholders value. A separate section on Corporate Governance along with a Certificate from the Auditors of the Company certifying compliance of stipulations of Clause 49 of Listing Agreement with the Stock Exchanges with regard to the Corporate Governance code is annexed with this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The report on Management Discussion and Analysis as required under the Listing Agreement with the Stock Exchanges is annexed and forms part of the Directors' Report.

**AUDITORS**

M/S P.C. MODI & Co., Chartered Accountants, Jaipur, the Statutory Auditors of the Company retire and are being eligible for re-appointment. The Board recommends for the approval of their re-appointment.

The replies on the observation made by the auditors are as follows:-1) regarding going concern assumption is inappropriate: During this year from the period April, 2009 to July, 2009 the turnover of the company was Rs. 157 lacs, and the expected profit on this turnover is Rs. 21 lacs. This fact shows that the company is running its business on going concern concept. 2) regarding Trade Advances and trade debtors are doubtful: according to the management of the company the trade advances are good and recoverable. 3) closing stock is obsolete and damaged: according to the management the valuation of the closing stock has been done on the price which is below the market price, hence the statement is not correct. 4) Provision for bonus: from last two years the company was incurring losses, hence the company not made any provision for this. In current year it is expected that the company will earn profits. The management is of the view that the company will make the provisions for bonus during this year. 5) not charging any interest on trade advances given by the company: the management is making all efforts to recover complete trade advances. 6) procedure of inventory verification inadequate: according to the management of the company verification is accurate according to the size of the company and it is valued less than the market price. 7) interest free loan U/S 301: during the year no new loan has been given by the company. 8) Irregular in depositing PF dues: due to losses in previous year the company has not deposited dues under the provisions of the P F Act in

prescribed time. 9) VAT dues, Income-tax demand etc.: the income-tax demand is pending because the case is pending with Commissioner of IT (Appeals), the delays in depositing in dues of Sales Tax and VAT was due to losses in the previous year. 10) defaulted in repayment in financial institutions dues: the delay was only due to losses in the previous year. Even in this situation the company has cleared loans of RIICO and limits of SBBJ for reducing the interest burden on the company.

**PERSONNEL**

There have been cordial personnel relations in the Company. There was no employee drawing salary of Rs. 2,00,000 per month or more and Rs. 24,00,000 or more in the year ended March, 31, 2009. Therefore, the provisions of Section 217(2A) of the Companies Act, 1956, read with the, "The Companies (Particulars of Employees) Rules, 1975" are not applicable.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed.

**APPRECIATION**

The Directors of your Company sincerely appreciate the help and co-operation rendered by banks, Government and non-governments departments, employees and others who have contributed for the interest of the Company.

By order of the Board  
Sd/-  
(D R Khanchandani)  
Chairman

Sd/-  
(K. L. Khanchandani)  
Managing Director

Place: Jaipur  
Date: 1<sup>st</sup> September, 2009

**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

**ENERGY CONSERVATION**

The Company has made all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipments were used.

Total energy consumption per unit of production as prescribed in Form "A":

**I. Power Consumption**

	Year Ended 31.03.2009	Year Ended 31.03.2008
1. Electricity		
Purchased units	49724	99067
Total Amount (in Rs.)	403199	8,76,338
Rate per unit (in Rs.)	8.10	8.84
2. Diesel		
Purchased (in liters)	NIL	288
Total Amount(in Rs.)	NIL	26500
Rate per liter (in Rs.)	NIL	92.01
3. Coal	NIL	NIL
4. Furnance Oil	NIL	NIL
5. Other Internal Generation	NIL	NIL

**II. Consumption per unit of Production**

	Year Ended 31.03.2009	Year Ended 31.03.2008
1. Electricity Units per mtr. fabrics	NIL	0.970

**III. Power Consumption (Unit M.K. Wears)**

	Year Ended 31.03.2009	Year Ended 31.03.2008
1. Electricity		
a) Purchased units	6817	3497
Total Amount (in Rs.)	52197	31976

**TECHNOLOGY ABSORPTION**

Indigenous technology alone is used and Research and Development are carried out continuously.

**FOREIGN EXCHANGE EARNING AND OUTGO**

	Year Ended 31.03.2009 Rs. in Lacs	Year Ended 31.03.2008 Rs. in Lacs
Total Foreign Exchange earned.	109.10	102.68
Total Foreign Exchange used.	NIL	1.50

By order of the Board  
Sd/-  
(K. L. Khanchandani)  
Managing Director

Place: Jaipur

Date: 1<sup>st</sup> September, 2009

**MANAGEMENT DISCUSSION AND ANALYSIS****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY OUTLOOK**

Dismantling of the quota regime (multi fibre agreement) in the textiles and clothing segment has opened up large opportunities for growth in textiles and clothing for India in general and in particular for the Company.

Indian textile and clothing Industry is one of the largest in the world. India is one of the few countries that has a presence across the entire value chain of the textiles and apparel business starting from fibre production, spinning, weaving/knitting, processing to garment manufacturing.

The Company recognizes the challenges of operating in a quota free world and has positioned itself to take advantage of these opportunities.

The Company believes that the Government also has a significant role to play in the growth of this Industry. The Government recognizes the potential of this Industry and is taking a number of steps to improve the competitiveness of this Industry in the global market.

**OPPORTUNITIES AND THREATS**

The opening of the international markets has thrown a host of opportunities with unique set of challenges. The dismantling of quota system has given an added advantage and a huge opportunity to India as compared to other countries including China in the polyester-viscose fabrics, the very product in which the Company specializes. This is especially because viscose fiber is available in abundant quantity in India as compared to China. As such, India is stronger in polyester/viscose fiber suiting as compared to China and other countries. Thus, in India new designs can be injected faster allowing the Indian manufacturers to cater to the larger section of the people with a variety of color

choices and designs which is not feasible for the Chinese manufacturers. This is one of the reasons that the Indian fabrics, particularly viscose suiting dominates the market as compared to the Chinese fabrics. India, therefore, has a massive edge compared to China in viscose polyester fabrics and China is in effect not a competition considering the target market and business model.

The company intends to export majority of its production from the new looms to the European market where realization is higher as compared to that in African countries.

Various Countries, especially the developed nations may, however, increasingly resort to protectionist measures or regional trade agreements to protect their domestic textile & clothing industry, which has been severely impacted by the imports of low cost products from China.

Despite all round positive developments, the Indian textile sector faces a number of challenges, foremost being infrastructure and inflexible labour laws.

Inflow into India of spurious fabric material, counterfeit, fake and misleading selvedge descriptions continues. However, recognizing the threat these spurious imports poses, if continued unchecked, the government has taken a number of steps to check the inflow of such products.

Rising oil prices result in higher input prices, especially polyester and fuel, and higher inflation, which will push up to the cost structure.

**INTERNAL CONTROL SYSTEM**

The Company is in the process of establishing a strong and adequate internal audit and control system to ensure that all transactions are authorized, recorded and reported correctly. The internal control

system consists of comprehensive internal and external audits. The Company has an Audit Committee of three independent non-executive directors of the Company. The Audit Committee reviews the adequacy of internal control systems and findings of internal audit. Moreover, the annual financial results of the Company were reviewed and recommended by the Audit Committee for consideration and approval of the Board of Directors. The Audit Committee met 4 times during the year ended on 31<sup>st</sup> March 2009.

### **FINANCIAL REVIEW AND ANALYSIS**

#### **(a) Share Capital**

The Authorised Share Capital of the Company is 6,00,00,000/- comprising of 60,00,000 equity shares of Rs. 10/- each. The paid-up capital of the Company is Rs. 3,68,93,500. There was no change in paid-up share capital and authorized Share Capital.

