



MOHIT PAPER MILLS LIMITED

2010 - 2011
NINETEENTH ANNUAL REPORT



MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Mr. Sandeep Jain

WHOLE TIME DIRECTOR

Mr. Tapan Kumar Chowdhury

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

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 19th Annual General Meeting of MOHIT PAPER MILLS LIMITED will be held on Friday, the 30th Day of September, 2011 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 receive, consider and adopt the 19th Annual Report of the Company, Balance Sheet as at 31st March, 2011, the Profit and Loss account for the financial year ended 31st March, 2011, the Cash Flow Statement for the financial year ended March 31st, 2011 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Rakesh Kansal, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mrs. Rashmi Kansal, who retires by rotation and is eligible for re-appointment.
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."

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 the provisions, inter alia of Section 198, 269 and 309, 310, 311, 314, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 including any (modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government if required, and such other approvals as may be necessary, the approval of the Company be and is hereby accorded to the appointment of Mr. Tapan Kumar Chowdhury as Whole Time Director for a period of 5 years with effect from 7th February 2011 and be paid remuneration in the manner and to the extent set out:-

- a. Monthly Remuneration of Rs.30,000/-
- b. Perquisites in addition to salary payable:



1. Medical Reimbursement-Reimbursement of expenses for self and family subject to the ceiling of one months salary in a year.
2. Leave Travel Concession: For Self and Family once in a year in accordance with the rules framed by the company.
3. Provident Fund: Company's contribution to the Fund as per the rules of the company.
4. Gratuity: As per the rules of the company but not exceeding half months salary for each completed year of Service.

However the overall amount payable to Mr. Tapan Kumar Chowdhury shall not exceed the maximum permissible under section 198 and 309, read with Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the remuneration payable to Mr. Tapan Kumar Chowdhury shall be governed by Part II of Section II of Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactments thereof for the time being in force, as may be approved by the Board from time to time."

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and/or charge all the immovable and movable properties of the Company wheresoever situated, present or future and the whole or substantially the whole of the undertaking of the Company to secure the Term Loan/Corporate Loan, Working Capital and /or other borrowings lent and advanced by the public financial institutions, other financial institutions or scheduled banks, whether Indian or Foreign, whether public sector bank or private sector bank 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.40 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.

"RESOLVED FURTHER that the mortgage/charges created and all agreements documents executed or to be executed and all acts done or to be done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to make or accept any amendment, modification, change or alterations as may be required from time to time in connection with the creation of aforesaid mortgage/charges in favor of the Lenders."

"RESOLVED FURTHER that the Board of Directors of the, be and is hereby authorized to finalize the agreements and documents necessary to secure the facilities/borrowings as aforesaid and to do 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."

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

"RESOLVED that consent of the shareholders is hereby accorded pursuant to Section 314(1) and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Mohit Jain s/o Mr. Sandeep Jain as DGM(Marketing) on the remuneration of Rs. 45,000/- per month with effect from 1st of October, 2010."

"RESOLVED that the Board is further authorized to increase the remuneration of Mr. Mohit Jain as the Board may decide from time to time subject to the provision and rules under the Companies Act, 1956."

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE: NEW DELHI
DATED : 09.07.2011

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.5,6 and 7 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, 2011 (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	MR. RAKESH KANSAL
AGE	50 YEARS
QUALIFICATION	LL.B
EXPERIENCE	25 YEARS EXPERIENCE IN ADVOCACY
OTHER DIRECTORSHIPS	NIL
DESIGNATION	INDEPENDENT DIRECTOR

2.NAME	MRS. RASHMI KANSAL
AGE	42 YEARS
QUALIFICATION	GRADUATE
OTHER DIRECTORSHIPS	NIL
DESIGNATION	INDEPENDENT DIRECTOR

3.NAME	MR.TAPAN KUMAR CHAUDHARY
AGE	55 YEARS
QUALIFICATION	GRADUATE
OTHER DIRECTORSHIPS	30 Years Of Experience In Paper Making
DESIGNATION	NIL
	WHOLE TIME DIRECTOR



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

ITEM NO. 5

Mr. Tapan Kumar Chowdhury has a vast experience in the making of the Paper, he is engaged with the paper industry with more than 25 years. He has worked with the leading paper manufacturers of the Country.

