



MOHIT PAPER MILLS LIMITED

2011 - 2012
TWENTIETH ANNUAL REPORT



MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Mr. Sandeep Jain

WHOLE TIME DIRECTOR

Mr. Hardesh Kumar Gupta

NON EXECUTIVE DIRECTOR

Mrs. Anju Jain

INDEPENDENT DIRECTORS

Mr. Rakesh Kansal

Mrs. Rashmi Kansal

Mr. Devender Shankar Vishnoi

Mr. Sushil Kumar Tyagi

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 20th Annual General Meeting of MOHIT PAPER MILLS LIMITED will be held on Saturday, the 29th Day of September, 2012 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 20th Annual Report of the Company, Balance Sheet as at 31st March, 2012, the Profit and Loss account for the financial year ended 31st March, 2012, the Cash Flow Statement for the financial year ended March 31st, 2012 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Anju Jain, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Devendra Shankar Vishnoi, 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. Hardesh Kumar Gupta as Whole Time Director for a period of 5 years with effect from 7th Day of July, 2012 and be paid remuneration in the manner and to the extent set out:-

- a. Monthly Remuneration of ₹50,000/-
- 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. Hardesh Kumar Gupta 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. Hardesh Kumar Gupta 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(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 re-appointment of Mr. Sandeep Jain as Managing Director for a period of 5 years with effect from 13th August 2012 and be paid remuneration in the manner and to the extent set out:-

a. Monthly Remuneration of ₹100,000/-

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. Sandeep Jain 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. Sandeep Jain 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."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution, notice of which has been received pursuant to Section 257 of the Companies Act, 1956.

"RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Shri Sushil Kumar Tyagi, being an additional director of the company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
COMPANY SECRETARY)
PLACE : NEW DELHI
DATED : 11/08/2012
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 27th Day of September to 29th Day of September, 2012 (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.
8. The Ministry of Corporate Affairs ("Ministry") has undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode. Shareholders are requested to register their e-mail ID in the format given below with the company to receive communication through electronic mode as permitted by Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 issued by the Ministry of Corporate Affairs.

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular No. 17/2011 dated 21st April, 2011 issued by the Ministry of Corporate Affairs)

Folio No.:..... Name of 1st Registered Holder.....Name of Joint
Holder(s):.....
Registered Address:.....E-mail ID (to be
registered):.....



I/We shareholder(s) of Mohit Paper Mills Limited agree to receive communication from the Company in electronic mode.
Please register my above e-mail in your records for sending communication through e-mail.

Signature

Date:..... (First Holder)

Note: Shareholder(s) are requested to keep the company informed as and when there is any change in the e-mail address.

BRIEF PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / 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	45 YEARS
QUALIFICATION	POST GRADUATE
EXPERIENCE	19 YEARS EXPERIENCE IN ADMINISTRATION
OTHER DIRECTORSHIPS	NIL
DESIGNATION	PROMOTER, NON -EXECUTIVE DIRECTOR

2.NAME	MR. DEVENDRA SHANKAR VISHNOI
AGE	43 YEARS
QUALIFICATION	CHARTERED ACCOUNTANT
EXPERIENCE	15 YEARS OF PROFESSIONAL EXPERIENCE
OTHER DIRECTORSHIPS	NIL
DESIGNATION	INDEPENDENT DIRECTOR
3.NAME	MR.HARDESH KUMAR GUPTA
AGE	53 YEARS
QUALIFICATION	ENGINEERING GRADUATE
EXPERIENCE	25 YEARS OF PROFESSIONAL EXPERIENCE
OTHER DIRECTORSHIPS	NIL
DESIGNATION	WHOLE TIME DIRECTOR



4.NAME	MR. SANDEEP JAIN
AGE	49 YEARS
QUALIFICATION	POST GRADUATE
EXPERIENCE	25 YEARS OF PROFESSIONAL EXPERIENCE
OTHER DIRECTORSHIPS	NIL
DESIGNATION	MANAGING DIRECTOR
5.NAME	SUSHIL KUMAR TYAGI
QUALIFICATION	GRADUATE
EXPERIENCE	25 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**

Mr. Hardesh Kumar Gupta has a vast experience in the manufacturing of Paper, he is engaged with the paper industry for 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 Day of July, 2012 have appointed Mr. Hardesh Kumar Gupta as the Whole Time Director for a period of 5 years effective from 7th Day of July, 2012 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. Hardesh Kumar Gupta 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. Hardesh Kumar Gupta does not hold any other directorship in other Company.