#### **(b) Loan funds**

During the year the Secured Loan of the Company has decreased by 73.00 % i.e. from Rs. 419.45 lacs to Rs. 113.31 lacs. The Company's Management think that in reverse situation the interest burden should be made lower.

#### **(d) Net Current Assets**

During the current period, there was a decrease in the Net Current Assets of the Company from Rs. 16,14,15,060 to Rs. 12,80,96,556.

#### **(e) Sales**

During the year the turnover of the Company has increased by 12.58 % i.e. from Rs. 102.70 lacs to Rs. 115.62 lacs.

### **HUMAN RESOURCE MANAGEMENT**

Human Resources are a valuable asset for any organization. The Company is giving emphasis to upgrade the skills of its human

resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals.

### **CAUTIONARY STATEMENT**

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

By order of the Board  
Sd/-

(K. L. Khanchandani)  
Managing Director

Place: Jaipur

Date: 1<sup>st</sup> September, 2009

**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The Board has adopted and is committed to adopting its obligations under relevant regulations and laws, as well as any relevant best practices relating to Corporate Governance. The Board believes that good governance is voluntary and self-discipline with the strongest impetus coming from directors and management itself, and ultimately leads to enhancement of value for all stakeholders. The management and organization as M.K. Exim (India) Limited aims to be progressive, competent and trustworthy creating and enhancing value for stakeholders and customers, while relating and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability

**1. BOARD OF DIRECTORS**

At present, the Board consists of six Directors, of whom three are Non-executive and Independent Directors.

Details of all Directors are given below by category, attendance, total directorship and memberships and chairmanships of Board Committees:

Name of Director	Category	Meeting held during his/her tenure	Meetings Attended *	Attended Last AGM **	No. of Other Directorship	No. of Other Committee Membership/ Chairmanship
Mr. Dayaram Khanchandani	Executive (Chairman)	8	8	Y	2	Nil
Mr. Kanhaiya Lal Khanchandani	Executive (Managing Director)	8	8	Y	1	Nil
Mrs. Pushpa Khanchandani	Executive	8	8	Y	Nil	Nil
Mr. Ashok Kumar Patni	Independent	8	6	Y	Nil	Nil
Mr. Murli Meghnani	Independent	8	6	Y	Nil	Nil
Mr. Kishore Motiyani	Independent	8	6	Y	Nil	Nil

\* There were eight meetings held during the year on 05.05.2008, 31.07.2008, 20.08.2008, 28.09.2008, 31.10.2008, 10.01.2009, 30.01.2009 and on 30.03.2009

\*\* Last Annual General Meeting (AGM) was held on 30<sup>th</sup> September, 2008 (Tuesday) at Registered Office: E-3, RIICO Industrial Area, Sitapura, Sanganeer, Jaipur.

**2. AUDIT COMMITTEE**

The Audit Committee of the Company comprises of three directors, all being non-executive. The Audit Committee performs the following functions: -

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that financial statements are correct, sufficient and credible.
- Reviewing the efficiency of the internal control mechanism and monitors the risk management policies adopted by the Company.
- Reviewing the report furnished by the internal and statutory auditors and ensure that suitable follow up actions are taken.

- (d) Examining accounting, taxation and disclosure aspects of all significant transactions.
- (e) Discussing with the internal auditors regarding any significant finding and follow-up on such issues.
- (f) Reviewing the findings of any internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control system of a material nature, and then reporting such matters to the Board.
- (g) Discussing with external auditors before the audit commences on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- (h) To approve unaudited quarterly financial results and publish the same as required in the Listing Agreement.

The information regarding the composition of Audit Committee, numbers of meetings attended by the members of the Audit Committee are as under: -

S.No.	Name of Member	Position in Committee	Meeting held during his/her tenure	Meetings Attended *
1.	Mr. Murlī Meghnani	Chairman	4	4
2.	Mr. Ashok Kumar Patni	Member	4	4
3.	Mr. Kishore Motiyani	Member	4	4

\* There were four meetings held during the year on 30.06.2008, 31.07.2008, 30.10.2008 and 05.01.2009.

### 3. SHAREHOLDER'S GRIEVANCE COMMITTEE

The Committee reviewed the Shareholders grievances, their redressal and the Share transfers for the year and expressed satisfaction with the same that there is no pending grievance of any investor against the Company.

The information regarding the composition of Shareholders Grievance Committee, numbers of meetings attended by the members of the Shareholders Grievance Committee are as under: -

S.No.	Name of Member	Position in Committee	Meeting held during his/her tenure	Meetings Attended *
1.	Mr. Murlī Meghnani	Chairman	1	1
2.	Mr. Ashok Kumar Patni	Member	1	1
3.	Mr. Kishore Motiyani	Member	1	1

\* There was one meeting held during the year on 20.08.2008.

Mr. Raj Kumar Jain, General Manager has been designated as Compliance Officer.

**4. REMUNERATION COMMITTEE**

The Company had constituted a Remuneration Committee during the year 2003. The remuneration of Managing/Executive director is decided by remuneration committee based on criteria such as industry Bench marks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance track record of Managing/Executive directors, macro economic review on remuneration packages of heads of other organization and is reported to the Board.

In the last few years efforts have been made to link the annual variable pay of senior personnels with the performance of the company in general and their individual performance for the relevant year measured against specific major performance areas which are closely aligned to Company's objectives.

\* No Meeting was held during the year of Remuneration Committee.

**Remuneration paid to Directors: -**

Remuneration paid to non-executive Directors: NIL

Remuneration paid to Executive Directors during the Financial Year ended on 31.03.2009:

Name of Executive Director	Salary (Rs.)	Contribution to P/F (Rs.)	Total (Rs.)
Mr. Dayaram Khanchandani	1,22,640	9,360	1,32,000
Mr. Kanhaiya Lal Khanchandani	5,90,640	9,360	6,00,000
Mrs. Pushpa Khanchandani	2,30,640	9,360	2,40,000

Notes:

- (1) No commission has been paid to any Directors.
- (2) The service contract with Managing/Whole time Directors are normally for a period of five years.
- (3) Presently, the Company does not have any stock option scheme.

**5. GENERAL BODY MEETINGS**

The details of Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day & Date	Time	Venue
14 <sup>th</sup> Meeting	Saturday 30 <sup>th</sup> Sept. 2006	10.00 a.m.	E-3, RIICO Industrial Area, Sitapura, Sanganer, Jaipur
15 <sup>th</sup> Meeting	Thursday 27 <sup>th</sup> Sept. 2007	11.00 a.m.	E-3, RIICO Industrial Area, Sitapura, Sanganer, Jaipur
16 <sup>th</sup> Meeting	Tuesday 30 <sup>th</sup> Sept. 2008	11.00 a.m.	E-3, RIICO Industrial Area, Sitapura, Sanganer, Jaipur

**6. DISCLOSURES**

- a. Materially related transactions with related parties, i.e., Promoters, Directors or Management, their subsidiaries or relatives conflicting with the Company's interest: Details of related party transactions during the year have been set out under Note 10 of Schedule 18 of the Annual Accounts.
- b. During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authorities on matters related to Capital Market.
- c. A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**7. MEANS OF COMMUNICATION**

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Unaudited as well as Audited Financial results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. The Annual, Half-yearly and Quarterly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and published in newspaper(s) in compliance of the provisions of the Listing Agreement.
- b. Management Discussion & Analysis Report forms part of the Report of Directors.

