

**17th Annual Report
2008-09**

Mask Investment Limited

ANNUAL REPORT 2008-09

BOARD OF DIRECTORS

Mr. Narayan Sitaram Saboo	Chairman/Non Executive Director
Mr. Naresh Sitaram saboo	Non Executive Director
Mrs. Vijya Pankaj Dhoot	Independent Director

AUDITORS

R.K.M & Co.,
Chartered Accountant
Surat

REGISTERED OFFICE

A-601/ B, International Trade Centre,
Majura Gate, Ring Road,
Surat-395002, Gujarat, India
E: maskinvestmentltd@gmail.com
Ph: +91-0261-2463261, 2463262, 2463263

REGISTRAR & SHARE TRANSFER AGENTS

"Adroit Corporate Services private Limited"
19/20, Jafferbhoy Industrial Estates,
Makwana Road, Marol Naka,
Andheri (East), Mumbai-400059, India
Ph: +91-022-28594060, 28596060
E: adroit@vsnl.net

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NOTICE OF 17th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Seventeenth Annual General Meeting** of the Members of **MASK INVESTMENTS LIMITED** will be held on Wednesday, **30.09.2009** at the registered office of the Company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002, Gujarat, India at **11.30 AM** 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, the Statement of Profit & loss Account of the company for the year ended on that together with the Director's and Auditor's Report thereon.
2. To reappoint Mr, Naresh Saboo Who retires by rotation and is eligible for reappoint as director of the company.
3. To appoint M/s. RKM & co. as Auditor of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors of
MASK INVESTMENTS LIMITED

Narayan Saboo
Director

Date: 18.08.2009

Place: Surat

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 Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 25th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).**
4. Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available.
5. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pin code number, to the Registrar & Share Transfer Agent, Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059
6. 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.

DIRECTOR'S REPORT

To
The Members

MASK INVESTMENTS LIMITED

Your Directors have the pleasure in presenting their 17th Report of the Board of Directors, together with the Audited Statement of Accounts of the Company for the year ended 31st March 2009.

OPERATION:

(In Rs.)

Particulars	2008-09
Sales/ Income	656,159.00
Total Expense	587,278.00
Profit before Taxation	68,881.00
Less: Taxation – Current	21,580.00
Earlier Income Tax	1,512.00
Contingent Provision as per Prudential norms	0.00
Profit After Taxation	45,789.00

DIVIDEND

By keeping in view the funds requirements, Your Directors do not recommend any dividend for the year ending 31st March, 2009.

DEPOSITS

During the year, the company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956 and as such no amount of principal or interest was outstanding as of the balance sheet date.

DIRECTORS

In accordance with the provision of the companies Act, 1956 and Pursuant to the provision of Article of Association of the company, Mr. Naresh Saboo, Director of the Company liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTOR RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 Directors hereby confirm the following:

- I. In preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year ended 31st March, 2009;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. The Annual Accounts have been prepared for the period ended on 31st March, 2009 on a going concern basis.

AUDITORS

M/s. RKM & Co., Chartered Accounts, will retire at the ensuing Annual General Meeting, being eligible: offer them for re-appointment as Statutory Auditor for the financial year 2009-10.

SECRETARIAL COMPLIANCE CERTIFICATE

In terms of section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001 the certificate issued by DHIREN R. DAVE & CO., Practicing Company Secretary certifying that the Company has complied with all the provisions of the Companies Act, 1956.

PERSONNEL

The company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars required to be furnished in this report under section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption and foreign exchange earnings or outgo during the year are not applicable for the year under review, and hence not furnished.

ACKNOWLEDGMENT

Your Directors wish to place on record their immense appreciation for the assistance and co-operation received from various statutory authorities.