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

The above may also be treated as an abstract referred to in Section 302 of the Companies Act, 1956

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

ITEM NO. 6

Mr. Sandeep Jain's office of Managing Directorship is expiring on 13th August, 2012, so the Board have appointed him as Managing Director in its meeting held on 11.08.2012 for a further period of 5 years with effect from 13th August, 2012 on a remuneration as decided by the remuneration committee subject to the approval of Shareholders in the Annual General Meeting.

The Remuneration payable to Mr. Sandeep Jain 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. Sandeep Jain does not hold any other directorship in other Company.



None of the Directors of the Company except Mr. Sandeep Jain is in any way interested or concerned in the resolution.

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

ITEM NO.7

Shri Sushil Kumar Tyagi was appointed as an Additional Director under the Articles of Association of the Company and holds office up to the ensuing Annual General Meeting and being eligible offers himself for appointment as Independent director, liable to retire by rotation.

None of the Directors of the Company except Mr. Sushil Kumar Tyagi is 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 : 11.08.2012

**DIRECTORS' REPORT**

To the Members,

The Board of Directors has pleasure in presenting the 20th Annual Report together with the Audited Accounts of the Company for the year ended, 31st March, 2012.

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

1. FINANCIAL RESULTS

		Current Year 31.03.2011		Previous Year 31.03.2010
Gross Sales & Other Income		68,12,98,922		61,35,50,969
Operating Profit				
-before Interest & Depreciation		3,06,95,524		4,23,37,725
Interest & Finance Charges		1,60,90,751		1,44,34,728
Depreciation	2,80,26,717		2,83,11,251	
Less : Depreciation for earlier years written back & Dep. on revalued Assets	2,31,15,178	49,11,539	57,39,777	2,25,71,474
Net of Adjustments				
Depreciation on revalued Assets	17,06,340		20,02,955	
Less: Amount Transferred from capital reserve	17,06,340	-	20,02,955	-
NET PROFIT BEFORE TAX		96,93,234		53,31,523

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 31.3.2012, which has been carried over in the Balance Sheet. Gross Sales and Other Income for the year was ₹ 68.12 crores as against ₹ 61.35 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 ₹ 10 each to the Promoters on Preferential basis out of which 666667 warrants have been converted into 666667 equity shares of ₹ 10 each during the Financial year



2009-2010, 666667 equity shares of ₹ 10 each during the Financial year 2010-2011 and 666666 equity shares of ₹ 10 each in Financial year 2011-2012. So the Paid up Capital of the Company increased from ₹103333340/- to ₹110000000.5. **CORPORATE OVERVIEW**

During the year the production has increased from 19291.575 M.T. to 19980.674 M.T. Gross Sales has increased from ₹ 61.35 Crores to ₹ 68.12 crores. Net Profit before tax of the Company has increased from ₹ 53.31 Lacs to ₹ 96.93 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. Devendra Shankar Vishnoi and Mrs. Anju Jain retires by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Sushil Kumar Tyagi is been appointed as Additional Director on the Board on 14.05.2012. Mr. Sanat Kumar Bhatt and Mr. Tapan Kumar Chowdhury whole time directors gave their resignation during the year and Mr. Devi Prasad Dwivedi has been appointed whole time director during the year and he resigned on 07/07/2012. Mr. Hardesh Kumar Gupta was appointed as Whole Time Director subject to the approval of shareholders in the Annual General Meeting on 07/07/2012. Mr. Sandeep Jain's Office of Managing Directorship expires on 13.08.2012 so he is re-appointed as Managing Director by the Board on 11/08/2012 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 2012-2013.

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 accountants for conducting Cost Audit for the financial year 2011-2012 relating to (Paper) and (Electricity).

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