**8. GENERAL SHAREHOLDER'S INFORMATION:**

(a) **Date of Book Closure :** 23.09.2009 to 30.09.2009

(b) **Date and Venue of AGM:**

**Date :** 30.09.2009

**Day :** Wednesday

**Time :** 10.00 A.M.

**Venue of AGM :** G-1/150, Garments Zone, EPIP

RIICO Industrial Area, Sitapura, Sanganer, Jaipur

(c) **Financial Calendar (tentative and subject to change)**

Financial reporting for the first quarter ending June 30, 2009: July 2009

Financial reporting for the second quarter ending Sep. 30, 2009: Oct. 2009

Financial reporting for the third quarter ending Dec. 31, 2009: Jan. 2010

Financial reporting for the year ending March 31, 2010: June 2010

Annual General Meeting for the year ending March 31, 2010: Sept. 2010

(d) **Dividend:** No dividend being recommended by the Board of Directors during the year.

(e) **Listing of Equity Shares in Stock Exchanges:**

Jaipur, Ahmedabad and Delhi

(Trading permitted at BSE INDONEXT w.e.f. 17<sup>th</sup> January 2007.)

(f) **Demat ISIN Exchange Number in NSDL & CDSL for Equity Shares:**

ISIN No. INE227F01010

**g) Stock Exchange Code:**

Jaipur Stock Exchange 787  
 Ahemdabad Stock Exchange 37621  
 Delhi Stock Exchange 9458

**(h) Registrar and Share Transfer Agent**

Beetal Financial & Computer Services (P) Ltd  
 Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Center,  
 Near Dada Harsukhdas Mandir, New Delhi – 110 062  
 Tel : (011) 2996 1281/82  
 Fax : (011) 2996 1284

**i) Shareholding Pattern as on 31<sup>st</sup> March 2009**

S.No.	Category	No. of Share holders	No. of Shares	% to Total
1.	Promoter and Promoter Group	4	1349600	40.92
2.	NRI	13	79000	2.4
3.	Resident Individuals	876	1613602	48.92
4.	Bodies Corporate	59	255873	7.76
5.	Clearing Member	2	125	0.0
			2242	0.07
	<b>Total</b>	<b>954</b>	<b>398200</b>	<b>100</b>

**Note:** The Board of Directors has forfeited 7,82,300 equity shares in their meeting dt. 06.05.2002 after complying all the provisions of the Companies Act, 1956 and the Listing Agreement.

**(k) Distribution of Shareholding as on 31<sup>st</sup> March 2009**

SHARE HOLDING OF NOMINAL VALUE OF RS.	NO. OF SHARE-HOLDERS	% TO TOTAL	NO. OF SHARES	AMOUNT IN RS.	% TO TOTAL
UP TO 5000	502	52.62	1,25,276	12,52,760.00	3.7983
5001 TO 10000	329	34.49	2,99,844	29,98,440.00	9.0911
10001 TO 20000	61	6.39	1,05,151	10,51,510.00	3.1881
20001 TO 30000	18	1.89	45,545	4,55,450.00	1.3809
30001 TO 40000	2	0.21	7,060	70,600.00	0.2141
40001 TO 50000	4	0.42	18,509	1,85,090.00	0.5612
50001 TO 100000	14	1.47	96,783	9,67,830.00	2.9344
100001 AND ABOVE	24	2.52	26,00,032	2,60,00,320.00	78.8318
<b>TOTAL</b>	<b>954</b>	<b>100.00</b>	<b>32,98,200</b>	<b>3,29,82,000.00</b>	<b>100.0000</b>

**(l) Dematerialisation of Shares as on 31.03.2009**

Number of Shares dematerialized : 2769675

% of shares dematerialized : 83.98 %

The Company has entered into agreements with both NSDL and CDSL whereby shareholders have an option to dematerialize their shares with either of the depositories.

**(m) Registered Office:**

M.K. Exim (India) Limited  
G-1/150, Garments Zone, EPIP  
RIICO Industrial Area,  
Sitapura, Sanganer, Jaipur  
Phone: 91-141-2777501  
Fax: 91-141-2777502  
E-mail: mkexim@hotmail.com  
Website: www.mkexim.com

**9. CODE OF CONDUCT:**

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management. The Code has also been posted on the Company's website – [www.mkexim.com](http://www.mkexim.com).

**10. COMPLIANCE CERTIFICATE OF THE AUDITORS:**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Report of the Company.

**11. NON-MANDATORY REQUIREMENTS:**

The Company at present has not adopted the non-mandatory requirements in regard to sending half yearly financial results to the Shareholders at the residence.

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**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with M.K.- Code of Conduct for the year ended March 31, 2009.

By order of the Board

Sd/-  
(K.L. Khanchandani)  
Managing Director

Place: Jaipur  
Date: 1<sup>st</sup> Sept., 2009

**AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE**

To the Members of  
M.K. Exim (India) Limited  
Jaipur.

We have examined the compliance of the conditions of Corporate Governance by M.K. Exim (India) Limited for the year ended 31<sup>st</sup> March, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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.

For **P.C. Modi & Company**  
Chartered Accountants  
Sd/-  
**(Bharat Sonkhiya)**  
Partner

Place: JAIPUR  
Date: 30<sup>th</sup> June 2009

**AUDITOR'S REPORT**

1. We have audited the attached Balance Sheet of **M.K. Exim (INDIA) LIMITED** as at 31st March 2009, the Profit and Loss Account and 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India 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.
4. Further to our comments in the Annexure referred to 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 purposes 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 those books.
  - (c) The Balance Sheet, Profit and 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, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except,
    - i. AS-28, for "Impairment of Assets", in respect of impairment loss of Garment manufacturing unit, impairment loss, remains unascertained.
    - ii. AS-15, for Employees Benefits (Revised 2005), in respect of Provision for Gratuity. The Provision for Gratuity provided by the Company is inadequate and its effect on liabilities and profit of the Company is unascertainable. Further, requisite disclosures are not made in respect of retirement benefits.
    - iii. AS-2, for Valuation of Inventories, in respect of valuation of Closing Stock of Unit I and Unit III of the Company. The Closing Stock in Unit I and Unit III has not been valued at lower of cost or net realizable value.
  - (e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - (f) We report that,
    - i. The Financial Statements of the Company are prepared on a going concern basis.

- There are indications to suggest that going Concern Assumption is inappropriate. However, the impact on Financial Statements of this inappropriate assumption is unascertainable.
- ii. Trade Advances amounting to Rs.241.52 lacs are doubtful of recovery for which no provision is made.
  - iii. Trade Debtors amounting to Rs.201.50 lacs are doubtful of recovery for which no provision is made.
  - iv. Closing Stock in unit III amounting to Rs 69.70 Lacs in Unit III of the Company is obsolete and damaged which is overvalued. The decline in value of stock is unascertainable.
  - v. Company has not made any provision for Bonus as required by the Payment of Bonus Act, 1965 which remains unascertained.
  - vi. The Company is not charging any interest on Trade Advances given by it, which in our opinion is prejudicial to the interest of the Company however impact of same on financial statements is unascertained.
- (g) We further report that, without considering sub para no.(i), (iv), (v), (vi) of para (f) above where effect could not be ascertained, had the observations made by us in sub para no. (ii), (iii) of para (f) above, been considered, losses before tax for the year would have been Rs. 507.95 lacs (as against Rs. 64.92 Lacs reported by the Company), Reserves & surplus would have been Rs. 405.89 Lacs (as against Rs. 848.91 Lacs reported by the Company), Advances would have been 409.39 Lacs (as against Rs.650.92 Lacs reported by the Company.), Debtors would have been Rs. 466.59 Lacs (as against Rs. 668.10 Lacs reported by the Company).
- (h) Without qualifying our opinion, we draw attention to advances of rs 325 lacs given by the Company to various parties. The management has not given any explanation regarding business expediency for the same.
- (i) Subject to (f), (g) and 4(d) (i), (ii), (iii) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2009; and
  - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.
  - (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For P.C. Modi & Co.  
Chartered Accountants  
S/d  
(Bharat Sonkhiya)  
Partner  
Membership No. 403023