For and on behalf of Board of Directors
For MASK INVESTMENTS LIMITED

Narayan Saboo
Director

Date: 18.08.2009
Place: Surat

CORPORATE GOVERNANCE REPORT

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the Code of Corporate Governance in its true spirit. The Company's philosophy in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with applicable laws.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its committees endeavors to strike a right balance with its various stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors Comprised of three Non Executive Directors as on 31st March 2009.

a) Composition of the board as on 31st March 2009

Sr No	Name of Directors	Category	No. of Other Directorship in Public Company	Committee Membership#	Committee Chairmanship#
1	Mr. Narayan Sitaram Saboo	Promoter / Non Executive	3	0	0
2	Mr. Naresh Sitaram Saboo	Promoter / Non Executive	1	0	0
3	Mrs. Vijya Pankaj Dhoot	Non Executive Independent	0	0	0

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees, Remuneration and Shareholders' / Investors' Grievance Committees in all Public Limited Companies (excluding Mask Investment Limited) have been considered.

b) Number of Board Meetings Held

During the Financial year ended 31st March, 2009, Board of Directors met 6 times on (1) 30/04/2008 (2) 21/07/2008 (3) 31/07/2008 (4) 31/10/2008 (5) 31/01/2009 (6) 31/03/2009

c) Board Meeting Attendance Record

Attendance record of the Directors at the Board meetings held during the financial year 2008-09 and the last the AGM held on 30 September, 2008.

Sr No.	Name of Director	Board Meeting Attended	Whether last Annual General meeting Attended
1	Mr. Narayan Sitaram Saboo	6	Yes
2	Mr. Naresh Sitaram Saboo	6	Yes
3	Mrs. Vijya Pankaj Dhoot	5	No

d) Code of Conduct for Directors and Senior Management

The Company has framed a Code of Conduct for Directors and senior officers of the Company, which has been complied by the Board members and senior Officers of the Company. All Board members and senior management personnel affirm compliance with the Code of Conduct annually. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

3. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee with all Members of the Committee being of three non-executive directors.

a) Composition Of Audit Committee

Presently Audit Committee Comprise of three Directors which are as follows:

Sr No.	Members of Audit Committee	Status
1	Mr. Narayan Sitaram Saboo	Chairman
2	Mr. Naresh Sitaram Saboo	Member
3	Mrs. Vijya Pankaj Dhoot	Member

b) Number of Audit Committee Meeting

During the Financial year ended 31st March, 2009 Audit Committee met 5 times on (1) 30/04/2008 (2) 21/07/2008 (3) 31/07/2008 (4) 31/10/2008 (5) 31/01/2009

c) Audit Committee Attendance Record

Attendance Record of each member of audit Committee during Financial Year 2008-09

Sr No	Name of Members (Category)	Status	No. Of Meetings	
			Meeting Held	Meeting Attended
1	Mr. Narayan Sitaram Saboo	Chairman	5	5
2	Mr. Naresh Sitaram Saboo	Member	5	5
3	Mrs. Vijya Pankaj Dhoot	Member	5	5

d) Terms Of Reference

Brief description of terms of reference of the audit committee:

1. Oversight of the Company's financial reporting process and the disclosure of its financial
2. Information to ensure that the financial statement is correct, sufficient and credible
3. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Pre-audit and post audit discussions with external auditors on nature and scope of audit and areas of concern, if any respectively.

4. SHAREHOLDERS/INVESTORS GRIEVANCE & SHARE TRANSFER COMMITTEE

The Board of Directors of the Company has reconstituted the existing Committee of Directors to Approve the transfer and transmission of shares into a Committee called as "Share Transfer-cum - Shareholders / Investors' Grievance Committee"

a) Composition Of Shareholders/Investors Grievance & Share Transfer Committee

Presently Shareholders/Investors Grievance & Share Transfer Committee Comprise of three Directors which are as follows

Sr No.	Members of Audit Committee	Status
1	Mr. Narayan Sitaram Saboo	Chairman
2	Mr. Naresh Sitaram Saboo	Member
3	Mrs. Vijya Pankaj Dhoot	Member

b) Number of Shareholders/Investors Grievance & Share Transfer Committee Meeting

During the Financial year ended 31st March, 2009 Shareholders/Investors Grievance & Share Transfer Committee met 4 times on (1) 30/04/2008 (2) 31/07/2008 (3) 31/10/2008 (4) 31/01/2009.

c) Shareholders/Investors Grievance & Share Transfer Committee Attendance Record

Attendance Record of each member of Shareholders/Investors Grievance & Share Transfer Committee during Financial Year 2008-09.