The Board of Directors at the meeting held on 7th February 2011 have appointed Mr. Tapan Kumar Chowdhury as the Whole Time Director for a period of 5 years effective 7th February, 2011 and the remuneration has been fixed as approved by the Remuneration Committee who has taken diligence in deciding the same.

The Remuneration payable to Mr. Tapan Kumar Chowdhury shall be subject to Section 198, 269 and 309, 310, 311, 314, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 including any (modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government if required. Mr. Tapan Kumar Chowdhury does not hold any other directorship in other Company.

None of the Directors of the Company except Mr. Tapan Kumar Chowdhury is in any way interested or concerned in the resolution.

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

ITEM NO. 6

In view of the planning or expansion and increase in the cost of raw materials, chemicals, fuel etc. the company requires additional term Loans and Working Capital facilities and for this the Company have to mortgage/hypothecate or to create charge over moveable and immoveable property in favor of the Lenders.

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 over moveable or immoveable property of the company in favor of the public financial institutions, other financial institutions and scheduled banks, whether Indian or Foreign, whether public sector bank or 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.

ITEM NO. 7

As Mr. Mohit Jain is the son of Mr. Sandeep Jain (Managing Director of the Company) and he has finished his MBA from a reputed institute it is the right time for the Company to take advantage of his knowledge in the field in which he has taken the expertise.

So in the interest of the Company consent of the members is sought pursuant to section 314(1) of the Companies Act, 1956 for the appointment of Mr. Mohit Jain as DGM(Marketing).

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

None of the Directors except Mr. Sandeep Jain and Mrs. Anju Jain are interested in the resolution as Mr. Mohit Jain is related to them.

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATED : 09.07.2011

**DIRECTORS' REPORT**

To the Members,

The Board of Directors has pleasure in presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended, 31st March, 2011.

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

1. FINANCIAL RESULTS

(Amount/Rs.)

		Current Year 31.03.2011		Previous Year 31.03.2010
Gross Sales & Other Income		61,35,50,969		53,14,27,259
Operating Profit				
-before Interest & Depreciation		42,337,725		2,31,21,241
Interest & Finance Charges		1,44,34,728		1,43,02,856
Depreciation	2,83,11,251		3,04,92,148	
Less Depreciation for earlier years written back	37,36,822		2,01,29,995	
Net of Adjustments				
Depreciation on revalued Assets	20,02,955	22,571,474	23,51,132	80,11,021
Less: Amount Transferred from capital reserve	20,02,955	-	23,51,132	-
NET PROFIT BEFORE TAX		53,31,523		8,07,364

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 31.03.2011, which has been carried over in the Balance Sheet. Gross Sales and Other Income for the year was Rs. 61.36 crores as against Rs.53.14 in the previous year.

Profit before Depreciation, Interest and Taxes was Rs. 4.23 crores as against Rs.2.31 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 Company have 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 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2009-2010 and 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2010-2011. So The Paid up Capital of the Company stands increased from 9,66,66,670 to 10,33,33,340.

5. CORPORATE OVERVIEW

During the year the production has increased from 18299.636 M.T. to 19291.575 M.T. Gross Sales has increased from 53.14 Crores to 61.35 crores. Net Profit of the Company has increased from 8.07 Lacs to 53.31 Lacs.

The Performance of the Company was better than the last year. The situation of the global market has improved which shows in the improvement of the performance of your Company.

6. DIRECTORS

Mr. Rakesh Kansal and Mrs. Rashmi Kansal Jain retires by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Sushil Kumar Patidar whole time director gave his resignation during the year and Mr. Tapan Kumar Chowdhury has been appointed whole time director during the year subject to the approval of shareholders in the Annual General Meeting.

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 2011-2012.

9. AUDITORS REPORT

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

10. COST AUDITORS

The Central Government has approved the appointment of M/S H. Tara & Company the cost auditors for conducting Cost Audit for the financial year 2010-2011 relating to (Paper).

11. 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).

12. 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'.

13. 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 Director's Report is enclosed as Annexure (B).

14. PARTICULARS OF EMPLOYEES

None of the employee of the Company was in receipt of total remuneration of Rs. 60,00,000/- during the financial year under review or Rs. 5,00,000/- 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.

15. 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.

16. 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.

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

The equity shares of the Company, are Listed at the following stock exchanges: