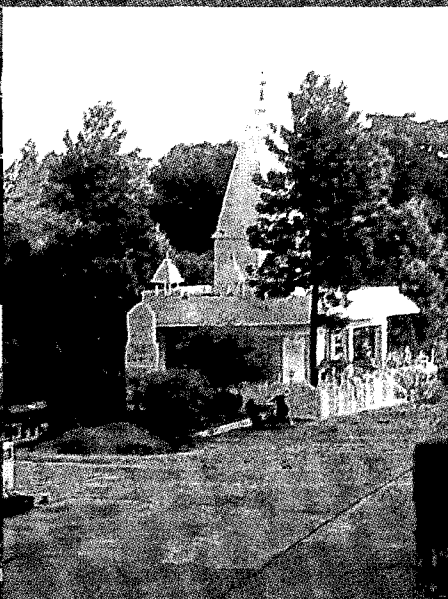


SEVENTEENTH ANNUAL REPORT

MOHIT PAPER MILLS LIMITED



2008 - 2009



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

REGISTERED OFFICE

15A/13, Upper Ground Floor,

East Patel Nagar,

New Delhi-110008.

WORKS:

9 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 17th Annual General Meeting of MOHIT PAPER MILLS LIMITED will be held on Saturday, the 19th Day of September, 2009 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, 2009 along with the Report of Auditors thereon as well as the Director's 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 31st, 2009, the Audited Profit and Loss Account and the Audited Cash Flow Statement for the financial year ended on that date together with Director's 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. Rakesh Kansal, 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. Rashmi Kansal, 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."

B. SPECIAL BUSINESS:

1. In accordance with Sections 94, 16, 31 and other applicable provision if any of the Companies Act, 1956 the Shareholders may consider and if thought fit to pass with or without modification the following resolution as Special Resolution for increase in Authorized Capital and change in Memorandum and Articles of Association of the Company:



a. "RESOLVED THAT the Authorised Capital of the Company be increased from Rs.10 crores divided into 1,00,00,000 Equity Shares of Rs. 10 each to Rs. 12 crore divided into 1,20,00,000 Equity Shares of Rs.10 each by the creation of 20,00,000 Equity Shares of Rs. 10 each ranking pari passu in all respects with and carry the same rights as the existing equity shares."

b. "RESOLVED THAT Clause V of the Memorandum of Association of the Company be amended by deleting the first sentence and substituting the following therefore:

The Authorised Share Capital of the Company shall be Rs. 12,00,00,000 (Rupees Twelve Crores only) divided into 1,20,00,000 Equity Shares of Rs.10 each."

c. "RESOLVED THAT the Articles of Association of the Company be amended by deleting the first sentence of the existing Article 3 and substituting the following therefore:

The authorised share capital of the Company shall be such as given in the clause V of Memorandum of Association or altered from time to time, thereat payable in the manner as may be determined by the Directors, with power to increase, reduce, sub divide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub divide or re-organise the shares and subject to provisions of Companies Act 1956, to vary such rights as may be determined in accordance with the regulations of the company."

2. 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 of section 81(1A) of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the Foreign Exchange Management Act, 1999, guidelines issued by the Reserve Bank of India or other competent authorities in this behalf, and the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to necessary approvals, permissions, consents and sanctions of concerned authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof with a power of sub-delegation by the Committee to any of the Director/ Officer of the Company), the consent of the Members of the Company be and is hereby given and the Board of Directors of the Company be and is hereby authorised to offer, issue and allot up to 20,00,000 (Twenty lacs) Convertible Warrants with an entitlement to convert into/exchange with the equal number of Equity Shares of the Company, at the option of the warrant holder(s) in one or more tranches, within a period of Eighteen months from the date of the allotment, to the following Persons who belongs to the Promoter Group on preferential allotment basis, such price and terms and conditions as may be decided by the Board as per the SEBI (DIP) guidelines and given in the Explanatory Statement annexed to this notice, subject to the following:-



