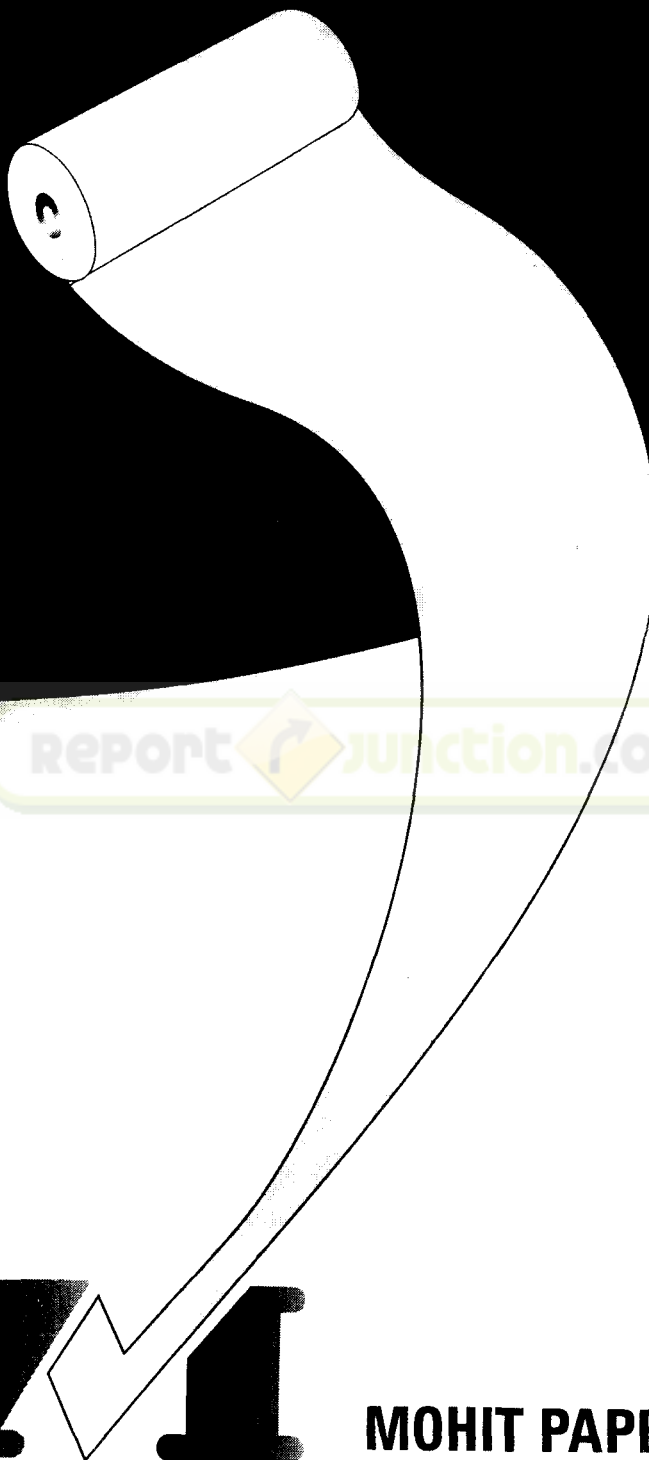


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MOHIT PAPER MILLS LTD.

THIRTEENTH ANNUAL REPORT

2004 - 2005



MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR:

Mr. Surendra Kumar Jain

EXECUTIVE DIRECTOR:

Mr. Sandeep Jain

OTHER DIRECTORS:

Mr. Navneet Jain

Mrs. Anju 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

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of MOHIT PAPER MILLS LIMITED will be held on Friday, the 30th day of September, 2005 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, 2005, 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 Mr. Satish Chand Gupta 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 reappointment.
4. To appoint a Director in place of Mr. Kuldeep Jain who retires by rotation.
5. To appoint Auditors for the financial year 2005-06 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(s), the following resolution as a **Special Resolution** :

“RESOLVED that in accordance with the provisions of Section 198, 309, 310 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to increase the remuneration of Shri Sandeep Jain, who was appointed as Whole Time Director of the Company for a period of 5 years ending on 13.08.2007 and that the increase in remuneration be



MOHIT PAPER MILLS LIMITED

effective for the remaining period of his tenure with effect from 01.09.2005 and upto 13.08.2007 on such terms and conditions as set out in the explanatory statement attached to the notice."