Place : Jaipur  
Dated : 30<sup>th</sup> June, 2009

**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNT OF M.K. EXIM (INDIA) LIMITED FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2009**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the management at the end of the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) During the year, the Company has disposed off substantial part of the plant and machinery. According to the information and explanation given to us, we are of the opinion that the sale of said part of plant and machinery has not affected the going concern status of the Company.
2. (a) The inventory has been physically verified during the year by the management.  
(b) The procedure of physical verification of inventories followed by the management is inadequate in relation to the size of the Company and the nature of its business. Proper documentation need to be maintained for the physical verification exercise by the management.  
(c) The Company is maintaining proper records of inventory.
3. (a) The Company has granted interest free unsecured loan to one party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.216,800/- and the year end balance of loan given to such party was Rs.66,800/-.  
(b) No terms and conditions have been stipulated for loans granted to the party listed in the register maintained under section 301 of the Companies Act, 1956. Therefore this causes prejudice to the interest of the Company.  
(c) According to the information and explanations given to us, no stipulation has been made for the repayment of principal amount in respect of loans given to the parties listed in the register maintained under section 301 of the Companies Act, 1956.  
(d) The Company has taken interest free unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.6,80,50,627/- and the year-end balance of loans taken from such parties was Rs.4,18,59,152/-  
(e) In our opinion, other terms and conditions on which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.  
(f) According to the information and explanations given to us, no stipulation has been made for the repayment of principal amount in respect of loans taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard of purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act 1956, have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us the internal audit system needs augmentation.
8. We have been explained that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the period under review for the products of the Company.
9. (a) The Company is irregular in depositing with the appropriate authorities undisputed statutory dues including Investor Education Protection Fund, Provident Fund Dues, Employees State Insurance dues, Income Tax Deducted at source, Income Tax Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it and there have been significant delays in a large number of cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty were in arrears as at the end of the financial year for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the Dues	Amount(Rs.)	Period to which the amt. relates	Due Date	Date of Payment
Provident Fund & Misc. Provisions Act, 1952	Provident Fund	4,39,219/-	F.Y. 2007-08	14th of Next Month	Not Paid
		1,36,990/-	1st April,08 to 30th Sept.,08	14th of Next Month	Not Paid
The Rajasthan VAT Act, 2003	Value Added Tax	2,76,552/-	1st April,08 to 30th Sept.,08	15th of Next Month	Not paid
The Central Sales Tax Act,1956	Sales Tax	1,28,008/-	1st April,08 to 30th Sept.,08	15th of Next Month	

- (c) According to the information and explanations given to us and records of Company, the following are the disputed statutory dues on account of income tax, which have not been deposited with appropriate authorities:

S.No.	Nature of Dues	Amount(Rs.)	Period	Forum where dispute is pending
1.	Income Tax Demand	1,33,938/-	A.Y.2002-03	Commissioner of Income Tax (Appeals)

10. The Company does not have accumulated losses as at the end of the year. However, taking into consideration, the qualifications given in the report the total resultant loss will be Rs. 507.95 lacs which will not exceed the existing Reserves and Surplus. The Company has not incurred any cash losses during the current financial year. However, the Company had incurred cash losses of Rs.43.41 lacs during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has generally defaulted in repayment of dues to banks and financial institutions.
12. According to the information and explanations given to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures & other securities.
13. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
14. Clause (xiii) is not applicable as this clause is applicable to nidhi/mutual benefit fund/societies.
15. Clause (xiv) is not applicable as this clause is applicable to Company dealing/trading in shares, securities and other investments.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment.
18. According to the information and explanation given to us, the Company has not made any preferential allotment of share, hence this clause is not applicable.
19. According to the information and explanation given to us, the Company has not issued debentures; hence this clause is not applicable.
20. According to the information and explanation given to us, the Company has not raised any money by public issue during the year, hence this clause is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For P.C. Modi & Co.**  
**Chartered Accountants**

Sd/-  
(Bharat Sonkhiya)  
Partner

Membership No. 403023

Place : Jaipur  
Dated : 30<sup>th</sup> June, 2009

## BALANCE SHEET AS AT 31ST MARCH 2009

	SCH. NO.	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS	
<b>I. SOURCES OF FUNDS</b>				
<b>1 SHARE HOLDERS FUND</b>				
a)	Share Capital	1	36893500	36893500
b)	Share Application Money			
	Pending allotment		4693800	
c)	Reserve & Surplus	2	84891310	90563928
	Deferred Tax Liability		7747410	8670787
<b>2 LOAN FUNDS :</b>				
a)	Secured Loans	3	1133129	41945203
b)	Unsecured Loans	4	42762715	57303422
			<u>178121864</u>	<u>235376840</u>
<b>II. APPLICATION OF FUNDS</b>				
<b>1 FIXED ASSETS</b>				
a)	Gross Block	5	82487178	109596222
	Less : Depreciation		32462870	35635442
	Net Block		50024308	73960780
	Investments	6	1000	1000
<b>2 CURRENT ASSETS, LOANS AND ADVANCES</b>				
a)	Inventories	7	13335847	19067627
b)	Sundry Debtors	8	66810443	115542371
c)	Cash & Bank Balances	9	1322599	3116691
d)	Loans & Advances	10	65092023	39021578
			146560912	176748267
	Less : Current Liabilities	11	18464356	15333207
	and Provision			
	Net Current Assets		128096556	161415060
<b>NOTES ON ACCOUNTS</b>				
		18	<u>178121864</u>	<u>235376840</u>

As per our separate report of even date

For P.C.Modi & Co.  
Chartered Accountants

FOR M.K.EXIM (INDIA) LIMITED

Sd/-  
(BHARAT SONKHIYA)  
PARTNERSd/-  
(DAYARAM KHANCHANDANI)  
CHAIRMANSd/-  
( KANHAIYALAL KHANCHANDANI)  
MANAGING DIRECTORPlace : Jaipur  
Dated : 30<sup>th</sup> June, 2009

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

	SCH. NO.	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS
<b>INCOME</b>			
Sales-Export		10909764	10268189
Sales- Domestic		652672	2232
Other Income	12	16217289	4524564
Increase (Decrease) in stock	13	(2743765)	2979703
Profit on sale of fixed Assets		-	6763
<b>TOTAL 'A'</b>		<b>25035960</b>	<b>17781451</b>
<b>EXPENDITURE</b>			
Raw material Consumed	14	2792479	3304252
Purchases of Trading Goods		1272023	1179803
Purchase of Grey Fabrics		5513471	-
Manufacturing Expenses	15	2531652	3569710
Administrative, Selling & Other Expenses	16	5128595	6956522
Interest	17	2420802	7105324
Depreciation	5	3554830	4917865
Loss on Sale of Fixed Assets		8314103	-
<b>TOTAL 'B'</b>		<b>31527955</b>	<b>27033476</b>
<b>Profit/(Loss) Before Tax (A-B)</b>		<b>(6491995)</b>	<b>(9252025)</b>
Less : Provision for Tax		-	-
Less : Deferred Tax Liability Created/( Reverse)		(923377)	(2349214)
Less: Provision for Fringe Benefit Tax		104000	135000
<b>Profit/(Loss) After Tax</b>		<b>(5672618)</b>	<b>(7037811)</b>
<b>Add: Profit Brought Forward from last year</b>		<b>89005215</b>	<b>96043026</b>
<b>Add /(Less) : Prior Period Income Tax</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) carried to Balance Sheet</b>		<b>83332597</b>	<b>89005215</b>
Basic Earning Per Share before and after extraordinary items		(1.72)	(2.13)
Diluted Earning Per Share before and after extraordinary items		(1.39)	(2.13)