Name of the Persons	Category	Number of Convertible Warrants
Shri Sandeep Jain, Chairman & Managing Director	Promoter Group	5,00,000
Smt. Anju Jain, Director	Promoter Group	5,00,000
Shri Mohit Jain	Promoter Group	10,00,000
Total		20,00,000

- The amount to be paid on the warrants at the time of allotment shall be 25% of the exercise price.
- The relevant date, in terms of Chapter XIII of the SEBI Guidelines, for determination of minimum price for issuance of the Warrants on a preferential basis and conversion thereof into equity shares of Rs.10/- each, is August 20,2009.
- The 20,00,000 Convertible warrants allotted to Promoter group and the equity shares arising from the conversion thereof shall be locked in for a period of three years from the date of allotment and again on the conversion thereof or as per the provisions of SEBI (DIP) guidelines for issue of shares on Preferential basis.
- The warrants and the Equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock in provided under SEBI Guidelines except to the extent and in the manner permitted thereunder.
- The rights attached to them and other terms and conditions of the warrants will be as may be decided in accordance with the SEBI Guidelines and other provisions of the applicable laws by the Board of Directors.
- Entitlement to the extent not exercised shall be lapsed and up-front amount paid on such warrants shall be forfeited.

Resolved further that the Board of Directors of the Company be and is hereby authorised to reduce, the number of convertible warrants to be issued, to finalise and modify the terms and conditions, and all other matters relating to the issue and allotment of the aforesaid preferential issue of convertible warrants and resultant equity shares, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities & Exchange Board of India (the SEBI), Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board without being required to seek any further consent or approval of the Company in General Meeting and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this Resolution.

Resolved further that the Board of Directors of the Company be and is hereby authorised to delegate all or any of the previously mentioned powers/authorities to any committee of Directors and/or officers or to any one or more directors and officers of the Company as it may deem fit and proper."

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE: NEW DELHI
DATED : 21.08.2009



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.1-2 as set out above are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 17th Day of September to 19th Day of September,2009 (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
DATED :21.08.2009



ANNEXURE

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

ITEM NO. 1

With the planning of the expansion of the Company, it is desirable to increase the Authorized Capital in proper correlation with the size and resources of the company.

Under Section 94 of the Companies Act, 1956 and Article of Association of the Company, the proposed increase of the Authorised Capital of the Company, and the consequent amendment to the Memorandum and Articles of Association of the Company require the approval of the Members in General Meeting and hence the resolutions as set out in (a), (b) & (c) above are proposed.

The Directors of the Company may be deemed to be interested in the said resolution to the extent of the shares held by them.

ITEM NO. 2.

Your Company proposes to make a preferential issue of convertible warrants with an option/entitlement of conversion into/exchange with the equity shares of the Company in one or more tranches within a period of about 18 months from the date of issue / allotment of warrants.

The proposal is subject to the approval of the Members of the Company and other statutory approvals, if any. Since your Company is a listed company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI Guidelines and Regulations, the relevant disclosures/details are given below:

Instrument and Numbers: The Company is proposing to issue up to 20,00,000 convertible warrants in the following manner.

A. Object of the Issue:

The proceeds of the Issue will be utilized for the expansion plan of the Company. The Company is in the process of expanding the capacity of the production of Paper from 45 tonnes per day to 140 tonnes per day.



The project cost of the expansion will come to around 18 crores which will be met partly by the above issue and partly by Bank Finance and Internal Accruals. The Company is self sufficient in terms of the Power. it has installed the Turbine of the capacity of 5.5 MW which is sufficient to support the expansion.

The Company has previously installed the Chemical Recovery Plant which recovers Chemical in the form of Soda Ash which is saleable item. This recovery plant is also self sufficient for the prescribed expansion. Turbine and Chemical Recovery Plant is been financed by Bank and internal accruals.

B. Intention of the Promoters group to subscribe to the offer:

Shri Sandeep Jain Chairman and Managing Director and promoter of the company along with his family members intends to subscribe for 20,00,000 (Twenty lacs shares) Convertible Warrants to be exchanged with equal number of equity shares of Rs10/- each at a price as may be decided by the Board within a period of 18 months from the date of allotment. The company has received written consent from all the promoters named above towards their intention to subscribe.