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 20.09.05 to 30.09.05 (Both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
COMPANY SECRETARY

PLACE : NEW DELHI
DATED : August 02, 2005



**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.

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
COMPANY SECRETARY

PLACE : NEW DELHI
DATED : August 02, 2005



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 : MR. SATISH CHAND GUPTA
 AGE : 68 Years
 QUALIFICATION : LLB
 EXPERIENCE : 36 Years experience in diversifying business activities
 OTHER DIRECTORSHIP : NIL
2. NAME : MR. ASHOK AGGARWAL
 AGE : 61 Years
 QUALIFICATION : B.E.
 EXPERIENCE : 34 Years experience in Managing Business affairs.
 OTHER DIRECTORSHIP : Hindon Engineering Pvt. Ltd.
3. NAME : MRS. ANJU JAIN
 AGE : 40 Years
 QUALIFICATION : Graduate
 EXPERIENCE : 14 Years experience in Administration.
 OTHER DIRECTORSHIP : Bijnor Steel & Alloys (P) Ltd.



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

ITEM NO.6:

Shri Sandeep Jain was re-appointed as a Whole Time Director for a period of 5 years w.e.f. 14.08.2002 upto 13.08.2007. The Board of Directors in their Meeting held on 02.08.2005 reviewed the overall performance and considering the increasing burden of work which Shri Sandeep Jain is shouldering and considering the increased cost of living it was unanimously decided to revise his remuneration on the following terms and conditions, subject to approval of the shareholders in the Annual General Meeting.

1. PERIOD OF AGREEMENT : 01.09.2005 to 13.08.2007.

2. REMUNERATION :

a. Salary Rs. 1,00,000/- 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 month 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. Provident Fund :

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

iv. Gratuity :

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

v. Car and Telephone :

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

**MOHIT PAPER MILLS LIMITED****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 Board of Directors of the company and the Remuneration Committee held on 02.08.2005, the following remuneration has been approved for the remaining period of his tenure ending on 13.08.2007, subject to the approval of the shareholders

Salary : A maximum of Rs.12 Lacs per annum.

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. Navneet Jain, Smt. Anju Jain, being his relatives are deemed to be interested or concerned in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS

S.K.JAIN
CHAIRMAN

PLACE : NEWDELHI
DATED : August 02, 2005



MOHIT PAPER MILLS LIMITED

DIRECTORS' REPORT

The Members,

Your Directors have great pleasure in presenting the 13th Annual Report of your company along with the Audited Statement of Accounts for the year ended 31st March, 2005 and Auditors Report thereon.

1. FINANCIAL RESULTS

	(Amount/Rs.)	
	Current Year 31.3.2005	Previous Year 31.3.2004
Sales & other income	38,65,91,529	39,60,40,703
Operating profit before		
Interest & Depreciation	2,77,02,806	2,60,37,002
Interest & Finance Charges	53,36,663	26,24,234
Depreciation	1,58,50,354	1,32,74,974
Net of Adjustments:		
i. Depreciation on		
Revalued Assets	52,63,970	61,89,813
ii. Amount Transferred		
from Capital Reserve	52,63,970	61,89,813
Net Profit	65,15,789	1,01,37,794

The Company has not transferred any amount to the reserves during the current year except the surplus in the Profit & Loss A/C for the year ended 31.03.2005, which has been carried over in the Balance Sheet.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

**MOHIT PAPER MILLS LIMITED****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 Company has entered the market of news print paper and started production of news print paper. The Company has positioned itself on the news print platform to create a niche within the writing & printing paper segment.

During the year under review, your Company has been able to maintain its market share despite stiff competition. In quantitative terms the sales during the year was 13445.395 MT (Previous Year 13.41.122 MT). However, due to competition the average selling rate had declined from Rs. 29,407 pmt to Rs. 28,717 pmt during the current year, resulting in decline in sales turnover from Rs. 39,52,71,592 to Rs. 38,61,16,594. As a measure to meet the market competition the Company had reoriented its product-mix by commencing the production of news print. It also reoriented composition of raw material-mix, which resulted in increase in incidence of manufacturing expenses, which was considered necessary to maintain the market share of the Company.

5. DIRECTORS

The members approval is being sought to the variation in terms of remuneration of Sh. Sandeep Jain as per the recommendation of the remuneration committee of the Company, by virtue of which the remuneration of Sh. Sandeep Jain is proposed to be increased for the remaining period of his tenure upto 13.07.2007.

Mr. Satish Chand Gupta & Mrs. Anju Jain retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Kuldeep Jain also retires by rotation at the same meeting and didn't show his willingness for re-appointment.

6. INSURANCE

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