As per our separate report of even date

For P.C.Modi & Co.  
Chartered Accountants

FOR M.K.EXIM (INDIA) LIMITED

Sd/-  
(BHARAT SONKHIYA)  
PARTNERSd/-  
(DAYARAM KHANCHANDANI)  
CHAIRMANSd/-  
(KANHAIYALAL KHANCHANDANI)  
MANAGING DIRECTORPlace : Jaipur  
Dated : 30<sup>th</sup> June, 2009

**SCHEDULE TO THE ACCOUNTING YEAR 2007-2008**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
6000000 Equity Share of Rs. 10/- each	60000000	60000000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
<b>Issued Capital</b>		
4280000 Equity Shares of Rs. 10/- each (Previous Year : 4280000 equity shares of Rs. 10 each)	42800000	42800000
<b>Subscribed &amp; paidup Capital</b>		
3298200 Equity Shares of Rs. 10/- each (Previous Year : 3298200 equity shares of Rs. 10 each)	32982000	32982000
Add: Forfeited Shares Account	3911500	3911500
	<b>36893500</b>	<b>36893500</b>
<b>SCHEDULE - 2</b>		
<b>RESERVE &amp; SURPLUS</b>		
Profit and (Loss) Account		
Opening Balance	89005215	96043026
Deduction During the Year	(5672618)	(7037811)
	83332597	89005215
State Investment Subsidy	1558713	1558713
	<b>84891310</b>	<b>90563928</b>
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>(A) TERM LOAN</b>		
From Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)	-	7275250
	-	7275250
<b>(B) WORKING CAPITAL LOAN</b>		
From State Bank of Bikaner & Jaipur	-	34669953
State Bank of Bikaner & Jaipur Limit	1133129	-
	<b>1133129</b>	<b>41945203</b>
NOTES :-		
1 Working Capital loans from State Bank of Bikaner & Jaipur are secured by way of first charge over all the current assets, loans & advances and investments and second charge over Land, Building and Plant & Machinery of the company.		
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
From Directors	41859152	54466134
From Bank & Financial Institution	403563	2337288
From Corporates	500000	500000
	<b>42762715</b>	<b>57303422</b>

AS AT  
31.03.2008  
RS

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SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

SCHEDULE - 5  
FIXED ASSETS

S. NO	PARTICULARS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			AS AT 01.04.2008	ADDITION / (DELETION)	AS ON 31.03.09	UPTO 31.03.2008	ADJUSTMENT ON SALE OF ASSETS	DURING THE YEAR	UPTO 31.03.2009	AS ON 31.03.08	AS ON 31.03.09
1	LAND		5248390	0	5248390	0	0	0	5248390	5248390	
2	SITE DEVELOPMENT	3.34%	128586	0	128586	44598	0	4295	48893	83988	79693
3	BUILDING	3.34%	28286799	353508	28640307	7542455	0	948916	8491371	20744344	20148936
4	PLANT & MACHINERY	4.75%	60436799	(27459005)	32977794	21427715	(6540415)	1566446	16453746	39009084	16524048
5	FURNITURE & FIXTURES	6.33%	3784933	383952	4168885	1458755	0	245493	1704248	2326178	2464637
6	VEHICLES	9.50%	4477907	0	4477907	1980198	0	425401	2405599	2497709	2072308
7	MISC. FIXED ASSETS	4.75%	5912599	(387500)	5525099	2592233	(186987)	262442	2667688	3320366	2857411
8	COMPUTER	16.21%	341427	0	341427	260254	0	55345	315599	81173	25828
9	OFFICE EQUIPMENT	4.75%	978783	0	978783	329234	0	46492	375726	649549	603057
	<b>TOTAL</b>		<b>109596222</b>	<b>(27109045)</b>	<b>82487178</b>	<b>35635442</b>	<b>(6727402)</b>	<b>3554830</b>	<b>32462870</b>	<b>73960780</b>	<b>50024308</b>
	Previous Year		108909405	686817	109596222	32439854	(1722275)	4917865	35635443	76469551	73960780

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS
<b><u>SCHEDULE-6</u></b>		
<b>INVESTMENTS</b>		
<b>Investment In Government Securities (Unquoted)</b>		
National Saving Certificate (Valued at Cost)	1000	1000
	<b>1000</b>	<b>1000</b>
<b><u>SCHEDULE - 7</u></b>		
<b>INVENTORIES</b>		
Electrical	99190	126830
Raw Material	7326851	10093019
Consumables	72887	245142
Packing Material	22300	71891
Work in Progress	5510456	7129132
Finished Goods	304163	1401613
	<b>13335847</b>	<b>19067627</b>
(a)	Raw Materials, Packing Materials and Consumables are valued at the lower of Cost, computed on a FIFO basis and estimated net realisable value.	
(b)	Finished goods and Work in Process are valued at the lower of cost, computed on a weighted average basis and estimated net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.	
<b><u>SCHEDULE 8</u></b>		
<b>SUNDRY DEBTORS</b>		
Debts - Unsecured and Outstanding for a period exceeding six months:		
Considered Good	65967681	92422126
Other Unsecured Debt Considered Good	842762	23120245
	<b>66810443</b>	<b>11554237</b>
<b><u>SCHEDULE 9</u></b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	1293065	2216185
Balance with Scheduled Bank:		
(i) In Fixed Deposit	-	-
(ii) In Current Account	29533	900505
	<b>1322599</b>	<b>3116691</b>

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS
<b><u>SCHEDULE 10</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
Advances (Recoverable in Cash or in kind or for value to be received)	64039308	37338433
Security and other deposits	563839	1015762
Tax Deducted at Source	383061	349356
Cenvat Receivable	105815	194485
Vat Tax Receivable	-	87112
Prepaid Expenses	-	36430
	<b>65092023</b>	<b>39021578</b>
<b><u>SCHEDULE 11</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b><u>Current Liabilities</u></b>		
<b><u>Sundry Creditors</u></b>		
For Goods	4061446	3741572
For Expenses	6009886	7161917
For Capital Goods	399395	920974
Tax deducted at source payable	1847	-
Provision for Expenses	715557	1187147
Credit Balance with Schedule Bank	76035	76035
CST Payable	143048	-
VAT Payable	299098	-
Service Tax Payable	4120	-
Security Receivable	10359	10000
Advance from Customers	23173	588764
Advance Received for Sale of Building	5000000	-
<b><u>Provisions</u></b>		
Provision for tax	-	-
Provision for Fringe Benefit Tax	105835	135661
Gratuity Provision	1614557	1511137
	<b>18464356</b>	<b>15333207</b>

