



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

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Report and Accounts 1998

BOARD OF DIRECTORS :-

CHAIRMAN & MANAGING DIRECTOR :

Mr. Surendra Kumar Jain

WHOLETIME DIRECTORS :

Mr. Sandeep Jain

Mr. Kuldeep Jain

OTHER DIRECTORS :

Mr. Navneet Jain

Mrs. Anju Jain

Mrs. Anjali Jain

NOMINEE DIRECTOR :

Mr. B. K. Dutta

Industrial Investment Bank of India Ltd.

REGISTERED OFFICE :

Gandhi Market,
BIJNOR - 246701 (U.P)

CORPORATE OFFICE :

3/20, IInd Floor, Front Side,
Makan Apartment, West Patel Nager,
NEW DELHI - 110 008.

WORKS :

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

AUDITORS :

M/s Tatia Associates,
Chartered Accountants,
R-160, Greater Kailash-I,
NEW DELHI - 110 048.

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 6th Annual General Meeting of the Members of MOHIT PAPER MILLS LIMITED will be held on Wednesday the 30th day of September, 1998 at 11.00 A.M. at Gandhi-Market, Bijnor-246701 (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, 1998 and the Balance Sheet as that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Kuldeep Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Anju Jain who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Sh. Navneet Jain who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to Pass the following resolution with or without modification as a Special Resolution :-

"Resolved as a Special Resolution that pursuant to the provisions of Section 198, 309, 310, 311, 314 and 316 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required and/or such other approvals as may be necessary, consent of the company be and is hereby accorded to payment of remuneration as set out in the Explanatory Statement attached hereto to Shri Surendra Kumar Jain, Chairman-Cum-Managing Director of the Company with effect from 1st April 1998 with liberty to the Board of Directors to make and/or accept any variation in the said terms and conditions, within the limits prescribed in schedule XIII of the Companies Act, 1956 or any guidelines issued by the Central Government from time-to-time."

7. To consider and, if thought fit, to Pass the following resolution with or without modification as a Special Resolution :-

"Resolved as a Special Resolution that pursuant to the provisions of Section 198, 309, 310, 311 and 314 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required and/or such other approvals as may be necessary, consent of the company be and is hereby accorded to payment of remuneration as set out in the Explanatory Statement attached hereto to Shri Sandeep Jain, Whole Time Director of the Company with effect from 1st April 1998 with liberty to the Board of Directors to make and/or accept any variation in the said terms and conditions, within the limits prescribed in schedule XIII of the Companies Act, 1956 or any guidelines issued by the Central Government from time-to-time."

8. To consider and, if thought fit, to Pass the following resolution with or without modification as a Special Resolution :-

"Resolved as a Special Resolution that pursuant to the provisions of Section 198, 269, 309, 310, 311 and 314 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required and/or such other approvals as may be necessary, the appointment of Shri Kuldeep Jain as a Whole Time Director of the Company with effect from 1st April 1998 for a period of five years, be and is hereby approved and ratified on the terms and conditions as set out in the Explanatory Statement attached hereto with liberty to the Board of Directors to make and/or accept any variation in the said terms and conditions, within the limits prescribed in schedule XIII of the Companies Act, 1956 or any guidelines issued by the Central Government from time-to-time."

9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

"Resolved that subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and which may be agreed to or accepted by the Board of

MOHIT PAPER MILLS LIMITED

Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to acquire/purchase any of its own shares on such terms and conditions and upto such limits as may be prescribed by law from time to time, from out of its free reserves or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditons and in such manner as may be prescribed by law from time to time; provided that the aggregate of the Securities so bought back shall not exceed 5% of the respective Securities of the Company and that the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement the resolution."

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 28.09.98 to 30.09.98 (Both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : BIJNOR
DATE : SEPTEMBER 3, 1998

S.K. JAIN
CHAIRMAN

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.
3. An explanatory statement pursuant to section 173(2) of the Companies Act 1956 in respect of special business is annexed hereto and forms part of this Notice.

EXPLANATORY STATEMENT

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

ITEM NO : 6

Shri Surendra Kumar Jain, Chairman and Managing Director of Company was appointed for a period of five years w.e.f. 16.08.1997 without remuneration. His tenure of appointment expires on 15.8.2002. Keeping in view of the increased work load of the Chairman-cum-Managing Director to successfully manage the affairs of the company in a competitive industry, the Board of Directors of your Company in its meeting held on 18.2.1998 reviewed the matter, and subject to the approval of the Shareholders at the General Meeting unanimously proposed to start paying remuneration to the Chairman-Cum-Managing Director w.e.f. 1st April, 1998 for the balance period of 5 years upto 15.8.2002 as follows :

1. Salary Rs. 15,000 per month (Subject to deduction of tax at source).
2. Medical Reimbursement :
Reimbursement of expenses for self and family subject to a ceiling of one month's salary in a year.
3. Leave Travel Concession :
For self and family once a year incurred in accordance with the rules framed by the company.
4. Personal Accident Insurance :
Personal Accident Insurance of an amount, the premium of which shall not exceed Rs. 1,000/- per annum.
5. Provident Fund & Superannuation Fund :
Company's contribution towards Provident Fund and Superannuation Fund as per rules of the Company.
6. Gratuity :
Gratuity as per rules of the company but not exceeding half month's salary for each completed year of service
7. Car and Telephone :
Car for use on Company's business and telephone at residence will not be considered as perquisites. Person

MOHIT PAPER MILLS LIMITED

long distance calls and use of car for private purpose shall be billed by the Company.

