



MOHIT PAPER MILLS LIMITED

FIFTEENTH ANNUAL REPORT
2006 - 2007



MOHIT PAPER MILLS LIMITED

MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Mr. Surendra Kumar Jain

WHOLE TIME DIRECTOR

Mr. Sandeep Jain

DIRECTORS

Mrs. Anju Jain

INDEPENDENT DIRECTORS

Mr. Ashok Agarwal

Mr. Rakesh Kansal

Mrs. Rashmi Kansal

Mr. Devender Shankar Vishnoi

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-110008.

ADMINISTRATIVE OFFICE

Gandhi Market

Bijnor-246701

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited

A-40, 2nd Floor, Near Batra Banquet Hall,

Naraina Industrial Area, Phase-II

New Delhi-110028

WORKS:

9th KM Stone,

Nagina Road, Bijnor (U.P.)



MOHIT PAPER MILLS LIMITED

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 15th Annual General Meeting of the Members of MOHIT PAPER MILLS LIMITED will be held on Friday, the 28th Day of September, 2007 at 10.00 A.M. at Junction 36, 16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005 to transact the following business.

A. ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Report on Corporate Governance, the Audited Profit & Loss Account for the Year ended 31st March, 2007 and the Balance Sheet as at that date along with the report of Statutory Auditors.
2. To appoint a Director in place of Mr. Rakesh Kansal, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956, Mr. Rakesh Kansal, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Rashmi Kansal, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956, Mrs. Rashmi Kansal, being eligible, offers herself for re-appointment.
4. No Dividend is to be declared as the same is not recommended by the Board of Directors.
5. 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 Ajay Shreya & Co., Chartered Accountants, be and is hereby appointed as the auditors of the Company in place of the retiring auditors M/s Tatia Associates, Chartered Accountants to hold the office of the auditors till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the company."

B. SPECIAL BUSINESS:

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

"RESOLVED that Mr. Devender Shankar Vishnoi, who was co-opted as an Additional Director of the Company with effect from 18th January 2007 under section 260 of the Companies Act, 1956 and who hold office upto the date of the ensuing Annual General Meeting of the Company is eligible for the office of Director 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."



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

"Resolved that in Pursuance of Section 198,269,309 and 310 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 Mr. Sandeep Jain who was the Whole time Director of the Company for 5 years since 14th day of August 2002 and whose office expires on 13th August 2007 who being eligible offers himself for the appointment as Managing Director due to the expiry of the term and resignation of Mr. Surendra Kumar Jain from the office of and Managing Director of the Company w.e.f. 15.06.2007 and in respect of whom the company has received notice from a member U/s 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 Managing Director of the Company be and is hereby approved and ratified for a period of 5 years w.e.f. 13th August 2007 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."

"Further Resolved that the Board have also made Mr. Sandeep Jain as the Chairman of the Company and the same is hereby confirmed by the Shareholders."

8. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

"Resolved that subject to the provisions of the Companies Act, 1956 (including any statutory modification(s), or re-enactments thereof for the time being in force as may be enacted hereinafter), and the Securities Contract (Regulation) Act, 1956 and rules, regulations and guidelines, and subject to such approvals, permissions, sanctions the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof), consent of the company be and is hereby accorded to get the securities of the Company delisted from:

1. The Uttar Pradesh Stock Exchange Association Ltd.
2. Jaipur Stock Exchange Ltd.

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

"RESOLVED that Mr. Sushil Kumar Patidar, who was co-opted as an Additional Director of the Company with effect from 15th June 2007 under section 260 of the Companies Act, 1956 and who hold office upto the date of the ensuing Annual General Meeting of the Company is eligible for the office of non-rotational Executive Director / Whole time Director 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 Executive Director be and is hereby appointed as a non-rotational Executive Director / Whole time director of the Company with such responsibility as fixed by the Board on the Meeting held on 15th day of June 2007 when he was made the Additional Director."



MOHIT PAPER MILLS LIMITED

"Further resolved that his tenure is for 5 years from this day of the meeting on such 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 Sections 198, 269, 309 and 310 read with Schedule XIII 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.

PLACE : NEW DELHI
DATE : 28th July, 2007

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

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**MOHIT PAPER MILLS LIMITED****NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of company. The instrument appointing proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The information as required to be provided under the Listing Agreement entered into with Stock Exchanges regarding the directors who are proposed to be appointed/re-appointed and the related explanatory statement pursuant to section 173(2) in respect of the business under item no. 6 - 9 as set out above are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 26th Day of September to Friday, 28th September (both days Inclusive).
4. Members are requested to notify to the Company any change in their address quoting ledger folio number.
5. 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.
6. 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.
7. Members / Proxies should fill the Attendance Slip for attending the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 28th July, 2007



MOHIT PAPER MILLS LIMITED

INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT:

As required under the listing agreement, the Particulars of Directors / Appointed / Resigned / Re-appointed are given below

- | | | |
|----|---------------------|----------------------------------|
| 1. | NAME | MR. DEVENDRA SHANKAR VISHNOI |
| | AGE | 37 YEARS |
| | QUALIFICATION | CHARTERED ACCOUNTANT |
| | EXPERIENCE | 10 YEARS PROFESSIONAL EXPERIENCE |
| | OTHER DIRECTORSHIPS | NIL |

He is a member of audit committee, shareholders grievance committee and remuneration committee appointed as an Additional Director on 18.01.2007