Sr No.	Name of Members (Category)	Status	No. of meetings	
			Meeting Held	Meeting Attended
1	Mr. Narayan Sitaram Saboo	Chairman	4	4
2	Mr. Naresh Sitaram Saboo	Member	4	4
3	Mrs. Vijya Pankaj Dhoot	Member	4	4

d) Term of Reference

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipt of annual reports, non-receipt of dividend and other allied complaints.

The Committee performs the following functions:

- Transfer/Transmission of shares.
- Split-up/Sub-division and Consolidation of shares.
- Dematerialization/ Rematerialization of shares.
- Issue of new and duplicate share certificates.
- Affix Common Seal on share Certificate in lieu of lost Share Certificate.
- To look into redressal of shareholders' and investors' complaints, like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.
- Any allied matter(s) out of, and incidental to, these functions and not herein above specifically provided for.

There were no complaints which were pending as on March 31, 2009

5. REMUNERATION COMMITTEE

As the Company is not having any Executive Director no remuneration is being paid to the directors except sitting fees, therefore, no remuneration committee has been constituted by the Company. As per Clause 49 of Listing Agreement to frame Remuneration Committee is not mandatory provision.

6. GENERAL BOARD MEETING

Year	Date	Venue	Time
2006	30.09.2006	241, Super Yarn Market, Zampa Bazar, Surat 395001, Gujarat, India.	11.30 A.M
2007	29.09.2007	A/601-B, International trade Centre, Majura Gate, Ring Road, Surat 395002, Gujarat, India	11.30 A.M
2008	30.09.2008	A/601-B, International trade Centre, Majura Gate, Ring Road, Surat 395002, Gujarat, India	11.30 A.M

7. DISCLOSURE

a) Related Party Transaction

There were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Note No. 08 of Notes to Accounts in the Annual Report

b) Compliances By the Company

The Company has complied with all the requirements of the Listing Agreement entered into with Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Sock Exchange or any statutory authority for non-compliance of any matter related to the capital market during last three years.

8. SHARE TRANSFER SYSTEMS

All the shares received are processed by Registrar and Share Transfer Agent of the Company. Share lodged for transfer are registered and returned within due time limit, if all the documents are completed in all respects, subject to exercise of option under compulsory transfer cum- demat- procedure, share certificates are either demated or returned within the time prescribed by the authorities

9. MEANS OF COMMUNICATION

Half Yearly report sent to each of shareholders	No
Quarterly Result	
Which newspapers normally published	Economic Times
Whether Management Discussion and Analysis Report is a Part of Annual Report or not	Yes

10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	
Date and Time	30 th September, 2009 at 11.30 A.M
Venue	A/601-B, International Trade Centre, Majura Gate, Ring Road, Surat 395002, Gujarat, India
Financial Calendar year (Tentative and Subject to change)	
First Quarter Result (30 th June 2009)	First week of August 2009
Second Quarter Result (30 th Sep 2009)	First week of November 2009
Third Quarter Result (31 st Dec 2009)	First week of February 2010
Fourth Quarter and Year Ended result (31 st March 2010)	Third week of April 2010
Date of Book Closure	Friday, 25th September, 2009 to Wednesday, 30 th September, 2009 (Both days inclusive).
Listing on Stock Exchange	(1) Madhya Pradesh Stock Exchange Limited (2) Ahmedabad Stock Exchange Limited
ISIN for NSDL	INE885F01015

11. REGISTRAR AND SHARE AGENTS

Registrar and Transfer Agents (For share transfers and other communications Relating to share certificates, dividend and change of address)	"Adroit Corporate Service Private Limited" 19, Jaferbhoy Industrial Estates, Makwana Road, Marol naka, Andheri (East) Mumbai- 400059.
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12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% shareholding
1-500	605	59.26	285300	9.35
501-1000	379	37.12	294900	9.66
1001-2000	25	2.45	40200	1.32
2001-3000	1	0.10	2500	0.08
3001-4000	0	0	0	0.00
4001-5000	1	0.10	4900	0.16
5001-10000	0	0	0	0.00
10001 & above	10	0.98	2423700	79.43
TOTAL	1021	100.00	3051500	100.00

13. SHAREHOLDING PATTERN AS ON 31ST MARCH 2009

Category	Number of Shareholders	% of Total Shareholders	Number of Shares	% of Total Shares
Promoters	9	0.88%	2259200	74.04%
Foreign Institutional Investor	0	0	0	0
Private Corporate Bodies	0	0	0	0
India Public	1012	99.12%	792300	25.96%
TOTAL	1021	100.00%	3051500	100.00%