C. Relevant Date & Issue Price

The relevant date for the purpose of determination of issue price of the resultant equity shares on conversion of warrants is August 20, 2009.

Minimum issue price of the resultant equity shares on conversion of warrants, calculated as per the pricing formula prescribed in the SEBI Guidelines (which is given below):

- a. The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
 - b. The average of weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date;
- Whichever is higher.

Therefore the issue price for the proposed allotment will be which is in accordance with the SEBI Guidelines.

D. Shareholding Pattern of the Company before and after the issue

Pre-issue & Post-issue Shareholding Pattern of the Issuer Company: Presuming 100% conversion/exchange, post warrant conversion shareholding pattern of the Issuer Company, after the last conversion, will be as below



MOHIT PAPER MILLS LIMITED

Category	Pre-issue	Preferential issue	Post-issue After the conversion of 20,00,000 warrants		
	No. of Shares held	% of share holding	No. of warrants	No. of Shares held	% of share holding
A. Promoters' holding					
1. Promoters					
O Indian Promoters	4004200	44.49	20,00,000	6004200	54.58
O Foreign Promoters	0	0		0	0
2. Persons acting in concert	0	0		0	0
Sub-total	4004200	44.49		6004200	54.58
B. Non-Promoters' holding					
3. Institutional Investors					
a. Mutual Funds & UTI	81054	0.90		81054	0.73
b. Banks, Financial Institutions, Insurance Companies	0	0		0	0
c. FIIs	0	0		0	0
Sub-total	81054	0.90		81054	0.73
4. Others					
a. Private Corporate Bodies	1422139	15.81		1422139	12.94
b. Indian Public	2899056	32.21		2899056	26.36
c. NRIs/OCBs	536300	5.96		536300	4.88
d. Any Other					
Clearing Member	20400	0.22		20400	0.18
HUF	36851	0.41		36851	0.33
E. Custodian	0	0		0	0
Sub-total	4914746	54.60		4914746	44.69
Grand Total	9000000	100		11000000	100

* Based on the beneficiary positions in the shares of the Company as on 30 June 2009, as provided by the Depositories. Post Issue shareholding pattern may change due to the change in beneficiary position.

E. PROPOSED TIME OF ALLOTMENT

The allotment of warrants in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

F. The Identity of the Proposed allottees and the percentage of the preferential issue that may be held by them

Sr. No.	Name of the Proposed Allottees	Category	Pre-Issue Shareholding		Number of Warrants	Post Issue shareholding After conversion of warrants	
			No. of shares	%		No. of shares	%
1.	Shri Sandeep Jain, Chairman & Managing Director	Promoter	956,450	10.63%	500,000	1,456,450	13.24%
2.	Smt. Anju Jain, Director (Wife of CMD)	Promoter	853,200	9.48%	5,00,000	1,353,200	12.30%
3.	Shri Mohit Jain (Son of CMD)	Promoter	361,300	4.01%	10,00,000	1,361,300	12.38%

G. CONSEQUENTIAL CHANGES IN THE VOTING RIGHTS

Voting rights will change in tandem with the shareholding pattern however there shall not be any change in the management control of the Company.

H. The Statutory Auditors of the Company has certified that the present preferential issue of warrants, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended up to date. The Auditors' Certificate shall be laid before the AGM.

I. Lock-in Period

The 20,00,000 (Twenty Lacs) Convertible Warrants and resultant shares allotted to persons mentioned as Promoters in Point F above shall be locked in for such period from the date of allotment of warrants and equity shares as per SEBI Guidelines.

J. Change in Management:

The issue of Equity shares will not result in any change in the management or control of the Company.

