

MOHIT PAPER MILLS LIMITED



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Tenth Annual Report

2001-2002



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

INDEPENDENT DIRECTORS :

Mr. Satish Chand Gupta

Mr. Ashok Aggarwal

Mr. Vishal Sharma

COMPANY SECRETARY :

Mr. Bhabagrahi Pradhan

AUDITORS :

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

BANKERS :

Bank of Baroda

REGISTERED OFFICE :

15A/13, Upper Ground Floor,
East Patel Nager,
NEW DELHI - 110 008.

ADMINISTRATIVE OFFICE :

Gandhi Market, Bijnor - 246701

WORKS :

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



NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Members of MOHIT PAPER MILLS LIMITED will be held on Saturday the 28th day of September, 2002 at 11.00 A.M. at 15A/13, Upper Ground Floor, East Patel Nagar, New Delhi-110008 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, 2002 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 Mr. Navneet Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Anjali Jain who retires by rotation and being eligible offers herself for reappointment.
4. 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.

The Company has received a notice from M/s Tatia Associates, Chartered Accountants, the retiring auditors, that their re-appointment if made, will be in accordance with the limits specified in Sub Section (1B) of Section 224 of the Companies Act, 1956.

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED that Mr. Vishal Sharma, who was co-opted as an Additional Director of the company with effect from 12th August 2002 under section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing Annual General Meeting of the company, and is eligible for office for re-appointment and in respect of whom the company has received notice in writing from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To consider, and if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED that in Pursuance of sections 198, 269, 309 and 310 read with schedule XIII and any other applicable provisions of the Companies Act, 1956, the reappointment of Mr. Surendra Kumar Jain, as Managing Director (MD) of the Company, who being eligible offers himself for reappointment and in respect of whom the company has received notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Surendra Kumar Jain, for the office of Director who is not liable to retire by rotation during the tenure of his holding the office of Managing Director of the company, be and is hereby approved and ratified for a further period of five years w.e.f. 14th August, 2002 on



remuneration, perquisites and other benefits and amenities 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 specified in above sections of the Companies Act, 1956 and subject to the approval of the Central Government, if required and / or such other approvals or any guidelines issued by the Company Law Board from time to time.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

"RESOLVED that in Pursuance of sections 198, 269, 309 and 310 read with schedule XIII and any other applicable provisions of the Companies Act, 1956, the reappointment of Mr. Sandeep Jain, as Whole Time Director of the Company, who being eligible offers himself for reappointment and in respect of whom the company has received notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Sandeep Jain, for the office of Director who is not liable to retire by rotation during the tenure of his holding the office of Whole Time Director of the company, be and is hereby approved and ratified for a further period of five years w.e.f. 14th August, 2002 on remuneration, perquisites and other benefits and amenities 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 specified in above sections of the Companies Act, 1956 and subject to the approval of the Central Government, if required and / or such other approvals or any guidelines issued by the Company Law Board from time to time.

8. "To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED that in Pursuance of sections 198, 269, 309 and 310 read with schedule XIII and any other applicable provisions of the Companies Act, 1956, the reappointment of Mr. Kuldeep Jain, as Whole Time Director of the Company, who being eligible offers himself for reappointment and in respect of whom the company has received notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Kuldeep Jain, for the office of Director who is not liable to retire by rotation during the tenure of his holding the office of Whole Time Director of the company, be and is hereby approved and ratified for a further period of five years w.e.f. 14th August, 2002 on remuneration, perquisites and other benefits and amenities 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 specified in above sections of the Companies Act, 1956 and subject to the approval of the Central Government, if required and/or such other approvals or any guidelines issued by the Company law Board from time to time.

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 from 18.09.2002 to 28.09.2002 (Both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : NEW DELHI
DATED : AUGUST 29, 2002

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. Members are requested to notify promptly any change in their address so as to reach the share department of the company at 15A/13, Upper Ground Floor, East Patel Nagar, New Delhi - 110008 latest by 28th September, 2002.
4. Members/Proxies are requested to bring copy of the Annual Report with them as copies of the Report will not be distributed at the meeting.
5. Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : NEW DELHI
DATED : AUGUST 29, 2002

S.K. JAIN
CHAIRMAN

**Information required to be furnished as per listing agreement:**

As required under the listing agreement the particulars of Directors who are proposed to be appointed/re-appointed are given below:-