14. DEMATERIALIZATION OF SHARES AND LIQUIDITY

About 74.25% of the Equity shares were in dematerialized form as on March 31, 2009. The equity shares of the Company are listed at Madhya Pradesh Stock Exchange Limited (MPSE) and Ahmedabad Stock Exchange Limited. (ASE)

Physical and Demat Shares as on 31ST March 2009			
	No. of Share Holders	No. of Shares	%
Shares Held By NSDL	12	2265700	74.25
Physical Shares	1009	785800	25.75
Total	1021	3051500	100.00%

15. ADDRESS FOR CORRESPONDENCE

Secretarial Department
 Mask Investment Limited
 A/601/B, International Trade Centre,
 Majura Gate, Ring Road,
 Surat 395002, Gujarat
 Ph: +91- 0261- 2463261/62/63
 Fax: +91- 0261- 2463264
 Email: maskinvestmentltd@gmail.com

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

I, Narayan Saboo, Director of Mask Investment Limited, to the best of our Knowledge and belief, certify that-

- a. We have reviewed the financial statements, read with the cash flow statement of Mask Investment Limited for the year ended 31st March 2009 and that to the best of our knowledge and belief, we state that:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - II. These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or propose to be taken for rectifying these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - I. Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - II. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting
 - III. significant changes in internal control over financial reporting during the year
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matter involving alleged misconduct).

Narayan Saboo
Director

Date: 18.08.2009
Place: Surat

DECLARATION UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with the Clause 49 sub-clause of the listing Agreements with the Stock Exchanges, I further confirm that all the directors and senior management personnel of the Company have affirmed compliance to their respect Code of conduct, as applicable to them for the year ended 31st March 2009.

Narayan Saboo
Director

Date: 18.08.2009
Place: Surat

C.S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Member of

MASK INVESTMENT LIMITED

I have examined the compliance of conditions of Corporate Governance by M/s. Mask Investment Limited for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Date: 18.08.2009
Place: Surat

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**BUSINESS OVERVIEW**

Mask Investment Limited is a registered Non Banking Finance Company. The Company's main Business being Investment in Shares and Securities, the business Strategy is largely dependent on the economic Environment of the Country and the policy of the Government and Reserve Bank of India.

OPPORTUNITIES & THREATS

The Company's Major income is from Dividend that may be receivable on Investment held by it in the Group or associate company. Any Adverse impact on the Business of the Group Companies will have a bearing on the performance of your Company.

RISKS AND CONCERNS

The Management has to regularly monitor the Changing market conditions and the Trends. Further any Slowdown of the economic growth or Volatility in global financial markets could also adversely affect the company's Business.

FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE

We have improved our performance and focused on managing costs. The Financial Performance of the Company has been satisfactory.

REVIEW OF INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has internal control system which, in the opinion of the Management, is commensurate with the size and activities of the company. The System is also reviewed from time to time.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company continues to maintain excellent industrial relations, while also ensuring human resource development. The Board is also working on a comprehensive basis to review company's HR Policies so as to provide opportunities for the absorption of new talent in the Company.

CAUTIONARY NOTE

The statements in the Directors' and Management Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking Statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of

MASK INVESTMENTS LIMITED, SURAT.

We have audited the attached Balance Sheet of **MASK INVESTMENTS LIMITED** as at 31st March, 2009 and also the Statement of profit and loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors as on 31st March, 2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - 1) In the case of the Balance Sheet, of the state of affairs of the company as at **31st March, 2009** and
 - 2) In the case of the profit & loss account, of the Profit of the company for the year ended on that date.
 - 3) In the case of Cash Flow Statement, of the Cash flows of the company for the year ended on that date.