K. Other terms and Conditions

1. The Proposed allottee of the warrants shall on or before the date of allotment of warrant, pay an amount equivalent to at least 25% of the total consideration and the balance 75% on or before the date of conversion thereof in the equity shares.
2. The warrant holder will be entitled to apply for and obtain allotment of one equity share against such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more trenches.
3. If the warrant holder fails to exercise the aforesaid option as mentioned in point 2 above, the right attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
4. The warrant by itself till converted into equity shares, does not give to the holder thereof any rights of the shareholders of the company.

In terms of provisions of the Companies Act, 1956, consent of the members is sought under Section 81(1A) of the Companies Act, 1956, for the offer, issue and allotment of the said securities, as detailed in the resolution. The board may be authorized to issue the Equity shares, in accordance with the terms of offer, as detailed in the resolution and to take necessary actions without any limitation for implementation of the resolution.

None of the Directors of the Company is in anyway concerned or interested in the resolution except Shri Sandeep Jain and Smt. Anju Jain.

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

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATED : 21.08.2009


DIRECTOR'S REPORT

To the Members,

The Board of Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts of the Company for the year ended, 31st March, 2009.

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

1. FINANCIAL RESULTS

	CURRENT YEAR 31.3.2009	(Amount/Rs.) PREVIOUS YEAR 31.03.2008
Gross Sales & other Income	59,23,69,459	54,41,50,695
Operating Profit		
-before interest & depreciation	5,89,00,870	4,84,33,528
Interest & Finance Charges	1,40,02,834	1,11,12,162
Depreciation	2,81,88,675	2,20,78,128
(Net of Adjustments:)		
i. Depreciation on		
revalued Assets	27,60,739	32,89,347
ii. Amount transferred		
from capital reserve	<u>27,60,739</u>	<u>32,89,347</u>
Net Profit before Tax	1,67,09,361	1,52,43,238

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 31.3.2009, which has been carried over in the Balance Sheet. Gross Sales and Other Income for the year was Rs. 59.23 crores as against Rs. 54.41 in the previous year.

Profit before Depreciation, Interest and Taxes was Rs. 5.89 crores as against Rs. 4.84 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. CORPORATE OVERVIEW

During the year under review the Company has been able to enhance its production from 18215 M.T. to 18693 M.T.

In Current year the increase in production has been possible due to the efficiency of the technical staff and labour. The quality of paper has improved, operating expenses have been stable during the year. The main aim of the company is with regard to quality up-gradation and reduction in prices.



5. DIRECTORS

Mr. Rakesh Kansal and Mrs. Rashmi Kansal retires by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

6. INSURANCE

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

7. 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 2009-2010.

8. AUDITORS REPORT

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

9. 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).

10. 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, 2009 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'.



11. 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 (C) and (D).

12. 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.

13. 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.

14. 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.

15. 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 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

16. 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 : 21.08.2009



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 has increased the capacity of co-generation power plant by successful implementation and installation of Turbine of the capacity of 4.5 MW. It has made your Company self-sufficient in terms of Power.
- 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. 8,68,55,876/- 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 : 21.08.2009



FORM- A

Disclosure of particulars with respect to conservation of energy:

A. Power & Fuel consumption**1. Electricity**

	Current Year	Previous Year
	<u>31.03.2009</u>	<u>31.03.2008</u>
a. Purchased:		
Units	2000880	5287278
Total Amount (Rs)	11055036	20886832
Rate/Unit	5.52	3.95
b. Own Generation:		
i. Through Diesel Generator:		
Units	22400	373413
Units per ltr. of Diesel oil	3.20	3.23
Cost/Unit	8.89	8.81
ii. Through Steam Turbine/Generator		
Units	13659300	9970369
Cost/Unit	NIL	NIL
Units per ltr. of fuel	NIL	NIL

2. Coal / Charcoal:

Qty.(MT)	16008.32	18851.665
Total Cost (Rs.)	43570554	53101921
Average Rate	2721.74	2816.82

3. Tel Rahit Bhussi:

Qty.(MT)	23150.150	5015
Total Cost (Rs.)	29119227	5956042
Average Rate	1257.84	1187.65

4. Bagasse:

Qty.(M.T.)	8026	5588
Total Cost (Rs)	12430243	7034056
Average Rate	1548.75	1258.77