1. NAME : **SHRI SURENDRA KUMAR JAIN**
 AGE : 65 YEARS
 QUALIFICATION : M.A., L.L.B.
 EXPERTISE : 40 YEARS EXPERIENCE IN MANAGING BUSINESS AFFAIRS
 OTHER DIRECTORSHIP : BIJNOR STEEL & ALLOYS (P) LTD.
2. NAME : **SHRI SANDEEP JAIN**
 AGE : 38 YEARS
 QUALIFICATION : POST GRADUATE
 EXPERTISE : 17 YEARS EXPERIENCE IN FINANCE & MARKETING
 OTHER DIRECTORSHIP : BIJNOR STEEL & ALLOYS (P) LTD.
3. NAME : **SHRI KULDEEP JAIN**
 AGE : 36 YEARS
 QUALIFICATION : GRADUATE
 EXPERTISE : 17 YEARS EXPERIENCE IN PROJECT ENGINEERING & PROCESS CONTROL
 OTHER DIRECTORSHIP : BIJNOR STEEL & ALLOYS (P) LTD.
4. NAME : **SHRI NAVNEET JAIN**
 AGE : 32 YEARS
 QUALIFICATION : GRADUATE
 EXPERTISE : 8 YEARS EXPERIENCE IN PAPER MILL PLANT MAINTENANCE
 OTHER DIRECTORSHIP : BIJNOR STEEL & ALLOYS (P) LTD.
5. NAME : **SMT. ANJALI JAIN**
 AGE : 32 YEARS
 QUALIFICATION : GRADUATE
 EXPERTISE : 10 YEARS EXPERIENCE IN ADMINISTRATION
 OTHER DIRECTORSHIP : BIJNOR STEEL & ALLOYS (P) LTD.
6. NAME : **SHRI VISHAL SHARMA**
 AGE : 27 YEARS
 QUALIFICATION : POST GRADUATE
 EXPERTISE : 8 YEARS EXPERIENCE IN LAW & COMPANY MATTERS
 OTHER DIRECTORSHIP : NIL

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

ITEM NO. 5 :

By a resolution passed by the Board of Directors at its Meeting held on 12th August 2002, Mr. Vishal Sharma was appointed as an Additional Director of the company w.e.f. 12th August 2002. Mr. Vishal Sharma holds office upto the date of the Annual General Meeting. The company has received notice from a member under section 257 of the said Act signifying his intention to propose him a candidate for the office of Director, Mr. Vishal Sharma has a rich experience of more than 8 years in Law & Company matters. Directors are of the opinion that Mr. Vishal Sharma's knowledge and experience will be of benefit to the company. The Board therefore, approved and recommend the resolution for your approval.

None of the Directors of the company except Mr. Vishal Sharma is interested or concerned in the resolution.

ITEM NO. 6 :

Sh. Surendra Kumar Jain, Managing Director of the company is proposed to be re-appointed as Managing Director of the Company for the further period of five years w.e.f. 14.08.2002. The Board of Directors in its meetings held on 14.08.2002 reviewed the overall performance and unanimously decided to re-appoint him as Managing Director and fix the remuneration structure on the following terms and conditions, subject to approval of the shareholders in the Annual General Meeting.

1. **Period of Agreement :** 5 Years with effect from 14.08.2002

2. **Remuneration :**

a) Salary Rs. 60,000/- per month subject to deduction of tax at source.

In addition to the salary the Managing Director shall also be entitled to following perquisites :

b) **Perquisites & Allowances :**

i. **Medical reimbursement :**

Reimbursement of expenses for self and family subject to a ceiling of one months salary in a year.

ii. **Leave Travel Concession :**

For self and family once a year incurred in accordance with the rules framed by the company.

iii **Personal Accident Insurance :**

Personal Accident Insurance of an amount, the premium of which shall not exceed Rs. 1000/- per annum.

iv. **Provident Fund and Superannuation Fund :**

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

v. **Gratuity :**

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

vi. **Car and Telephone :**

Provision of car of Company for business and personal use and the facility of telephone at residence.

3. **Minimum Remuneration :**

In the event of loss, absence or inadequacy of profits in any financial year during the currency of his term, the remuneration aforesaid shall be the minimum remuneration subject to conditions prescribed in this regard under Schedule XIII of the Companies Act, 1956 as amended from time to time and statutory approvals, if any.

4. **Remuneration Proposed :**

At the meeting of the Board of Directors of the company and the Remuneration Committee held on 14-08-2002, the following remuneration has been approved for a period of five years, subject to the approval of the shareholders :

- a) **Salary :** A maximum of Rs. 7.20 lacs per annum.

The details of perquisites are given in the explanatory statement above.