For RKM & CO.
Chartered Accountants
Firm Registration No.: 108553W

(Ramesh Kumar Malpani)
Partner
Membership No. 33840

PLACE: SURAT
DATE: 18.08.2009

ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN PARADGRAPH 3 OF OUR REPORT OF EVEN DATE

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals, No material discrepancies were notified on such verification.
(c) The company has not disposed off Substantial part of fixed assets during the year.
- II. As the company does not have any inventories during the year, the provisions of Clause 4 (ii) (a) to (c) of the Order are not applicable to the company.
- III. (a) As explained to us, the company has granted loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The numbers of parties to whom loans have been given are two. The maximum amount involved during the year was Rs. 10.00 Lakhs and the closing balance is Rs. 7.10 Lakhs.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the company.
(c) In respect of the loan given, repayment of the principal amount is as stipulated.
(d) There is no overdue amount more than rupees one lac of loan given to said parties.
(e) The company has not taken loans from the company and other parties covered in the register maintained under section 301 of the companies Act, 1956. Hence, Provision of Clause 4(iii) (e) to (g) of the order are not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to the purchases of stock (Shares & Securities) and fixed assets and with regard to sale of stock (Shares & Securities). During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- V. (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five Lakhs have been entered into during the financial year at prices, which are reasonable having regards to the prevailing market prices at the relevant time.
- VI. The company has not accepted any deposit from public.
- VII. In our opinion, the company has an in house internal audit system commensurate with the size of the company and nature of its business.
- VIII. To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records for the company. Accordingly, the provisions of Clause 4(viii) of the Order are not applicable to the company.
- IX. (a) According to information and explanations given to us, the laws of ESI and provident Fund are not applicable to the company. In respect of other statutory dues including income tax, sales tax, service tax, wealth tax, excise duty, cess and other material statutory dues, the company has generally been regular in depositing the same with appropriate authorities. According to the information and explanation given to us, no undisputed amounts in respect of income tax, sales tax, service tax, wealth tax, excise duty and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of sales tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any

dispute. The disputed income tax aggregating Rs. 16, 63,475/-, that have not been deposited on account of disputed matters pending before appropriate authorities as under:-

Name of The Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax, interest and Penalty	16,63,475/-	A.Y. 2006-07	Income Tax Appellate Tribunal

- X.** The Company does not have any accumulated losses as on March 31, 2009. The company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- XI.** The company does not have any dues of financial institution, bank or debenture holders. Hence, provisions of Clause 4(xi) of the Order are not applicable to the company.
- XII.** The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII.** The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- XIV.** In our opinion, the company had maintained proper records regarding transactions and contracts for trading of shares and had done timely entries in such records. According to the information and explanations given to us, all investments are in the company's name.
- XV.** 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.
- XVI.** The company has not raised any term loans. Hence, provisions of Clause 4(xvi) of the Order are not applicable to the company.
- XVII.** 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.
- XVIII.** According to information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX.** The company has not issued debenture during the year. Hence, the provisions of clause 4(xix) of the Order are not applicable to the company.
- XX.** The company has not made any public issue during the year. Hence, the provisions of clause 4(xx) of the Order are not applicable to the company.
- XXI.** According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For RKM & CO.
Chartered Accountants
Firm Registration No.: 108553W

(Ramesh Kumar Malpani)
Partner
Membership No. 33840

PLACE: SURAT
DATE: 18.08.2009

BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCHEDULE	Previous Year 31 st March 2009	Previous Year 31 st March 2008
I. <u>SOURCES OF FUNDS</u>			
1. <u>SHARE HOLDERS FUND:</u>			
Share Capital	A	30,515,000.00	30,515,000.00
Reserve & Surplus	B	1,610,044.89	1,564,255.89
SUB TOTAL		<u>32,125,044.89</u>	<u>32,079,255.89</u>
TOTAL		<u>32,125,044.89</u>	<u>32,079,255.89</u>
II. <u>APPLICATION OF FUNDS</u>			
1. <u>FIXED ASSETS</u>			
Gross Block	C	24,935.00	24,935.00
Less:- Depreciation		24,935.00	23,545.00
		-	1,390.00
2. <u>INVESTMENTS</u>			
	D	24,165,717.61	24,215,717.61
3. <u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Loans & Advance	E	8,180,365.00	8,121,968.00
Cash & Bank Balances		73,538.28	23,355.28
SUB TOTAL		<u>8,253,903.28</u>	<u>8,145,323.28</u>
<u>LESS:- CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities & Provisions	F	294,576.00	283,175.00
SUB TOTAL		294,576.00	283,175.00
NET CURRENT ASSETS		<u>7,959,327.28</u>	<u>7,862,148.28</u>
TOTAL		<u>32,125,044.89</u>	<u>32,079,255.89</u>
STATEMENT OF ACCOUNTING			
POLICIES & NOTES ON ACCOUNTS			
IN TERMS OF OUR AUDIT REPORT OF		For Mask Investment Limited	
EVEN DATE:			
For RKM & CO.		Narayan Saboo	Director
Chartered Accountants		Naresh Saboo	Director
Firm Registration No.: 108553W			
(Ramesh Kumar Malpani)			
Partner			
Surat 18.08.2009			