- | | | |
|----|---------------------|---------------------------------------|
| 2. | NAME | SANDEEP JAIN |
| | AGE | 43 YEARS |
| | QUALIFICATION | POST GRADUATE IN ECONOMICS |
| | EXPERIENCE | 20 YEARS EXPERIENCE IN ADMINISTRATION |
| | OTHER DIRECTORSHIPS | BIJNOR STEEL & ALLOYS PVT. LTD. |

He is a member of Audit Committee

He is the Whole Time Director of the Company and his office expires on 13th day of August, 2007, as Mr. Surendra Kumar Jain gave his resignation from the post of Managing Director so Mr. Sandeep Jain was been asked by the board to accept the office of Managing Director in the meeting held on 28th day of July, 2007 and the same is been accepted by Mr. Sandeep Jain subject to the approval of shareholders in the coming Annual General Meeting of the Company. He is re-appointed not as a Whole Time Director but as a Managing Director for 5 years w.e.f. 13th day of August 2007 subject to the approval of shareholders.

- | | | |
|----|---------------------|---|
| 3. | NAME | RAKESH KANSAL |
| | AGE | 48 YEARS |
| | QUALIFICATION | L.L.B. |
| | EXPERIENCE | ADVOCATE |
| | OTHER DIRECTORSHIPS | 25 YEARS OF EXPERIENCE AS PRACTICING
NIL |

Mr. Rakesh Kansal retires by rotation and being eligible offers himself for re-appointment in coming annual general meeting. He is a member of Audit Committee, shareholders grievance committee and remuneration committee



MOHIT PAPER MILLS LIMITED

4. NAME RASHMI KANSAL
 AGE 42 YEARS
 QUALIFICATION GRADUATE
 OTHER DIRECTORSHIPS NIL

Mrs. Rashmi Kansal retires by rotation and being eligible offers herself for re-appointment in coming Annual General Meeting. She is a member of Audit Committee, shareholders grievance committee and remuneration committee.

5. NAME SUSHIL KUMAR PATIDAR
 AGE 48 YEARS
 QUALIFICATION GRADUATE
 EXPERIENCE HELD POSITION OF SENIOR MANAGEMENT IN VARIOUS COMPANIES

Mr. Sushil Kumar Patidar who was appointed on the board on 15th day of June 2007 as Additional Director is eligible to be appointed as Executive / Whole Time Director of the Company in the Annual General Meeting.

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

ITEM NO. 5

M/s Tatia Associates Chartered Accountants, the existing Auditors of the Company, whose term of office expires at the conclusion of the ensuing Annual General Meeting of the Company, have expressed their unwillingness to be re-appointed in view of dissolution of the firm. The Company has received a special notice from member alongwith a letter u/s 224 of the Companies Act, 1956 informing the eligibility signifying the intention to appoint M/s Ajay Shreya & Co., Chartered Accountants as Auditors of the Company.

In terms of the provision of section 225 of the Companies Act, the appointment of Auditors in place of existing Auditors of the Company requires the approval of General Meeting by way of Ordinary resolution.

Therefore, the Board recommend to pass necessary resolution by way of ordinary resolution to appoint M/s Ajay Shreya & Co., Chartered Accountants, as the Auditors of the Company in place of M/s Tatia Associates, Chartered Accountants to hold office of the Auditors of the Company till the conclusion of the next General Meeting on the remuneration as may be fixed by the Board.

A copy of the intimation received from the existing Auditors, special notice received from the member and eligibility letter as referred elsewhere are available at the registered office of the company for inspection of the members till the meeting during business hours.

None of the director of the Company is concerned or interested in the proposed resolution.

ITEM NO. 6

By a resolution passed by the Board of Directors at its Meeting held on 18th day of January, 2007, Mr. Devendra Shankar Vishnoi was appointed as an Additional Director of the Company w.e.f. 18th day of January, 2007 to hold office upto the date of Annual General Meeting. The company has received notice from a member under section 257 of the said Act signifying his intention to propose him as a candidate for the office of Director. He is a Chartered Accountant by profession and he would be able to provide good assistance in Finance and Accounts and is quiet capable of becoming an efficient member of Committees as well. So the Board therefore approved and recommend the resolution for your approval. None of the Directors is interested except Mr. Devendra Shankar Vishnoi.

ITEM NO. 7

Mr. Sandeep Jain is the Whole Time Director of the Company and his office expires on 13th day of August, 2007, as Mr. Surendra Kumar Jain's office of Managing Director expires on 13th day of August, 2007 and he has given the resignation on 15th day of June, 2007 and shown his disinterest in continuing with the same so Mr. Sandeep Jain offers himself for the post of Managing Director which is accepted by the Board of Directors on 28th day of July, 2007 subject to the approval of shareholders in the coming Annual General Meeting of the company. He is re-appointed not as a whole time director but as a Managing Director for 5 years w.e.f. 13th day of August, 2007. He is also made the Chairman of the Company by the Board of Directors.



MOHIT PAPER MILLS LIMITED

1. **PERIOD OF AGREEMENT:** 5 Years with effect from 13th Day of August , 2007.

2. **REMUNERATION :**

a. Salary Rs.1,00,000/-per month subject to deduction of tax at source.

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

b Perquisites & Allowances:

i. **Medical Reimbursement**

Reimbursement of expenses for self and family subject to the 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 months 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.

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 held on 27.07.2007 and as approved by the Remuneration Committee, the following remuneration has been approved for the remaining period of his tenure ending on 13.08.2012, subject to the approval of 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.