**B. Consumption/Tones of Production:**

Product	Current year		Previous year	
	Paper	Soda Ash	Paper	Soda Ash
Production (MT)	15624.785	3070.750	15562.781	2652.790
Electricity (Units/MT)	932	365	942	366
Tel Rahit Bhussi (in Boiler) (On directly attributable basis To Production)	1.375	0.530	0.302	0.117
Coal(In Boiler) (On Directly attributable basis to production)	0.951	0.372	1.136	0.441
Bagasse	0.476	0.186	0.336	0.130

FOR AND ON BEHALF OF BOARD OF.DIRECTORS

SANDEEP JAIN
(CHAIRMAN)
PLACE : NEW DELHI
DATED : 21.08.2009

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 : 21.08.2009



**ANNEXURE (B) TO DIRECTOR'S REPORT
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Mohit Paper Mills Ltd.

We have examined the compliance of conditions of Corporate Governance by MOHIT PAPER MILLS LIMITED, New Delhi, for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us we certify that company has complied with the conditions of corporate governance as stipulated in clause 49 of the listing agreement.

We state that in respect of investor grievances received during the year ended 31.03.2009, no investor grievances are pending against the company for a period exceeding one month.

We further state that our examination of such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management had conducted the affairs of the company.

For AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS

Ajay Jain
(Proprietor)
Membership No. 85354

PLACE : NEW DELHI
DATED : 21.08.2009

**ANNEXURE TO DIRECTOR'S REPORT****ANNEXURE- (C)
REPORT ON CORPORATE GOVERNANCE**
(Pursuant to clause 49 of the Listing Agreement)**1. Company's Philosophy on Code of Governance:**

The Company continues its focus on good Corporate Governance and its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

Corporate Governance is an integral part of Management and in its pursuit of excellence, growth and value creation, it continuously endeavors to leverage resources to translate opportunities into reality.

2. Board of Directors:**Composition**

The Board of the Company consists of an optimum combination of Executive and Non-Executive Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that not less than fifty percent of the Board of Directors should comprise of Non-Executive Directors and where the Chairman of the Board is Executive Director, at least half of the Board should comprise of Independent Director.

The Composition of the Board consists of the Following:

NAME	DESIGNATION	CATEGORY
Mr. Sandeep Jain	Chairman And Managing Director	Promoter, Executive Director
Mr. Sushil Kumar Patedar	Whole Time Director	Executive
Mrs. Anju Jain	Director	Promoter, Non-Executive
Mr. Rakesh Kansal	Independent Director	Non-Executive
Mrs. Rashmi Kansal	Independent Director	Non-Executive
Mr. Devendra Shankar Vishnoi	Independent Director	Non-Executive

Board Meetings were held on the following dates during the year:

Total Number of Board Meetings held were 7

30.04.2008
31.07.2008
26.09.2008
25.10.2008
05.01.2009
30.01.2009
25.02.2009


Particulars of Directors including their attendance at the Board/Shareholder's Meetings during the year 2008-2009.

Name of Directors	Category	Other Directorship	No. of Board Meeting Attended	Attended E at Last AGM	Committee Membership
Mr. Sandeep Jain	Chairman and Managing Director	Nil	7	Yes	-
Mrs. Anju Jain	Non Executive Director	Nil	7	Yes	-
Mr. Sushil Kumar Patedar	Executive Director	-	3	No	-
Mr. Rakesh Kansal	Independent Director	-	5	Yes	3
Mrs. Rashmi Kansal	Independent Director	-	1	No	3
Mr. Devendra Shankar Vishnoi	Independent Director	-	1	No	3

3. AUDIT COMMITTEE

The Audit Committee of Directors consists of well qualified and Independent Directors. The scope of the activities of the Committee, are in conformity as are set out in Clause 49II(D) of the Listing Agreement with Stock Exchange read with Companies Act, 1956.