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE 12</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>OTHER INCOME</b>		
Rent	60000	60000
Interest	151116	1164983
Dividend	1500	1500
Exchange Rate Difference	10389432	3004037
Cash Discount	11341	-
DEPB	4859742	-
Export Incentive/sale of licences	744156	294044
Round off	2	
	<b>16217289</b>	<b>4524564</b>
<b>SCHEDULE 13</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
<u>Closing Stock</u>		
Finished Goods	304163	1401613
Work in Process	5510456	7129132
Electrical Item	99190	126830
	5913809	8657575
Less : Opening Stock :		
Work in Process	7129132	3907940
Electric Item	126830	126830
Finished Goods	1401613	1643102
	8657575	5677872
Increase (Decrease) in Inventories	<b>(2743765)</b>	<b>2979703</b>
<b>SCHEDULE 14</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	10192217	10449979
Add : Purchases	-	2947292
	10192217	13397271
Less : Closing Stock	7399738	10093019
	<b>2792479</b>	<b>3304252</b>
<b>SCHEDULE 15</b>		
<b>MANUFACTURING EXPENSES</b>		
Processing Charges	1643204	1312841
Carriage & Cartage	29756	34352
Wages	251571	1194667
Power & Fuel	455396	908314
Stores & Spares(consumables)	145944	41008
Misc. Manufacturing Exp.	5781	78528
	<b>2531652</b>	<b>3569710</b>

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS
<b>SCHEDULE 16</b>		
<b>ADMINISTRATIVE SELLING &amp; OTHER EXPENSES</b>		
Salary	1490088	1631100
Directors Remuneration	972000	972000
Contribution to Provident fund	128377	212394
Contribution to ESI Fund	26876	64629
Bank Charges	266276	451286
Freight Charges	357941	388976
Gratuity	103420	120610
Rent	24500	159250
Packing Material Consumed	126262	100001
Postage Expenses	48069	56451
Car Expenses	294155	335034
Service Tax Demand	0	100000
Insurance Charges	46171	140057
Sundry Bal. W/O	52266	514296
Telephone Charges	476942	582398
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery	-	25564
Others	63256	29345
<b>Travelling Expenses</b>		
Directors	1801	149702
Others	93477	102850
<b>Auditors Remuneration</b>		
	25844	34000
Miscellaneous Expenses	530874	786581
	<b>5128595</b>	<b>6956522</b>
<b>SCHEDULE 17</b>		
<b>INTEREST</b>		
Term Loan of RIICO	59752	1233437
Bank Borrowing	1772583	5311534
Suppliers	387245	87027
Others	201222	473326
	<b>2420802</b>	<b>7105324</b>

**SCHEDULE TO THE ACCOUNTING YEAR 2008-2009****SCHEDULE 18****NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES :****(i) Basis of Accounting**

The accounts of the Company are prepared under the historical cost convention on accrual basis and in conformity with accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Companies Act, 1956. For recognition of Income & Expenses, accrual basis of accounting is followed.

**(ii) Fixed Assets and Depreciation**

Fixed Assets are stated at cost, including attributable cost of bringing the assets to its working condition for the intended use. Depreciation is provided from the date, the assets are installed and put to use on straight line method at the rates and in accordance with schedule XIV of the Companies Act, 1956.

**(iii) Foreign Currency Transactions**

- (a) All Foreign currency transaction are recorded at the rates prevailing on the date of the transaction.
- (b) Foreign Currency transaction remaining unsettled at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date or at the rate which is likely to be realised in certain specific cases.
- (c) The exchange difference on settlements/conversion are credited/charged to profit and Loss Account.
- (d) The Company has not entered into any forward exchange contract during the period.

**(iv) Investments**

investments are valued at cost.

**(v) Inventories:**

- (a) Raw Materials, Packing Materials and Consumables are valued at the lower of Cost, computed on a FIFO basis and estimated net realisable value.
- (b) Finished goods and Work in Process are valued at the lower of cost, computed on a weighted average basis and estimated net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.

**(vi) Revenue Recognition**

- (a) The company follows merchantile system of accounting and recognizes significant items of income & expenditure on accrual basis.
- b) DEPB is recognised when there is significant certainty regarding the ultimate collection of the relevant export proceeds.

**(vii) Retirement Benefits:**

- (a) Contribution to Provident Fund and Employees State Insurance is accounted for on accrual basis.
- (b) Gratuity liability is provided for on estimated basis for all employees under the "Payment of Gratuity Act, 1972"

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**SCHEDULE TO THE ACCOUNTING YEAR 2008-2009**


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**(viii) Borrowing Cost**

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**(ix) Income Tax**

- (a) Income Tax comprises Current Tax, Deferred Tax & Fringe Benefit Tax . Current Tax and Fringe Benefit Tax is the amount of tax payable as determined in accordance with provision of Income Tax Act, 1961
- (b) Deferred Income Tax is provided on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial purpose
- (c) Deferred Tax Assets are recognised on unabsorbed depreciation only to the extent that there is virtual certainty supported by convincing evidence and on other , to the extent that there is reasonable certainty of their realisation.
- (d) Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date.

**2 Contingent Liabilities**

Year Ended  
31.03.2009

Year Ended  
31.03.2008

(i) Claims against the Company not acknowledged as debts

NIL

NIL

(ii) Disputed Income Tax Liability  
Pending in Appeals

**3 Impairment of Assets**

The Company have discontinued the operation of its Garment Manufacturing Plant. In accordance with the Accounting Standard - 28 " Impairment of Assets " issued by the Institute of Chartered Accountants of India, the Company has not calculated the Impairment loss, if any, on account of unavailability of information of recoverable amount of Garment Manufacturing Plant.

**4 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 :-**

	31st March'09	31st March'08
The principal amount (interest nil) remaining unpaid to single supplier as at the end of each accounting year	-	212358.00
The amount of interest paid by the buyer in terms of section 23, of the MSMED Act, 2006 along with the amounts of the payment made to single supplier beyond the appointed day \ during each accounting year	240963.00	-
The amount of interest accrued and remaining unpaid at the end of the	-	-
the amount of interest accrued and remaining unpaid at the end of the each accounting year	-	-

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**SCHEDULE TO THE ACCOUNTING YEAR 2008-2009**


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- 5 In view of non availability of relevant information with the company, the total outstanding dues to small Scale Industrial undertakings cannot be ascertained, therefore the same are not disclosed.
- 6 Trade Advances amounting to Rs. 241.52 Lacs (Previous Year 373.38 Lacs) which are long overdue were given out of business expediency and the same in the opinion of the management are good and recoverable. The same are subject to confirmation.
- 7 Debtors amounting to Rs.201.50lacs (Previous year Rs.924.22 lacs) which are long overdue were given out of business expediency and the same in the opinion of the management are good and recoverable. The same are subject to confirmation.
- 8 The Company is having discussion for sale of Land and Building of the Company situated at E-3,RIICO Industrial Area,Jaipur. The Company has also received Rs.50.00 Lacs as advance for sale of property.However no agreement executed by the Comapny in regard.
- 9 In accrdance with AS-22 "Accounting for Taxes on Income",issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax during the year.
- 10 The breakup of Net Deferred Assets/(Liabilities) are @30.90% as under :

	<u>Year Ended</u> <u>31.03.2009</u>	<u>(Rs.in Lacs)</u> <u>Year Ended</u> <u>31.03.2008</u>
Timing Difference between Book & Tax Value of Fixed Assets	(85.09)	(86.71)
Gratuity Provision	4.99	-
Expenses Disallowed under section 43B of Income Tax act, 1956	2.42	-
Carried Forward Unabsorbed Depreciation	-	-
Expenses Disallowed for not depositing TDS	0.20	-
	<u>(77.48)</u>	<u>(86.71)</u>

**11 Segment Reporting**

- (I) Segments have been identified in line with the Accounting Standard-17- "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- (ii) The Business Segment has been considered as the primary segment for disclosure. The segments have been identified taking into account the nature of products, the different risks and returns and internal reporting system. The Geographical Segment based on location of its customers have been considered as secondary segment for disclosure.
- (iii) The segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- (iv) Information about primary business segments.