The remuneration proposed by the company, is in line with the remuneration being paid to its managerial personnel by companies of similar size in the industry.

This may also be treated as notice required under section 302 of the Companies Act.

Your Directors recommend the resolution for approval of the members of the Company.

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

ITEM NO. 7 :

Sh. Sandeep Jain, Whole Time Director of the company is proposed to be re-appointed as Whole Time Director of the Company for the further period of five years w.e.f. 14.08.2002. The Board of Directors in its meetings held on 14.08.2002 reviewed the overall performance and unanimously decided to re-appoint him as Whole Time Director and fix the remuneration structure on the following terms and conditions, subject to approval of the shareholders in the Annual General Meeting.

1. **Period of Agreement :** 5 Years with effect from 14.08.2002

2. **Remuneration :**

- a) **Salary** Rs. 50,000/- per month subject to deduction of tax at source.

In addition to the salary the whole time Director shall also be entitled to following perquisites:

- b) **Perquisites & Allowances :**



- i. **Medical reimbursement :**
Reimbursement of expenses for self and family subject to a ceiling of one months salary in a year.
 - ii. **Leave Travel Concession :**
For self and family once a year incurred in accordance with the rules framed by the company.
 - iii. **Personal Accident Insurance :**
Personal Accident Insurance of an amount, the premium of which shall not exceed Rs. 1000/ per annum.
 - iv. **Provident Fund and Superannuation Fund :**
Company's contribution towards Provident Fund and Superannuation Fund as per rules of the company.
 - v. **Gratuity :**
Gratuity as per rules of the company but not exceeding half month's salary for each completed year of service.
 - vi. **Car and Telephone :**
Provision of car of Company for business and personal use and the facility of telephone at residence.
 - vii. Children Education Allowance @ Rs. 100/- per month per child upto maximum of 2 children.
 - viii. Any allowance granted to meet hostel expenditure @ 300/- per month per child upto maximum of 2 children.
3. **Minimum Remuneration :**
In the event of loss, absence or inadequacy of profits in any financial year during the currency of his term, the remuneration aforesaid shall be the minimum remuneration subject to conditions prescribed in this regard under Schedule XIII of the Companies Act, 1956 as amended from time to time and statutory approvals, if any.
4. **Remuneration Proposed :**
At the meeting of the Board of Directors of the company and the Remuneration Committee held on 14-08-2002, the following remuneration has been approved for a period of five years, subject to the approval of the shareholders :
- a) **Salary :** A maximum of Rs. 6.00 lacs per annum.
- The details of perquisites are given in the explanatory statement above.
- The remuneration proposed by the company, is in line with the remuneration being paid to its managerial personnel by companies of similar size in the industry.
- This may also be treated as notice required under section 302 of the Companies Act.



Your Directors recommend the resolution for approval of the members of the Company.

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

ITEM NO. 8 :

Sh. Kuldeep Jain, whole time Director of the company whose Tenure comes to an end during year ending 31-3-2003 is proposed to be re-appointed as whole time Director of the company for the further period of five years w.e.f. 14.08.2002 on the terms given here under. The Board of Directors in its meetings held on 14.08.2002 reviewed the overall performance and unanimously decided to re-appoint him as whole time director and fix the remuneration structure on the following terms and conditions, subject to approval of the shareholders in the Annual General Meeting.

1. **Period of agreement :** 5 years with effect from 14-8-2002
2. **Remuneration :**
 - a) **Salary** Rs. 50,000/- per month subject to deduction of tax at source.
In addition to the salary the Whole time Director shall also be entitled to following perquisite:
 - b) **Perquisites & Allowances :**
 - i. **Medical reimbursement :**
Reimbursement of expenses for self and family subject to a ceiling of one months salary in a year.
 - ii. **Leave Travel Concession:**
For self and family once a year incurred in accordance with the rules framed by the company.
 - iii. **Personal Accident Insurance :**
Personal Accident Insurance of an amount, the premium of which shall not exceed Rs.1000/- per annum.
 - iv. **Provident Fund and Superannuation Fund :**
Company's contribution towards Provident Fund and Superannuation Fund as per rules of the company.
 - v. **Gratuity :**
Gratuity as per rules of the company but not exceeding half month's salary for each completed year of service.
 - vi. **Car and Telephone :**
Provision of car of Company for business and personal use and the facility of telephone at residence.
 - vii. **Children Education Allowance @ Rs. 100/- per month per child upto maximum of 2 children.**
 - viii. **Any allowance granted to meet hostel expenditure @ 200/- per month per child upto maximum of 2 children.**