So during past year the composition of the Audit Committee and their attendance was:

Name of Directors	No. of Meeting Attended	Chairman / Member
Mr. Rakesh Kansal	4	Chairman
Mrs. Rashmi Kansal	4	Member
Mr. Devendra Shankar Vishnoi	4	Member

Date of the Meetings are as follows:

28.04.2008

21.07.2008

23.10.2008

23.01.2009

The role and responsibilities of the Committee include the following:-

Information to ensure that the financial statements are correct, sufficient and credible.

Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval.

Reviewing with the management, the performance of the Statutory Auditors and adequacy of the internal control systems.

Reviewing with the management, the Annual Financial Statements before submission to the Board for approval.

Discussing with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

4. REMUNERATION COMMITTEE:

To review, assess and recommend the appointment of executive and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revision to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act, 1956.

The Composition of the Committee is as follows:

Mr. Rakesh Kansal	Member
Mrs. Rashmi Kansal	Member
Mr. Devendra Shankar Vishnoi	Chairman

No meeting was held during the year as no related matter exists during the year.

Details of Remuneration for the Year 2008-2009

Rs. in Lacs

Name	Salary	Commission	Perks	Retirement Benefits	Total
Mr. Sandeep Jain	1200000	-	-	-	1200000
Mrs. Sushil Kumar Patedar	355000	-	-	-	355000
Total					1555000

5. Shareholders/Investors/Grievance Committee:

Composition of the Committee was as follows:

Mr. Rakesh Kansal	Chairman
Mrs. Rashmi Kansal	Member
Mr. Devendra Shankar Vishnoi	Member

All of the work relating to the share transfer, transmission and dematerialization is been given to the M/s LINK INTIME INDIA PRIVATE LIMITED (Registrar and Share transfer Agent) and the Compliance officer is been instructed to monitor the work of Registrar and Share Transfer Agent and also to see to the redressal of investor grievances and to report to the Committee whenever the meeting is held.

So the Committee has reviewed the work done by the Registrar and Share Transfer Agent on its Meeting held on 21st Day of March, 2009, it has seen whether the Shares has been transferred in time, Investors Complaints has been properly resolved or not and all other matter relating to Shares.

6. Investor Complaints

All the complaints received during the year has been resolved to the satisfaction of the Complainant. There are no Complaints pending as on 31.03.2009.

7. Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulations on prevention of insider trading, the company has instituted a comprehensive code of conduct for its management and staff. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the company, and cautioning them of the consequences of violations.

8. Code for conduct for Board/Committee Members/Senior Management

In Compliance with Clause 49 of Listing Agreement of Mumbai Stock Exchange, the company has instituted a code of conduct for its Board/Committee Members and Senior Management. A code of conduct is a written document that outlines company values, principles, and guidelines in a variety of areas and enable the company to state to their suppliers, customers, consumers, and other stakeholders the way in which they intend to do business. Commitment to ethical professional conduct is a must for every employee of the company in all of its businesses/Units. This code, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It contains many, but not all issues employees are likely to face.

9. Whistle Blower and Protection Policy

In line with the best Corporate Governance Practices, the company has framed a policy through which employees and business associates may report unethical business practices at work place without fear of reprisal. Under the said policy all employees/business associates have direct access to the Chairman and all the members of the Audit Committee. The whistle blower policy aims to:-

- i. Allow and encourage employees and business associates to bring to the management notice about suspected unethical behavior, malpractice, wrongful conduct, fraud and violation of the policies.
- ii. Ensure timely and consistent organizational response.
- iii. Provide protection against victimization.
- iv. Build and strengthen a culture of transparency and trust.

The Audit Committee periodically reviews the existence and functioning of the mechanism.

10. General Body Meetings:

The last 3 Annual General Meetings were held as under:

Year	Year	Date	Time
2007-2008	Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005	30.09.2009	10.00 A.M.
2006-2007	Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005	28.09.2008	10.00 A.M.
2005-2006	Community Center, Municipal Corporation of Delhi, 1 C-49, New Rohtak Road, Opp. Lal Sons Jewellers, New Delhi	30.09.2006	10.00 A.M.