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

	Finish fabric & Dress material		Electric Cables & Other Elect. Items		Total	
	Current Year 31.03.2009	Previous Year 31-3-2008	Current Year 31.03.2009	Previous Year 31-3-2008	Current Year 31.03.2009	Previous Year 31-3-2008
Revenue	275.67	135.69	0.00	0.00	275.67	135.69
Results	(64.92)	(92.52)	0.00	0.00	(64.92)	(92.52)
Less :						
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liability Created(Reverse)	(9.23)	(23.49)	0.00	0.00	(9.23)	(23.49)
Profit After Tax	(56.73)	(70.38)	0.00	0.00	(56.73)	(70.38)
Segment Assets	1896.15	2437.39	69.70	69.70	1965.85	2507.09
Segment Liabilities	701.80	1145.82	0.00	0.00	701.80	1145.82
Capital Expenditure	7.37	(3.88)	0.00	0.00	7.37	(3.88)
Non Cash Expenses other the Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	35.55	31.50	0.00	0.00	35.55	31.50

(v) Information about secondary business segment :

		<u>Current Year</u>	<u>Previous Year</u>
Export		109.09	102.68
Domestic		4.64	0.02
	<b>TOTAL</b>	<b><u>113.73</u></b>	<b><u>102.70</u></b>
<b>12 Earning Per Share</b>		<b><u>Year Ended</u></b>	<b><u>Year Ended</u></b>
		<b><u>31.03.2009</u></b>	<b><u>31.03.2008</u></b>
<b>Basic</b>			
(i) Net Profit after tax available for Equity Share holders	A	(5672618)	(7037811)
(ii) Weighted average of Number of equity share outstanding during the year	B	3298200	3298200
(iii) Basic earning per equity share of Rs. 10/- each	A/B	(1.72)	(2.13)

**SCHEDULE TO THE ACCOUNTING YEAR 2008-2009****Diluted**

(i) Net Profit after tax available for Equity Share holders	A	(5672618)	(7037811.00)
(ii) Weighted average of Number of equity share outstanding during the year	B	3298200	3298200
Add: Potential equity share '- Share Application pending allotment	C	782300	-
Weighted average of Number of equity share outstanding for diluted EPS	G = B + C	4080500	3298200
(iii) Diluted earning per equity share of Rs. 10/- each		(1.39)	(2.13)

**13 Balance in Personal Accounts are subject to confirmation****14 RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

## (I) List of related parties and relationships :

S.NO.	NAME OF RELATED PARTY	RELATIONSHIP
1	M/s. M.K.Ingots Castings Pvt.Ltd.	Associate Company
2	Mr. Dayaram Khanchandani :	Key Management Personnel
3	Mr. Kanhaiya Lal Khanchandani :	Key Management Personnel
4	Mrs. Pushpa Khanchandani	Key Management Personnel
5	Mr. Shyam Khanchandani :	Relative of Key Management Personnel
6	Mr. Ashok Patni	Key Management Personnel
7	M/s. M.K.Traders	Proprietorship concern of Key Management Personnel
8	M/s. Square Textiles L.L.C	Relative concern of Key Management Personnel
9	M/s. K.V.Exports	Proprietorship concern of Key Management Personnel
10	M/s. M.K.Textiles	Relative concern of Key Management Personnel
11	M/s Symphony Jewels Pvt. Ltd.	Associate Company
12	Mr. Murli Menghani	Key Management Personnel

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

Details of transaction with related parties and the status of outstanding balances at the year end		
<b>1 Key Management Personnel</b>	<b>Current Year 31.03.09</b>	<b>Previous year 31.03.08</b>
Remuneration	972000	972000
Rent -	-	-
Outstanding Payables at the end	1060732	851712
Receivables at the end	-	-
Brokerage	-	-
<b>Unsecured Loans</b>		
Balance at the beginning	48121934	8288306
Taken during the year	33727023	44859500
Paid during the year	39969805	5025872
Balance at the end	41859152	48121934
<b>2 Relative concern of Key Management Personnel</b>	<b>Current Year 31.03.09</b>	<b>Previous year 31.03.08</b>
	<b>Amt. Rs.</b>	<b>Amt. Rs.</b>
(a) Sale of Finished Goods	9551505	5513899
Purchase of Ready made garments	-	-
Debit Balance Outstanding at the end	12419714	19685907
(b) Festival Sampling & Designing	-	-
Expenses Credit Balance	-	-
Outstanding at the end	-	116945
<b>3 Associate Company</b>		
<b>Loans &amp; Advances</b>		
Balance at the beginning	(227800)	(206800)
Given during the year	1450000	21000
Received during the year	1600000	0
Balance at the end	(77800)	(227800)
<b>15 Payment to Auditors</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>Rs.</b>	<b>Rs.</b>
(a) <b>As Auditors :</b>		
Statutory Audit	-	34000
Tax Audit	-	-
(b) As Advisers, in respect of		
(i) Taxation matters	15731	-
(ii) Company law matters		
(iii) Other Services	10113	-
	<u>25844</u>	<u>34000</u>
<b>16 Remuneration paid to Managing Director &amp; Directors</b>		
Salary	943920	943920
Contribution to Provident Fund	28080	28080
	<u>972000</u>	<u>972000</u>

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

17 Capacity			Year Ended 31.03.2009		Year Ended 31.03.2008
	Fabric		Readymade Garments & Pcs	Fabric	Readymade Garments & Pcs
	Mtrs			Mtrs	
Licensed capacity	N.A.		N.A.	N.A.	N.A.
Installed capacity	N.A.		N.A.	3981200	200000
18 Production			Year Ended 31.03.2009		Year Ended 31.03.2008
Production: Finished Fabric					
(i) Finish Fabric	Mtrs.		14121		96096
Finish Fabric -Outside	Mtrs.		131374		-
(ii) Readymade Garments	Pcs.		0		0
(iii) Electric Cables	Rolls (Nos.)		-		-
(iv) Grey fabric	Mtrs.		0		0
19 Raw Material Consumed			Year Ended 31.03.2009		Year Ended 31.03.2008
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.
Yarn	Kgs.	0	0	28243	3304252
Fabric	Mtrs.	-	-	-	-
		TOTAL	0		3304252
20 Purchases of Trading Goods			Year Ended 31.03.2009		Year Ended 31.03.2008
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.
Dress Materials	Pcs.	3884	1272023	706	1179803
Electrical Items	Pcs.	-	-	-	-
Yarn	Kgs	-	-	-	-
Fabric	Mtrs.	0	0	-	0
		TOTAL	1272023		1179803
21 Sales:			Year Ended 31.03.2009		Year Ended 31.03.2008
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.
Finished Fabric	Mtrs.	160185	9551505	108514	9019792
Semi Finished Fabric	Mtrs.	-	-	-	-
Dress Material	Pcs.	3884	1350259	706	1248397
Electric Items	Pcs	292	27640	-	-
Yarn	Kgs	21857	437146	-	-
Readymade Garments	Pcs	0	0	0	0
Chindi	Kgs	16158	161575	223	2232
mkw stock	Mtrs.	-	26311	-	-
		TOTAL	11562436		10270421

