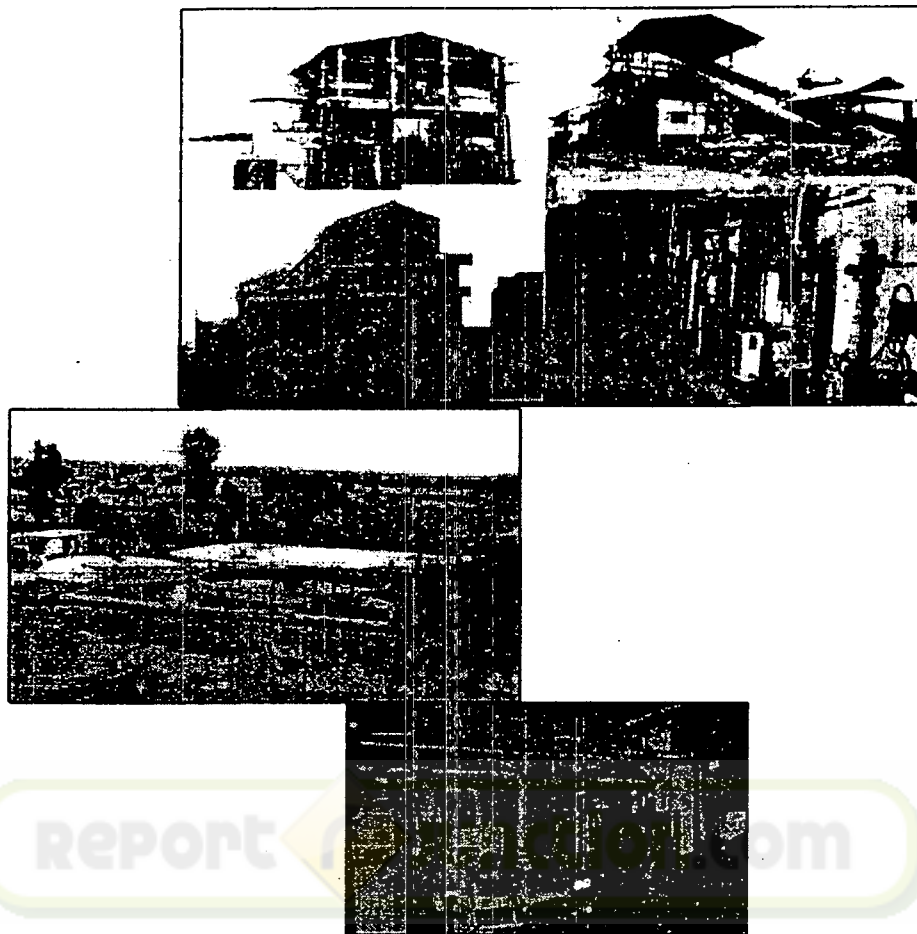


FIFTH ANNUAL REPORT



Converting Agro Wastes into Profit

1996-97



MOHIT PAPER MILLS LIMITED

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

30.10.97



BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR :

Mr. Surender Kumar Jain

WHOLETIME DIRECTOR :

Mr. Sandeep Jain

OTHER DIRECTORS :

Mr. Kuldeep Jain

Mr. Navneet Jain

Mrs. Anju Jain

Mrs. Anjali Jain

REGISTERED OFFICE :

Gandhi Market,
BIJNOR - 246701 (U.P)

WORKS :

9th KM Stone,
Nagina Road, BIJNOR (U.P)

AUDITORS :

M/s Kansal Kapoor & Co.
Chartered Accountants
Kothiwal Nagar,
MORADABAD (U.P)

BANKERS :

Bank of Baroda
Bareilly Corporation Bank Ltd.

FINANCIAL INSTITUTION :

Industrial Investment Bank of India Ltd.



MOHIT PAPER MILLS LIMITED

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of MOHIT PAPER MILLS LIMITED will be held on Monday the 29th day of September, 1997 at 10.00 A.M. at Gandhi Market, Bijnor - 246 701 (U.P) to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss account for the Financial year ended 31st March, 1997 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Surendra Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Sandeep Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution :-

“Resolved that M/s Tatia Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors and the Auditors plus out-of-pocket expenses.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification (s) the following Resolution as Special Resolution.

“RESOLVED that subject to the confirmation of the Company Law Board, the Registered Office of the Company be shifted from the ‘State of Uttar Pradesh’ to the ‘National Capital Territory of Delhi’ and clause II of the Memorandum of Association of the Company be altered by substituting the words the ‘State of Uttar Pradesh’ by the words ‘National Capital Territory of Delhi’.”

Notice is further given under section 154 of the Companies Act, 1956 that register of members and transfer books of the company will remain closed on 27.09.97 to 29.09.97 (Both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : BIJNOR
DATE : 3RD SEPTEMBER 1997

S.K. JAIN
CHAIRMAN

FIFTH ANNUAL REPORT 1996-97

MOHIT PAPER MILLS LIMITED**NOTES :**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of company.
2. Proxy forms must reach the company's registered office atleast 48 hours prior to the time for holding the meeting.

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956.)

Attached to the Notice conversing the Fifth Annual General Meeting to be held on 29th September' 1997

ITEM NO. 5

The commercial and business activities of the Company are concentrated in Delhi which is the biggest center for the paper industry in North India. The continuance of Registered Office of the Company in Bijnor is posing difficulty to the customers and suppliers who have to commute to Bijnor which is not a well connected city from Delhi. In order to carry on business of the Company more efficiently and economically and to enlarge the local area of operation in Delhi, it has been considered by the Board of Directors to shift the Registered Office of the company to Delhi. Shifting of the Registered Office will also facilitate better communication with the shareholders, a large majority of which is concentrated in Delhi. The proposal to shift the Registered Office is thus considered to be in the interest of Company and its shareholder as well as in the interest of public at large who have any association with the Company and had been subjected to inconvenience of commuting to Bijnor which is not a well connected town from Delhi.

