



MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR
Mr. Sandeep Jain

WHOLE TIME DIRECTOR
Mr. Sushil Kumar Patedar

NON EXECUTIVE DIRECTOR
Mrs. Anju Jain

INDEPENDENT DIRECTORS
Mr. Rakesh Kansal
Mrs. Rashmi Kansal
Mr. Devender Shankar Vishnoi

COMPANY SECRETARY
Mr. Anant Vats

AUDITORS
M/s Ajay Shreya & Company
Chartered Accountants
New Delhi

BANKERS
BANK OF BARODA
ICICI BANK

REGISTERED OFFICE
15A/13, Upper Ground Floor
East Patel Nagar,
New Delhi-110008.

WORKS:
9TH KM. Stone,
Nagina Road, Bijnor -246701 (U.P.)

REGISTRAR & TRANSFER AGENT
LINK INTIME INDIA PRIVATE LIMITED
A-40, 2ND Floor, Near Batra Banquet Hall,
Naraina Industrial Area, Phase-II
New Delhi-110028

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 18th Annual General Meeting of MOHIT PAPER MILLS LIMITED will be held on Thursday, the 30th Day of September, 2010 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.

ORDINARY BUSINESS:

1. To consider and adopt the audited accounts for the Financial Year ended March 31, 2010 along with the report of auditors thereon as well as the directors' report and for that purpose to consider and if thought fit, to pass with or without modifications, if any the following as an ORDINARY RESOLUTION:

"RESOLVED THAT the Company's audited Balance Sheet as at March 31, 2010, the audited Profit and Loss Account and the audited Cash Flow Statement for the financial year ended on that date together with directors' and Auditor's report thereon be and are hereby approved and adopted."

2. To consider and if thought fit to, pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr.Devendra Shankar Vishnoi, who retires from the office of Director by rotation in pursuance of Section 256 of the Companies Act, 1956, in this annual general meeting be and is hereby re-elected as a director of the Company, whose office shall be liable to retirement by rotation."

3. To consider and if thought fit to, pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT Mrs.Anju Jain, who retires from the office of director by rotation in pursuance of Section 256 of the Companies Act, 1956, in this annual general meeting be and is hereby re-elected as a Director of the Company, whose office shall be liable to retirement by rotation."

4. To consider and, if thought fit, to pass, with or without, modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT M/s Ajay Shreya & Co., Chartered Accountants, the retiring auditors of the Company, be and are hereby re-appointed as the statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting on remuneration to be decided by the Board of Directors."

C. SPECIAL BUSINESS:

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

"RESOLVED that pursuant to Section 149(2A) and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of directors for commencing all or any of the Business as set out in Clauses 13, 15, 19, 46 of the "Other Object" Clause of the Memorandum of Association of the Company."

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE: NEW DELHI
DATED: 31.07.2010

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 the 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. 1, as set out are attached herewith.
3. The Register of members and the Share Transfer Books of the Company shall remain closed from 28th Day of September to 30th Day of September, 2010 (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.

BRIEF PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING(As required under Clause 49IV(G) of the Listing Agreement entered into with the Stock Exchanges):

1.NAME	MRS. ANJU JAIN
AGE	44 YEARS
QUALIFICATION	POST GRADUATE
EXPERIENCE	17 YEARS EXPERIENCE IN ADMINISTRATION
OTHER DIRECTORSHIPS	NIL
DESIGNATION	PROMOTER, NON EXECUTIVE DIRECTOR

1.NAME	MR.DEVENDRA SHANKAR VISHNOI
AGE	40 YEARS
QUALIFICATION	CHARTERED ACCOUNTANT
EXPERIENCE	13 YEARS OF PROFESSIONAL EXPERIENCE
OTHER DIRECTORSHIPS	NIL
DESIGNATION	INDEPENDENT DIRECTOR

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

As we all are aware that it is a testing time of the Paper Industry, The cost of paper is going high due to increase in prices and the demand of paper is reducing due to large scale production and increased new capacities which has came in Paper Industry. So your management is of the view to diversify and to add in its activities the activity of Manufacturing/Casting of Iron and steel.

As your management has the experience in the field of Casting of Iron and Steel, it would be beneficial in the interest of the Company.