Shri Surendra Kumar Jain is also the Managing Director of Bijnor Steel & Alloys Private Limited, from where he will not be drawing any remuneration during above specified period.

Shri Surendra Kumar Jain being himself, Shri Kuldeep Jain, Shri Sandeep Jain, Shri Navneet Jain, Smt. Anju Jain, Smt. Anjali Jain, being his relatives, are deemed to be interested or concerned in the said resolution.

An abstract of the memorandum of interest under section 302 of the Companies Act, 1956 regarding the terms of remuneration to the Chairman-Cum-Managing Director have been conveyed to the members.

ITEM NO : 7

Shri Sandeep Jain, Director of the Company was appointed as Whole time Director of the company for a period of 5 years w.e.f. 16.8.1997 without remuneration. His tenure of appointment expires on 15.8.2002. Keeping in view of the increased work load of the Whole Time Director due to expansion of marketing activities in the competitive paper industry, the Board of Directors of your Company in its meeting held on 18.2.1998 reviewed the matter, and subject to the approval of the Shareholders at the General Meeting unanimously proposed to start paying remuneration to the Whole Time Director w.e.f. 1st April, 1998 for the balance period of 5 years upto 15.8.2002 as follows :

1. Salary Rs. 15,000 per month (Subject to deduction of tax at source).
2. Medical Reimbursement :
Reimbursement of expenses for self and family subject to a ceiling of one month's salary in a year.
3. Leave Travel Concession :
For self and family once a year incurred in accordance with the rules framed by the company.
4. Personal Accident Insurance :
Personal Accident Insurance of an amount, the premium of which shall not exceed Rs. 1,000/- per annum.
5. Provident Fund & Superannuation Fund :
Company's contribution towards Provident Fund and Superannuation Fund as per rules of the Company.
6. Gratuity :
Gratuity as per rules of the company but not exceeding half month's salary for each completed year of service.
7. Car and Telephone :
Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.
8. Children Education Allowance :
Children Education Allowance at the rate of Rs. 100/- per month, per child, upto maximum of two children.
Shri Sandeep Jain being himself, Shri Kuldeep Jain, Shri Surendra Kumar Jain, Shri Navneet Jain, Smt. Anju Jain, Smt. Anjali Jain, being his relatives, are deemed to be interested or concerned in the said resolution.
An abstract of the memorandum of interest under section 302 of the Companies Act, 1956 regarding the terms of remuneration to the Whole Time Director have been conveyed to the members.

ITEM NO : 8

In the meeting of the Board of Directors held on 18.2.1998, subject to the approval of the Shareholders at the General Meeting, the directors unanimously proposed the appointment of Shri Kuldeep Jain, Director of the Company as a Whole Time Director of the company for a period of five years w.e.f. 1.4.1998 on the following terms and conditions :

1. Salary Rs. 15,000 per month (Subject to deduction of tax at source).
2. Medical Reimbursement :
Reimbursement of expenses for self and family subject to a ceiling of one month's salary in a year.
3. Leave Travel Concession :
For self and family once a year incurred in accordance with the rules framed by the company.

MOHIT PAPER MILLS LIMITED**4. Personal Accident Insurance :**

Personal Accident Insurance of an amount, the premium of which shall not exceed Rs. 1,000/- per annum.

5. Provident Fund & Superannuation Fund :

Company's contribution towards Provident Fund and Superannuation Fund as per rules of the Company.

6. Gratuity :

Gratuity as per rules of the company but not exceeding half month's salary for each completed year of service.

7. Car and Telephone :

Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

8. Children Education Allowance :

Children Education Allowance at the rate of Rs. 100/- per month, per child, upto maximum of two children.

Shri Kuldeep Jain being himself, Shri Sandeep Jain, Shri Surendra Kumar Jain, Shri Navneet Jain, Smt. Anju Jain, Smt. Anjali Jain, being his relatives, are deemed to be interested or concerned in the said resolution.

An abstract of the memorandum of interest under section 302 of the Companies Act, 1956 regarding the terms of the appointment and remuneration to the Whole Time Director have been conveyed to the members.

ITEM NO : 9

Buy back of own shares by the Companies is presently not allowed under the Companies Act, 1956. The Companies Bill, 1997, sought to lay down the operative provisions to regulate the buy back of shares/securities by companies. The said bill has not yet become the law. It is expected that, in due course of time, the law will be amended to allow such buy back.