Pursuant to the provision of section 17 of the Companies Act, 1956, a Special Resolution is required to be passed by the shareholders for altering the Memorandum of the Company for shifting the Registered Office of the Company from the State of Uttar Pradesh to the National Capital Territory of Delhi, subject to the confirmation of Company Law Board.

None of the Directors of the Company are concerned or interested in the Resolution.

BY ORDER OF THE BOARD OF DIRECTORS

S.K. JAIN

CHAIRMAN

PLACE : BIJNOR

DATE : 3RD SEPTEMBER 1997

FIFTH ANNUAL REPORT 1996-97



MOHIT PAPER MILLS LIMITED

DIRECTORS' REPORT

The members,

Your Directors have great pleasure in presenting the 5th Annual Report of your company along with the Audited Statement of Accounts for the year ended 31st March, 1997 and Auditors Report thereon.

1. FINANCIAL RESULTS

		(Rs. in Lacs)
	31.3.97	31.3.96
Net sales & other income	20,36,25,547	13,10,07,161
Operating profit before		
Interest & Depreciation	4,15,17,699	2,07,49,900
Interest & Finance Charges	1,51,34,211	1,03,76,080
Depreciation	1,85,79,725	45,33,032
Net Prior year adjustments		
i Depreciation	1,53,55,409	-
ii Amount credited		
from P&L A/c	(58,67,470)	-
iii Amount transferred		
from capital		
reserve	(75,46,092)	-
	19,41,847	
Net Profit	58,61,916	58,40,788

2. DIVIDEND

To conserve the resources, the directors do not recommend any dividend for the year under review.

3. FIXED DEPOSITS

The company has not accepted any fixed deposit from the public during the year.

4. OPERATIONS

The company achieved capacity utilisation of 80% during the year under review, which was its first full year of operations. The operating results have been better than the projections as the cash accruals for the year under review were Rs. 263 lacs (Projected Rs. 245 lacs), and were higher over the previous year level by Rs. 159 lacs.

During the year under review the company has been able to establish itself as an eco-friendly paper manufacturing company by substituting scarce raw materials with bagasse as the main raw material which comprised of almost 60% of the total raw material consumption.

The product of the company has been well accepted in the market which make the future prospects bright.

FIFTH ANNUAL REPORT 1996-97

MOHIT PAPER MILLS LIMITED**5. DIRECTORS**

Shri Surender Kumar Jain and Shri Sandeep Jain, retire by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

6. AUDITORS REPORT

The notes on the accounts referred to in the Auditors Report are self explanatory and therefore no comments are called for on the observation made in that behalf in the Auditors Report.

7. AUDITORS

The existing Auditors, M/S Kansal Kapoor & Co., who retire at the forthcoming Annual General Meeting, have expressed that they would not like to offer themselves for re-appointment at the forthcoming Annual General Meeting of the Company.

It is proposed that M/S Tatia Associates, Chartered Accountants who have confirmed their eligibility under section 224 of the Companies Act, 1956, be appointed as Auditors of the Company at the forthcoming Annual General Meeting.

8. PARTICULARS OF EMPLOYEES

There was no employee covered u/s 217 (2A) of the Companies (Particulars of Employees) Rules 1975.

9. DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

In terms of section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the relevant information is given in Annexure (A) forming part of this Report.

10. INDUSTRIAL RELATIONS

The industrial relations during the year under review have been cordial. The Directors wish to place on record their due appreciation of the devoted services and sincere efforts made by the officers, staff and workmen towards the progress of the Company.

11. DISCLOSURE PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT.

Disclosure as to projected profitability and utilisation of funds etc., as required under clause 43 of the listing agreement with Stock Exchanges, is given in Annexure (B) forming integral part of the Directors Report.

12. ACKNOWLEDGEMENT

Your Directors wish to thank the Financial Institutions, Banks and Government Authorities for their continued support for the growth of the Company for assistance extended by them during the year. They also wish to thank shareholders for trust and confidence reposed as well as to the Dealers/Customers for their valued patronage.

The Board also take this opportunity to express sincere appreciation for the efforts put in by the officers and employees at all levels in achieving the results and dedicated endeavour towards attainment of better working results during the current year.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PLACE : BJNOR

DATED : 3RD SEPTEMBER' 1997

S.K.JAIN

CHAIRMAN

FIFTH ANNUAL REPORT 1996-97



MOHIT PAPER MILLS LIMITED

Annexure (A)

Information as required under Section 217 (1) (e) read with the Companies
(Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

A. CONSERVATION OF ENERGY

- a. Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.

The new systems are being devised to reduce electric power, fuel and water consumption.

- b. Additional Investments and proposals if any, being implemented for reduction of energy consumption.

- Modification in the depithing system for better removal of pith and consequently better pulping.

- c. Impact of the measures at (a) & (b) for reduction of energy consumption on the cost of production of goods.

- No separate costing has been done to measure energy saved, if any, by the company.

- d. Total energy consumption and energy consumption per unit of production :

- As per form 'A' enclosed.

B. TECHNOLOGY ABSORPTION

- a. Efforts made in technology absorption.

- As per form 'B' enclosed.

- b. Foreign exchange earnings and outgo.

- During the year 1996-97 there is neither foreign exchange earning nor outgo.

FIFTH ANNUAL REPORT 1996-97