Your Company have co-generation power plant which is not fully utilized so the Management is of the view to distribute and supply the extra or unutilized power to the neighboring industries for consideration. It will utilize the unutilized capacity of the turbine and will be an extra source of Funds for your Company.

In terms of Section 149(2A) of the Companies Act, 1956 the commencement of the business stipulated in clauses covered under the head "Other Objects" require shareholders approval by way of Special resolution.

None of the directors of the Company in any way interested or concerned in the Resolution.

The Board of directors recommends the resolution for the approval of shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE: NEW DELHI
DATED: 31.07.2010



DIRECTORS' REPORT

To the Members,

The Board of Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts of the Company for the year ended, 31st March, 2010.

The working of the company during the year under review has been highlighted below:

1. FINANCIAL RESULTS

(Amount/Rs.)

		Current Year 31.03.2010		Previous Year 31.03.2009
Gross Sales & Other Income		53,14,27,259		59,23,69,459
Operating Profit				
-before Interest & Depreciation		2,31,21,241		5,89,00,870
Interest & Finance Charges		1,43,02,856		1,40,02,834
Depreciation	3,04,92,148		3,09,49,414	
Less Depreciation for earlier years written back	2,01,29,995		-	
Net of Adjustments				
Depreciation on revalued assets	23,51,132	80,11,021	27,60,739	2,81,88,675
Less : Amount transferred from capital reserve	23,51,132		27,60,739	
NET PROFIT BEFORE TAX		8,07,364		1,67,09,361

The Company has not transferred any amount to the reserves during the current year except the surplus in the Profit & Loss account for the year ended on 31.3.2010, which has been carried over in the Balance Sheet. Gross sales and other income for the year was Rs. 53.14 crores as against Rs.59.23 in the previous year.

Profit before Depreciation, Interest and Taxes was Rs. 2.31 crores as against Rs.5.89 crores in the previous year.

2. DIVIDEND

The Directors do not recommend any dividend for the year under review.

3. PUBLIC DEPOSITS UNDER SECTION 58 A

During the year, the company has not accepted any Public Deposits during the year under review.

4. SHARE CAPITAL

The Authorised Share Capital has been increased from Rs.10,00,00,000 to Rs.12,00,00,000. The Company has issued 20,00,000 Convertible Warrants of Rs.10 per warrant to the promoters on preferential basis out of which 6,66,667 Warrants have been converted into 9,66,667 Equity Shares of Rs.10 each during the financial year 2009-2010. So the paid up capital of the Company stands increased from Rs. 9,00,00,000 to Rs. 9,66,66,670.

5. CORPORATE OVERVIEW

During the year the production has been decreased from 18693 M.T. To 18299.636 M.T. Gross Sales has decreased from Rs. 59.23 Crores to Rs. 53.14 crores. Net Profit of the Company has decreased from Rs. 1.67 crores to Rs. 8.07 Lacs.

The performance of the Company was mainly affected by the decrease in demand of paper due to the global slowdown in the Paper Industry, hike in raw material prices and decrease in the price of paper.

6. DIRECTORS

Mr. Devendra Shankar Vishnoi and Mrs. Anju Jain retires by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

7. INSURANCE

the assets of the company including buildings, plant & machinery, stocks and stores have been adequately secured.

8. AUDITORS

M/s AJAY SHREYA & CO. CHARTERED ACCOUNTANTS, auditors of the Company, retire from their office. They are eligible for re-appointment and have furnished certificate to the effect that their appointment if made will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Your directors recommend their re-appointment for the Accounting Year 2010-2011.

9. AUDITORS REPORT

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

10. DISCLOSURE OF PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.

Under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the detailed information is enclosed as per Annexure (A).

11. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2010 the applicable accounting standards had been followed and there has been no material departures;
- ii. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of financial year and of the profit of the Company for the year under review;
- iii. That proper and sufficient care has been taken 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.
- iv. That the annual accounts have been prepared on 'going concern basis'.

**12. CORPORATE GOVERNANCE**

Your Company has complied with all the mandatory requirements of Corporate Governance. a detailed report on corporate governance and management discussion and analysis forming part of the Directors' Report is enclosed as Annexure (B).