It is proposed to buy back not exceeding 5% of the total voting powers relating to the shares giving right to subscribe for shares of the Company, from the existing share holders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares giving right to subscribe for shares of the Company and shall be met out of the free reserves and/or out of the proceeds of an issue specifically made for the purpose or from such other sources as may be permitted by law. The shares so bought back shall be dealt with as per the then prevailing law/regulation.

The Board is of the opinion that it will be in the best interests of the Company if shareholders approve the said resolution, permitting such buy back, so that the Company will be able to implement this resolution once the law is amended.

Based on the provisions of the Companies Bill 1997, resolution to be passed at the ensuing Annual General Meeting is valid till 25th September, 1999.

The resolution is an enabling provision aimed at facilitating the Company to buy back its shares as soon as legally permissible.

The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : BIJNOR
DATE : SEPTEMBER 3, 1998

S.K. JAIN
CHAIRMAN

MOHIT PAPER MILLS LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasure in presenting the 6th Annual Report of your company along with the Audited Statement of Accounts for the year ended 31st March, 1998 and Auditors Report thereon.

1. FINANCIAL RESULTS

	(Amount/Rs.)	
	Current Year 31.3.98	Previous Year 31.3.97
Net sales & other income	22,69,70,174	20,36,25,547
Operating profit before		
Interest & Depreciation	3,72,17,420	4,15,17,699
Interest & Finance Charges	1,08,10,521	1,51,34,211
Depreciation	1,75,69,305	1,85,79,725
Net Prior year adjustments		
i. Depreciation	88,74,006	1,53,55,409
ii. Amount credited from P&L A/c	(19,23,866)	(58,67,470)
iii. Amount transferred from Capital Reserve	(69,50,140)	— (75,46,092)
Net Profit	88,37,594	58,61,916

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. CORPORATE OVERVIEW

Your company has maintained another year of reasonable performance inspite of adverse conditions witnessed by the industry recording net manufacturing turnover of Rs.2253 lacs during the year under review as against Rs.1985 lacs during the preceding year. This has resulted in a net profit of Rs.88 lacs for the financial year ended 31st. March 1998 as against Rs.58 lacs in the preceding year. The profit before interest, depreciation and taxes was down by 10% from Rs.415 lacs in the preceding year to Rs.372 lacs during the year under review.

As you are perhaps aware, the entire paper industry in India has been passing through a major slow down mainly due to low priced imports. The paper prices have been low affecting the financial performance of all companies, big and small. The company has planned action on three parts viz: increase in productivity, enhancement of capacity and cost reduction and feel confident that the company will be able to present much better results in the years to come. The results of his strategy can be seen from the company's production performance.

5. DIRECTORS

Shri Kuldeep Jain, Shri Navneet Jain and Mrs. Anju Jain, retire by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment. Shri Kuldeep Jain was appointed as a Whole Time Director w.e.f. 1st April, 1998 and the requisite resolution in this connection is being placed before the Shareholders at the ensuing Annual General Meeting for their approval.

MOHIT PAPER MILLS LIMITED**6. AUDITORS**

M/S TATIA ASSOCIATES, Chartered Accountants, New Delhi. Auditors of the company, retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

7. 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.

8. PARTICULARS OF EMPLOYEES

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

9. SAFETY AND ENVIRONMENT

The company continued to maintain a good safety record. The plants of the company are environment friendly and maintain all safety measures.

10. 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 Board Report.

11. 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.

12. 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.

13. DISCLOSURE PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

The equity shares of the company, are listed at the following stock exchanges.

1. The Uttar Pradesh Stock Exchange Association Ltd.
Padam Towers, 14/113, Civil Lines,
KANPUR - 208 001.
2. The Stock Exchange, Mumbai ,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI - 400 001.
3. The Delhi Stock Exchange Association Ltd.
West Plaza, I.G.Stadium,
Indraprastha State,
NEW DELHI - 110 002.
4. Jaipur Stock Exchange Ltd.
Rajasthan Chamber Bhawan,
M.I Road,
JAIPUR - 302 001.

MOHIT PAPER MILLS LIMITED

It is further declared that the Company has paid the annual listing fees to each of the above mentioned exchanges upto the current financial year 1998-99.

14. ACKNOWLEDGEMENT.

Your Directors wish to place on record their appreciation for the contributions made by all the employees in ensuing high levels of performance and growth that your Company has achieved during the year and the valued customers for extending their faith and confidence in product quality and service. The Board of Directors also wish to place on record to the valued co-operation and assistance extended by the Financial Institution, Banks & Government Authorities for their continued support for the growth of the company.

The future prospects of the company quite exciting in view of the products demanded and it would be the company's endeavour to merit the confidence of the esteemed shareholders on every account.

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 : BIJNOR
DATE : SEPTEMBER 3, 1998

S.K. JAIN
CHAIRMAN