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

22 Closing Stock:		Year Ended 31.03.2009		Year Ended 31.03.2008	
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.
Finished Fabric	Mtrs.	0	0	14690	982425
Readymade Garments	Pcs	20787	304163	20787	304163
Electrical Items	Pcs	743	99190	1035	126830
<b>TOTAL</b>			<b>403353</b>		<b>1413418</b>
23 Opening Stock:		Year Ended 31.03.2009		Year Ended 31.03.2008	
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.
Electrical Items	Pcs	1035	126830	1035	126830
Finished Fabric	Mtrs.	14690	982425	27108	1235477
Readymade Garments	Pcs.	20787	304163	20787	304163
			<b>1413418</b>		<b>1666470</b>
24 Foreign Exchange Earnings & Expenditure		Year Ended 31.03.2009		Year Ended 31.03.2008	
		Rs.		Rs.	
Foreign Exchange Earning					
Export		10909764		10268189	
Foreign Exchange Expenditure					
(Accrual Basis)					
Travelling		0		149702	
Commission		0		0	
Purchases Electrical Items		-		-	
Furnitures & Fixtures		-		-	
25 Value of Imported and Indigenous Raw Material & Stores and Spares consumed :		Year Ended 31.03.2008		Year Ended 31.03.2009	
		Imported Rs.	Indigenous Rs.	Imported Rs.	Indigenous Rs.
Raw Material Consumed		-	7129132	-	3304252
Stores and Spares consumed		-	145944	-	41008

26 Figures for the previous year have been re-grouped / re-arranged wherever considered necessary to make them comparable with those of current year.

27 Figures have been rounded off to the nearest rupees.

28 Additional information under Part IV of Schedule VI is as under :

I **Registration Details**

Registration No  State Code

Balance Sheet Date:

## SCHEDULE TO THE ACCOUNTING YEAR 2008-2009

## II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

NIL

Bonus Issue

NIL

Rights Issue

NIL

Private Placement

NIL

## III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

178122

Total Assets

178122

## Sources of Funds :

Paid Up Capital

36894

Secured Loans

1133

Share Application

4694

Reserves and Surplus

84891

Unsecured Loans

42763

Deferred Tax Liability

7747

## Application of Funds :

Net Fixed Assets

50024

Net Current Assets

128097

Accumulated Losses

Investments

1

Misc. Expenditure

NIL

NIL

## IV Performance of Company (Amount in Rs.Thousands)

Turnover

25036

Profit/(Loss ) Before Tax

(6492)

Earning per share in Rs.

(1.72)

Total Expenditure

31528

Profit/(Loss ) After Tax

(5673)

Dividend

NIL

## V Generic Names of Principal Product of Company (as per monetary terms)

Item Code No.(ITC Code No.)

55141100

Product Description

Fabric

Item Code No. (ITC Code No.)

62082900

Product Description

Readymade Garments

Item Code No.(ITC Code No.)

740800

Product Description

Electric Cables

As per our separate report of even date

For P.C.Modi &amp; Co.

Chartered Accountants

(BHARAT SONKHIYA)

Partner

FOR M.K.EXIM (INDIA) LIMITED

(DAYARAM KHANCHANDANI)

CHAIRMAN

(KANHAIYALAL KHANCHANDANI)

MANAGING DIRECTOR

Place : Jaipur

Dated : 30<sup>th</sup> June, 2009

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE YEAR ENDED 31ST MARCH 2009**

<b>CASH FLOW FROM OPERATIVE ACTIVITES (A)</b>	<b>Year Ended 31.3.09</b>	<b>Year ended 31.3.08</b>
<b>Net Profit After tax</b>	(56.73)	(70.38)
Adjustments for:		
Prior period Income tax adjustment	-	-
Income Tax of Previous Year	-	-
Loss on Sale of Fixed Assets	83.14	-
Profit on Sale of Fixed Assets	-	(0.07)
Profit On sale of Share	-	0.00
Provision for Fringe Benefit Tax	1.04	1.35
Income Tax Provision	-	0.00
Reversal of Deferred Tax Liability	(9.23)	(23.49)
Depreciation	35.55	49.18
Interest Expenses	2.42	71.05
Interest Income	-	(11.65)
Dividend Income	(0.02)	(0.02)
	<b>56.18</b>	<b>15.97</b>
<b>Operating Profit before working capital changes Adjustment for:</b>		
<b>Increase in Inventories</b>	-	(25.83)
Decrease in Inventories	57.32	-
Decrease Sundry Debtors & Other receivable	487.32	21.69
Increase in Current liabilities	31.61	(3.03)
Increase in Loans & Advances	(260.70)	(0.16)
<b>Cash Generated From Operating activities</b>	<b>371.72</b>	<b>8.64</b>
Interest paid	(2.42)	(71.05)
Tax Paid		0.00
Fringe Benefit Tax	(1.34)	0.00
<b>Net Cash Flow from Operating Activities</b>	<b>367.96</b>	<b>(62.41)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		
Purchases of Fixed Assets	(7.37)	(33.94)
Sale of Investment	0.00	0.00
Sale of Fixed Assets	128.05	9.92
Interest Income		11.65
Dividend Income	0.02	0.02
<b>Net Cash used In Investing Activities</b>	<b>120.69</b>	<b>(12.35)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES ( C)</b>		
Share Application money received	46.94	
Decrease in Secured Loans	(408.12)	(416.84)
Increase in Unsecured Loan		439.76
Decrease in Unsecured Loan	(145.41)	
<b>Net Cash From Financing Activities</b>	<b>(506.59)</b>	<b>22.92</b>
<b>Net Increase ( Decrease ) In cash &amp;</b>	<b>(17.94)</b>	
<b>Cash equivalents ( A+B+C)</b>		<b>(51.84)</b>
Opening cash and cash equivalents	31.7	83.02
Closing cash and cash equivalents	13.23	31.17

As per our separate report of even date  
For P.C. Modi & Co.  
Chartered Accountants  
S/d  
( Bharat Sonkhiya )  
Partner

For M.K. EXIM ( INDIA ) LTD.

S/d  
( Daya Ram Khanchandani )  
Chairman

S/d  
( Kanhaiya Lal Khanchandani )  
Managing Director

Place : Jaipur  
Dated : 30<sup>th</sup> June, 2009

**ATTENDANCE SLIP**

**M.K. EXIM (INDIA) LIMITED**

**REGISTERED OFFICE :**

**G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur**

(To be handed over at the entrance of the Meeting Hall)

**17th Annual General Meeting - 30th September, 2009**

1. Full Name of Member \_\_\_\_\_  
(In Block Letter)
2. Folio No. \_\_\_\_\_
3. Full Name of Proxy (In Block Letters) \_\_\_\_\_
5. Member's/Proxy Signature \_\_\_\_\_

I hereby record my presence at 17th ANNUAL GENERAL MEETING of the company on Tuesday the 30th September, 2009 at 11.00 at G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur

Member's/Proxy's Signature

**PROXY FORM**

**M.K. EXIM (INDIA) LIMITED**

**REGISTERED OFFICE :**

**G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur**

Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

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

\_\_\_\_\_ in the district

of \_\_\_\_\_ being a member/Members of the

above named Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district \_\_\_\_\_

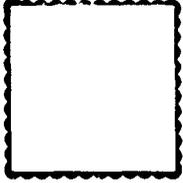
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of  
Rs. 1

asmy/our proxy to vote for me/us on my/our behalf at the SEVENTEEN ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 30th September, 2009 and at any adjournment thereof. Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009. Signature \_\_\_\_\_

**Note :** The proxy form should be deposited at the Registered Office of the Company at least forty-eight hours before the meeting.

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