13. PARTICULARS OF EMPLOYEES

None of the employee of the Company was in receipt of total remuneration of Rs. 24,00,000/- during the financial year under review or Rs. 2,00,000/- per month. Hence, the information U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not required to be furnished.

14. 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.

15. 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 consistent good performance.

16. 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-110002
2. The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street
Mumbai-400001

17. ACKNOWLEDGEMENT

Your directors would like to express their thanks to the financial institutions and banks for their co-operation and assistance from time to time. The directors would also like to record appreciation to the members of staff and workers, who despite of constraints have been working hard for the company and are maintaining cordial relations.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN
(CHAIRMAN)

PLACE : NEW DELHI
DATED : 31.07.2010

**ANNEXURE TO DIRECTOR'S REPORT
ANNEXURE (A)****DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTOR) RULES, 1988****A. CONSERVATION OF ENERGY****a. Energy conservation measures taken:**

- i. The Company is self sufficient in terms of power. Co-generation power plant is running good.
- ii. Training sessions of shop floor workmen had been organized periodically.
- iii. The Company has revamped and realigned the existing facilities to optimize power consumption in various power consuming facilities.

b. Additional Investments and proposals, if any, being implemented for reduction of energy consumption.

- i. Better power factor management across the unit.
- ii. Identifying and eliminating non-productive energy consumption areas.

c. Impact of the measures at (a) and (b) for reduction of energy consumption on the cost of production of goods.

The above efforts shall help in restoring efficiency in conservation of energy. No separate costing had been done to measure energy saved, if any, by the company.

d. Total energy consumption and energy consumption per unit of production:

As per Form 'A' enclosed.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption

As per 'B' enclosed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Company operates in domestic market of India and has not undertaken exports during the year. Foreign Exchange earnings on account of exports was NIL. Total foreign exchange outgo during the year amounted to Rs. 10,92,67,778/- on account of Import on CIF basis of waste paper, stores and spares.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN
(CHAIRMAN)

PLACE : NEW DELHI
DATED : 31.07.2010

FORM-A

Disclosure of particulars with respect to conservation of energy:

A. Power & Fuel consumption
1. Electricity

	Current Year	Previous Year
	<u>31.03.2010</u>	<u>31.03.2009</u>
a. Purchased:		
Units	305500	2000880
Total Amount(Rs)	4130840	11055036
Rate/Unit	13.52	5.52
b. Own Generation:		
i. Through Diesel Generator:		
Units	3210	22400
Units per ltr. of Diesel oil	3.21	3.20
Cost/Unit	8.87	8.89
ii. Through Steam Turbine/Generator		
Units	14954022	13659300
Cost/Unit	NIL	NIL
Units per ltr. of fuel	NIL	NIL

2. Coal / Charcoal:

Qty.(MT)	18585.324	16008.32
Total Cost (Rs.)	50931147	43570554
Average Rate	2740.39	2721.74

3. Tel Rahit Bhussi:

Qty.(MT)	26509	23150.150
Total Cost (Rs.)	39111566	29119227
Average Rate	1475.40	1257.84

4. Baggass:

Qty.(M.T.)	Nil	8026
Total Cost (Rs)	Nil	12430243
Average Rate	Nil	1548.75

B. Consumption/Tones of Production:

Product	Current year		Previous year	
	Paper	Soda Ash	Paper	Soda Ash
Production (MT)	14838.136	3461.500	15624.785	3070.750
Electricity (Units/MT)	943	367	932	365
Tel Rahit Bhussi (in Boiler) (On directly attributable basis To Production)	1.637	0.637	1.375	0.530
Coal(In Boiler) (On Directly attributable basis to production)	1.148	0.446	0.951	0.372
Bagasse	Nil	Nil	0.476	0.186

FORM B
DISCLOSURES OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT
1. Research& Development (R & D):

The Company is a manufacturing organization and is not engaged in any major Research & Development activity. However, continuous efforts are made to improve the quality and efficiency and to develop new product/product mix.

2. Technology, Absorption, Adoption and Innovation:

The latest technology has been adopted in various sections for improving production and production quality and suitable efforts has been taken by the engineers to reduce the consumption of chemicals and energy which has helped in price and quality maintenance.

3. Imported Technology (Imported during the last 5 years): NIL

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN
(CHAIRMAN)

PLACE : NEW DELHI
DATED : 31.07.2010