



MOHIT PAPER MILLS LTD.



**TWELVETH ANNUAL REPORT
2003-2004**



MOHIT PAPER MILLS LIMITED

MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR:

Mr. Surendra Kumar Jain

WHOLE TIME 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. Anant Vats

AUDITORS:

M/s Tatia Associates,
Chartered Accountants,
NEW DELHI

BANKERS:

Bank of Baroda

REGISTERED OFFICE:

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

ADMINISTRATIVE OFFICE

Gandhi Market,
Bijnor - 246701

WORKS:

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



MOHIT PAPER MILLS LIMITED

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of MOHIT PAPER MILLS LIMITED will be held on Thursday, the 30th day of September, 2004 at 10.00 A.M., at Junction 36, 16/36, Junction of Joshi Road and Rohtak Road, Karol Bagh, New Delhi-110005, to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2004, Profit and Loss Account for the year ended on that date and the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Anjali Jain who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Vishal Sharma who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Navneet Jain who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors for the financial year 2004-05 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Tatia Associates, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

SPECIAL BUSINESS :

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

"RESOLVED that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders be and is hereby given to the Board of Directors to raise or borrow, at its discretion, from time to time, either from financial institutions or bankers or else where by mortgage / hypothecate or / and to create charge by equitable mortgage through deposit of title deeds or in any other manner, the moveable or immovable properties of the company and its plant & machinery on such terms and conditions as to repayment, interest or otherwise as the Board may deem fit and proper in the best interest of the company upto a limit of Rs. 10 crores at any one time exclusive of the temporary loan which may be obtained by the company from time to time from its bankers in the ordinary course of business.

**MOHIT PAPER MILLS LIMITED**

RESOLVED FURTHER THAT Board of Directors of the Company, be and is hereby authorised to finalise with the existing charge holders, and the public financial institution(s), financial institution/s and scheduled bank(s) all agreements and documents necessary for creating aforesaid mortgage by way of first/second charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or then considered by the Board of Directors to be in the interest of the company."

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 20.09.2004 to 30.09.2004 (Both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : NEW DELHI

ANANT VATS

DATE : August 05, 2004

COMPANY SECRETARY



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. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of Annual Report to the meeting.
3. Members/Proxies should fill the Attendance Slip for attending the meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. Members are requested to notify to the company any change in their address quoting ledger folio number.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

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BY ORDER OF THE BOARD OF DIRECTORS

PLACE : NEW DELHI

ANANT VATS

DATED : AUGUST 05, 2004

COMPANY SECRETARY

**MOHIT PAPER MILLS LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO. 6**

In view of the necessary additions in Plant & Machinery and increase in the cost of raw materials, the company requires – additional term loans and working capital facilities.

In this connection, the company has approached public financial institutions, other financial institutions and commercial banks for the sanction of term loan and working capital facilities.

The term loan & working capital facilities will be secured by mortgage of the fixed assets ranking pari-passu with the charge in favour of the existing charge holders.

Consent of the members of the company is sought pursuant to section 293 (1) (a) of the Companies Act 1956, to mortgage / hypothecate or to create charge by equitable mortgage through deposit of title deeds or in any manner over moveable and immovable property and plant & machinery of the company in favour of the public financial institution/s, other financial institution/s and scheduled bank/s, whether Indian or Foreign, whether public sector bank of private sector bank to secure the long term loan or working capital facilities.

None of the Directors of the Company are interested in the resolution.

Your Directors commend the resolution set out at item no. 6 of the Notice for your approval.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : NEW DELHI

ANANT VATS

DATED : AUGUST 05,

COMPANY SECRETARY

**MOHIT PAPER MILLS LIMITED****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 : MRS. ANJALI JAIN
 AGE : 34 Years
 QUALIFICATION : Graduate
 EXPERIENCE : 12 Years experience in Administration
 OTHER DIRECTORSHIP : BIJNOR STEEL & ALLOYS (P) LTD.