11. Disclosures :

a. Related Party Disclosure

There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year that had potential conflict with the interests of the Company at large. The details of related party transactions have been reported in the Note No. 11 of Section B of Notes to Accounts.

b. Compliance by the Company

There were no cases of non-compliance of any matter relating to capital market during the last 3 years.

12. CORPORATE GOVERNANCE COMPLIANCE STATUS

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I	YES	
(A) Composition of Board	49 (IA)	YES	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	
(C) Other provisions as to Board and Committees	49 (IC)	YES	
D) Code of Conduct	49 (ID)	YES	
II. Audit Committee	49 (II)	YES	
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	
(B) Meeting of Audit Committee		YES	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	YES	
(D) Role of Audit Committee	49 II(D)	YES	
(E) Review of Information by Audit Committee	49(II E)	YES	
III. Subsidiary Companies	49(III)	NOT APPLICABLE	NO SUBSIDIARY HOLDING
V. Disclosures	49(IV)	YES	
(A) Basis of related party transactions	49(IV A)	YES	
(B) Board Disclosures	49(IV B)	YES	
(C) Proceeds from public issues, rights issues, preferential issues etc.	49(IV C)	YES	
(D) Remuneration of Directors	49(IV D)	YES	
(E) Management	49(IV E)	YES	
(F) Shareholders	49(IV F)	YES	
V.CEO/CFO Certification	49(V)	YES	
VI. Report on Corporate Governance	49(VI)	YES	
VII. Compliance	49(VII)	YES	

13. Means of Communication:

The quarterly/ half-yearly results of the company were announced within a month of the end of each quarter and such results are published in Jansatta and Financial Express and they are also posted on the web-site www.sebiedifar.nic.in of SEBI.

Annual Report containing, inter-alia, Audited Annual Accounts, Director's Report, Auditor's Report and other information is circulated to members and other's entitled thereto.

14. Management Discussion and Analysis Forms Part of the Director's Report

All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchange for dissemination to the shareholders.

15. General Shareholder Information

- a. Registered Office
15A/13, Upper Ground Floor,
East Patel Nagar,
New Delhi-110008



b. Annual General Meeting

Date 19.09.2009
Time 10:00 A.M.
Venue Junction 36, 16/36, Junction of Joshi Road & Rohtak Road,
Karol Bagh, New Delhi-110005.

c. Financial Year

April 1 To March 31

d. Date of Book Closure

From 17th Day of September, 2009 To 19th Day of September, 2009 (both days inclusive)

e. Listing at Stock Exchanges:

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

1. The Delhi Stock Exchange 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

The Annual Listing Fee for the year 2009-2010 has been paid to all the aforesaid Stock Exchanges.

f. Scrip Code at Mumbai Stock Exchange is 530169.

g. Demat ISIN Number in NSDL and CDSL for Equity Shares : INE 388C01017

h. Web-site of the Company is www.mohitpaper.net

i. Email for Investors is investor@mohitpaper.net

j. Registrar & Share Transfer Agent:

The name of the Registrar and Share transfer agent has been changed from Intime Spectrum Registry Limited to Link Intime India Private Limited.

Address for Correspondence:

A-40, 2nd Floor, Near Batra Banquet Hall
Naraina Industrial Area,
Phase II, New Delhi-110028.
PH : 011-51410592 Fax: 011-51410591.
E-Mail: delhi@linkintime.co.in

Shareholders holding shares in the electronic form should address their correspondence except those related to dividend to their respective depository participants. The shares received at Company's registered and corporate office are sent by the company to the registrar for the transfer/demat etc.



- k. The Company's Shares are traded at the Stock Exchange in Compulsory D-Mat form. However, the shares in physical mode which are lodged for transfer/Demat may be sent to:-

M/S LINK INTIME INDIA PRIVATE LIMITED

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

Naraina Industrial Area,

Phase II, New Delhi-110028.