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCHEDULE	Previous Year 31 st March 2009	Previous Year 31 st March 2008
I. <u>INCOME</u>			
Interest Income (Gross)		656,159.00	633,211.00
Speculative Profit on trading of Shares			43,434.79
Total Income		<u>656,159.00</u>	<u>676,645.79</u>
II. <u>EXPENDITURE</u>			
Office & Administrative Expense	G	584,483.00	568,445.31
Financial Charges	H	1,405.00	1,210.00
Depreciation		1,390.00	1,578.00
Total Expenses		<u>587,278.00</u>	<u>571,233.31</u>
III. Profit / (Loss) (I-II)		<u>68,881.00</u>	<u>105,412.48</u>
IV. <u>PROVISION FOR TAX</u>			
For Current Tax		21,580.00	32,900.00
Income Tax of Earlier Years		1,512.00	88,967.00
Profit/Loss After tax		<u>45,789.00</u>	<u>(16,454.52)</u>
Add: Balance B/f from Last year		1,058,510.89	1,074,965.41
		1,104,299.89	1,058,510.89
Transfer to Statutory Reserve		-	-
Balance Transferred to Balance Sheet		1,104,299.89	1,058,510.89
Average Outstanding Shares During the Year		3051500	3051500
Face value of Share		10	10
Earnings Per Share (Basic & Diluted)		0.02	(0.01)
STATEMENT OF ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
IN TERMS OF OUR AUDIT REPORT OF EVEN DATE:		For Mask Investment Limited	
For RKM & CO.		Narayan Saboo	Director
Chartered Accountants Firm Registration No.: 108553W		Naresh Saboo	Director
(Ramesh Kumar Malpani) Partner			
Surat, 18.08.2009			

**Schedules 'A' to 'I' Annexed To and Forming Part of The Balance Sheet And
Profit & Loss Account for the Year Ended 31st March, 2009**

PARTICULARS	<i>(Amount in `)</i>			
	Previous Year 31 st March 2009	Previous Year 31 st March 2008		
<u>SCHEDULE 'A'</u>				
<u>SHARE CAPITAL</u>				
<u>AUTHORISED SHARE CAPITAL</u>				
3500000 (P.Y. 3500000) Equity Shares of Rs. 10/- each	<u>35,000,000.00</u>	<u>35,000,000.00</u>		
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>				
30,51,500 Equity Shares of Rs. 10/- each, fully paid up (P.Y. 30,51,500 Shares)	30,515,000.00	30,515,000.00		
TOTAL RS.	<u>30,515,000.00</u>	<u>30,515,000.00</u>		
<u>SCHEDULE 'B' RESERVE & SURPLUS</u>				
<u>STATUTORY RESERVE</u>				
Opening Balance	505,745.00	505,745.00		
Add:- Addition during the year	-	-		
	505,745.00	505,745.00		
Profit & Loss Account	1,104,299.89	1,058,510.89		
	<u>1,610,044.89</u>	<u>1,564,255.89</u>		
<u>SCHEDULE 'D' INVESTMENTS (AT COST)</u>				
	QTY.	Face Value	Book Value As at 31-03-09	Book Value As at 31-03-08
<u>INVESTMENT IN EQUITY SHARES</u>				
A) Quoted and Fully paid up				
Mohit Industries Ltd.	860440	10.00	17,250,717.61	17,250,717.61
			<u>17,250,717.61</u>	<u>17,250,717.61</u>
B) Unquoted and Fully paid up				
Sarathi Synthetics Pvt. Ltd.	40000	10.00	200,000.00	200,000.00
Vatika Filaments Pvt. Ltd.	50000	10.00	500,000.00	500,000.00
Mohit Overseas Ltd.	30000	10.00	255,000.00	255,000.00
			<u>955,000.00</u>	<u>955,000.00</u>
B) Share Application Money				
Soul Clothing Pvt. Ltd.			600,000.00	600,000.00
Mohit Overseas Ltd.			5,360,000.00	5,410,000.00
			<u>5,960,000.00</u>	<u>6,010,000.00</u>
TOTAL			<u>24,165,717.61</u>	<u>24,215,717.61</u>