2. NAME : MR. VISHAL SHARMA
 AGE : 29 Years
 QUALIFICATION : Post Graduate
 EXPERIENCE : 10 Years experience in Law & Company matters
 OTHER DIRECTORSHIP : NIL

3. NAME : MR. NAVNEET JAIN
 AGE : 34 Years
 QUALIFICATION : Graduate
 EXPERIENCE : 10 Years experience in Paper Mill Plant Maintenance
 OTHER DIRECTORSHIP : Bijnor Steel & Alloys(P) Ltd. & Mohit Petrochemicals (P) Ltd.



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DIRECTORS' REPORT

The Members,

Your Directors have great pleasure in presenting the 12th Annual Report of your company along with the Audited Statement of Accounts for the year ended 31st March, 2004 and Auditors Report thereon.

1. FINANCIAL RESULTS

| | (Amount/Rs.) | |
|--|---------------------------|----------------------------|
| | Current Year 31.3.2004 | Previous Year 31.3.2003 |
| Sales & other income | 39,60,40,703 | 39,74,21,865 |
| Operating profit before Interest & Depreciation | 2,60,37,002 | 2,59,64,005 |
| Interest & Finance Charges | 26,24,234 | 16,80,144 |
| Depreciation | 1,32,74,974 | 1,36,77,017 |
| Net of Adjustments: | | |
| i. Depreciation on Revalued Assets | 61,89,813 | 72,80,260 |
| ii. Amount Transferred from Capital Reserve | 61,89,813 | 72,80,260 |
| Net Profit | 1,01,37,794 | 1,06,06,844 |

2. DIVIDEND

For the year under review your company does not recommend any dividend.

3. FIXED DEPOSITS

The company has not accepted any Public deposits during the year under review.

4. CORPORATE OVERVIEW

During the year under review the sales of the company showed a decline of 0.35% from Rs. 39,66,58,178 to Rs. 39,52,71,592/- as compared to the previous year.

Due to cost control measures adopted by the company and aggressive measures taken to economize on cost and overheads, the company was able to sustain impact of increase in the input costs in production of paper to some extent.



MOHIT PAPER MILLS LIMITED

The growing sophistication of the Indian consumer is expected to accelerate the demand for high quality writing & printing paper, and in turn for world class writing & printing paper. With expectations of robust growth in the Indian economy, the per capita consumption of paper in India can increase beyond the current 4.7 Kg per annum to, progressively approximate the world average of 46 Kg. per annum. Your company, on the strength of its growing competitive capability is best poised to tap this potential.

5. DIRECTORS

Mrs. Anjali Jain, Mr. Vishal Sharma and Mr. Navneet Jain, retire by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

6. INSURANCE

The Assets of the company including Buildings, Plant & Machinery, Stocks & stores have been adequately secured.

7. AUDITORS

M/S TATIA ASSOCIATES, CHARTERED ACCOUNTANTS, have expressed their willingness to continue in office if re-appointed. A certificate has been obtained from them to the effect that the appointment, if made, will be in accordance with the limits specified in sub-section (1B) of section 224 of the Companies Act, 1956.

8. AUDITORS REPORT

The Auditor's Report on the Accounts is self explanatory and no comments are required.

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 Board Report.

10. DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby confirms;

1. That in the preparation of the Accounts for the financial year ended 31st March, 2004, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;



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2. That the Directors have selected and applied such Accounting Policy consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of financial year and of the profit or loss for the year under review ;
3. That the Director's have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a 'going concern' basis.

11. CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed in Annexure - (B) as a part of this Annual Report of the company. A certificate from Auditors of the company regarding compliance of Corporate Governance as stipulated under clause 49 of the listing agreement is annexed to the Report on Corporate Governance.

12. PARTICULARS OF EMPLOYEES

None of the employees during the year received the remuneration in excess of the limits set out under the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended upto date.

13. 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.

14. INDUSTRIAL RELATIONS

Industrial relations remained cordial during the year. The company received full cooperation and support from all its employees without which it would not have been possible to achieve record performance.

15. DISCLOSURE PURSUANT TO CLAUSE 43A OF THE LISTING AGREEMENT

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

1. The Delhi Stock Exchange Association Ltd.
DSE House, 3/1 Asaf Ali Road
NEW DELHI - 110 002