MASK INVESTMENT LIMITED**Annual Report 2008-09**

Aggregate Book value of Quoted investments	17,250,717.61	17,250,717.61
Aggregate Book value of Unquoted investments	6,915,000.00	6,965,000.00
Aggregate Market value of Quoted investments	5,171,244.00	14,111,216.00

SCHEDULE 'E'**LOANS AND ADVANCES**

(Unsecured, considered good and Standard)

1) Loans given	7,948,429.00	7,992,237.00
2) Advance Receivable in cash or kind	231,936.00	129,731.00
TOTAL RS.	<u>8,180,365.00</u>	<u>8,121,968.00</u>

CASH & BANK BALANCES

Cash in Hand	61,696.85	10,409.85
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Balance with Schedule Banks

1) Bank of Baroda	11,841.00	12,945.43
TOTAL RS.	<u>73,538.28</u>	<u>23,355.28</u>

SCHEDULE 'F' CURRENT LIABILITIES & PROVISIONS**Current Liabilities**

1) Sundry Creditors for expenses	249,948.00	250,275.00
2) TDS Payable	2,272.00	-
3) Bank of Baroda (Overdraft)	20,776.00	-
TOTAL RS.	A <u>272,996.00</u>	<u>250,275.00</u>

Provision

Provision for Taxation	21,580.00	32,900.00
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TOTAL	B <u>21,580.00</u>	<u>32,900.00</u>
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SCHEDULE 'G' OFFICE AND ADMINISTRATION EXPENSES

Salary & Bonus	311,288.00	317,563.00
Professional Tax	2,000.00	720.00
Audit Fees	22,060.00	20,000.00
Legal & Professional Fees	51,156.00	18,128.00
Director Sitting Fees	60,000.00	72,000.00
Demat Expenses	17,979.00	20,034.31
Rent	120,000.00	120,000.00
TOTAL RS.	<u>584,483.00</u>	<u>568,445.31</u>

SCHEDULE 'H' FINANCIAL CHARGES

Tax on Cash transaction	500.00	-
Bank Charges	905.00	1,210.00
TOTAL RS.	<u>1,405.00</u>	<u>1,210.00</u>

SCHEDULE 'C' FIXED ASSETS

Particulars	Gross Block				Depreciation Block				Net Block	
	As on 01.04. 2008	Add	Deduction	As on 31.03. 2009	As on 01.04. 2008	Provided During The Year	Deduction	As on 31.03. 2009	As on 31.03. 2009	As on 31.03. 2008
Furniture	24935.00	0.00	0.00	24935.00	23545.00	1390.00	0.00	24935.00	0.00	1390.00
Total	24935.00	0.00	0.00	24935.00	23545.00	1390.00	0.00	24935.00	0.00	1390.00
Previous Year	24935.00	0.00	0.00	24935.00	21967.00	1578.00	0.00	23545.00	1390.0	2968.00

SCHEDULE 'I'

STATEMENT OF ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis Of Presentation Of Financial Statements

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

B. Investments

- i) Investments are classified as long term based on intention of holding them for more than one year. If the intention is sell the same before one year, the same is classified as Current Investment.
- ii) Long Term Investments are stated at Cost. Temporary diminution in value, if any, of same is not recognized.
- iii) Current Investments are stated at Cost or *Market Value*, whichever is less.

C. Stock-In-Trade

Shares and securities held as stock-in-trade is valued at Cost or Market Value, whichever is less.

D. Depreciation

- I) Depreciation on fixed assets has been charged on straight line method (SLM) at the rates specified in Schedule IX of the Companies Act, 1956.
- II) Depreciation on addition has been provided from the date of putting the assets into use.

E. Employee Benefits

Company' contribution to Provident Fund are charged to Profit & Loss Account. No provision has been made for gratuity as in the opinion of management no such liabilities has accrued as at the end of the accounting year.

F. Fixed Assets

Fixed Asset is stated at Cost, Less Accumulated Depreciation.

G. Foreign Currency Transaction

There has been no Foreign Currency Transaction during the year.

H. Deferred Tax Liability

During the year, Accounting Standard 22 (AS 22) "Accounting for taxes on income" are applicable to the company. The Company has not recognized the deferred tax assets in view of consideration of prudence as set out in paragraphs 15 to 18 of "AS 22"

2. a) Contingent liability not provided for in respect of Income Tax Penalty of AY 2006-07 of Rs. 16,63,475/- (P.Y Rs.NIL/-)

b) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (P.Y. Rs. NIL) against which advance paid is Rs. NIL (P.Y. Rs. NIL).

3. REMUNERATION TO AUDITORS

	31.03.2009	31.03.2008
Audit Fees	22,060.00	20,000.00
Total	22,060.00	20,000.00

4. REMUNERATION TO DIRECTORS

	31.03.2009	31.03.2008
Executive Directors	60,000.00	72,000.00

5. Figures of Previous Year have been regrouped and rearranged wherever thought necessary to make them comparable with the figures of Current Year.
6. Loans given include a sum of Rs. 7, 10,229/- (P.Y. Rs. 62, 23,587/-) due from company under the same management.
7. Tax deducted on interest income is Rs 1, 35,117. /- (P.Y. Rs. 1, 29,731/-).

8. Related Party Relationship And Transaction

Name Of Related Party	Relationship	Nature Of Transaction	Amount (Rs. In Lacs)
Mohit Overseas Limited	Key Management Personnel & Relatives & Their Concerns	Loan Given Interest Paid	1.98 0.56
Mohit Yarns Limited	Key Management Personnel & Relatives & Their Concerns	Loan Given	5.13
Naresh S. Saboo	Key Management Personnel	Director's Remuneration	0.20
Narayan S. Saboo	Key Management Personnel	Director's Remuneration	0.20
Vijaya Dhoot	Key Management Personnel	Director's Remuneration	0.20
Mohit Industries Ltd.	Key Management Personnel & Relatives & Their Concerns	Rent Paid Sundry Creditors for Expense	1.20 1.20

**As per our Audit Report of Even Date
For RKM & CO.**

Chartered Accountants
Firm Registration No.: 108553W

(Ramesh Kumar Malpani)

Partner
M. No. 33840
Date: 18.08.2009
Place: Surat

For Mask Investment limited

Narayan Saboo Director

Naresh Saboo Director

MASK INVESTMENT LIMITED
 Regd: A-601/B, International Trade Centre, Majura Gate,
 Ring Road, Surat, Gujarat, India -395002

ADMISSION SLIP

Folio No./DP ID/ Client ID#	
No. of Equity Shares Held	

I hereby record my presence at the 17th Annual General Meeting of the Company being held at registered office of the Company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat on Wednesday, the 30th September 2009 at 11.30 A.M.

Name of Shareholder (In Block letter)	
Name of proxy/ Authorized Representatives attending* (In Block letter)	

* Strike out whichever is not applicable

#Applicable for Shareholders holding Shares in Dematerialized Form.

Signature of the attending Shareholder/
 Proxy/Authorised Representative*

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Shareholders intending to appoint proxy may use the proxy Form given below.

MASK INVESTMENT LIMITED
 Regd: A-601/B, International trade Centre, Majura Gate,
 Ring Road, Surat-395002, Gujarat

PROXY FORM

I/We _____ of _____ being member/members of Mask Investment limited, hereby appoint Shri/smt./_____ or falling him Shri/Smt. _____ as my /our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 17th Annual General meeting of the company, to be held Wednesday, the 30th September 2009 at 11.30 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2009

Folio No./DP ID/ Client ID#	
No. of Equity Shares Held	

#Applicable for Shareholders holding Shares in Dematerialized Form.

Signatures _____

Affix Rs. 1
 Revenue Stamp

Note: The Proxy , In order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002,Gujarat at least 48 Hours before the Meeting.

MASK INVESTMENT LIMITED

Regd: A/601-B, International Trade Centre, Majura Gate,
Ring Road, Surat, Gujarat, India 395002
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E: maskinvestmentltd@gmail.com