PH: 011-51410592 Fax: 011-51410591

E-Mail: delhi@linkintime.co.in

The Registrar & Share Transfer Agents, process every fortnight requests for approving share transfers. The processing activities with respect to requests received for share transfers are completed within the time prescribed by the authorities. After such processing, the facility of simultaneous transfer and de-materialisation of shares is provided to the shareholders.

l. Dematerialisation of shares and liquidity:

The shares of the company can be traded in dematerialized form under both the systems in NSDL, CDSL.

As on 31.03.2009

4121097 number of shares stand in NSDLA/C

471380 number of shares stand in CDSL A/C and balance of 4407523 stands in physical mode.

ISIN of the Company is INE388C01017

m. Distribution of shareholding as on 31st March 2009

Slab	No of Shareholders		No of Ordinary Shares	
	Total	% of Shareholders	Total	% of Share Capital
Upto 2500	9922	85.307	1060069	11.779
2501-5000	691	5.941	273939	3.044
5001-10000	531	4.565	477281	5.303
10001-20000	258	2.218	419699	4.663
20001-30000	81	0.696	206274	2.292
30001-40000	26	0.224	93290	1.037
40001-50001	25	0.215	118479	1.316
5000-100000	47	0.404	357330	3.970
100000 & above	50	0.430	5993639	66.596
Total	11631	100.000	9000000	100.000

n. Category of Shareholders as on 31st March, 2009

Category	No. of Shares	%
Non Resident Holding	539100	5.99
Body Corporate	1420755	15.79
Mutual Funds	81054	0.90
Promoter Group	4004200	44.49
Public	2954891	32.83
Total	9000000	100

**o. Stock Price Data- monthly high and low in Bombay Stock Exchange during the financial year 2008-2009**

Month	High (Rs.)	Low (Rs.)
April 2008	8.15	5.99
May 2008	8.00	6.11
June 2008	8.35	6.47
July 2008	7.49	6.17
August 2008	7.47	5.95
September 2008	6.83	5.21
October 2008	5.82	3.74
November 2008	4.18	3.62
December 2008	3.99	3.00
January 2009	3.21	2.90
February 2009	4.18	2.76
March 2009	4.39	3.24

p. Plant Location

9 KM. Stone, Nagina Road, Bijnor

q. Address for Correspondence:**a. For share transfer demat/ remat and any other query relating to shares**

M/S LINK INTIME INDIA PRIVATE LIMITED
A-40, 2nd Floor, Near Batra Banquet Hall
Naraina Industrial Area,
Phase II, New Delhi-110028
PH: 011-51410592 Fax: 011-51410591
E-Mail: delhi@linkintime.co.in

b. For Investor assistance

Mr. Anant Vats
Compliance Officer
Mohit Paper Mills Limited

r. Secretarial Audit Report:

The secretarial audit report of the company prepared in terms of SEBI circular no. D&CC/FITTC/16, 2002 reconciling the total shares held in both the depositories viz. NSDL, CDSL and in physical form with the total issued/paid up capital of the company is duly submitted to the Stock Exchange.

s. CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

CEO/CFO Certification:

I hereby certify that:

- 1.) I have reviewed the financial statement and the cash flow statement for the year and that to the best of my knowledge and belief;
- 1.1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 1.2) These statements together present a true and fair view of the companies affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2.) There are to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct;
- 3.) I accept responsibility for establishing and maintaining internal control systems and that I have evaluated the effectiveness of the internal control system of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which I am aware and the steps the company has taken or propose to take to rectify the deficiencies.
- 4.) I have indicated to the Auditors and the Audit Committee;
- 4.1) Significant changes in internal control during the year;
- 4.2) Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements;
- 4.3) Instances of significant fraud of which the Company has become aware and the involvement therein, if any of the management or an employee having significant role in the Company's internal control system.

SANDEEP JAIN
(MANAGING DIRECTOR)

PLACE : NEW DELHI
DATED : 21.08.2009

t. Non mandatory requirements under Clause 49 of the listing Agreement

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, further, compliance of Non-mandatory requirements of the said clause is provided below:

- i. **Non Executive Chairman's Office**
The Chairman of the Company is the Executive Chairman and hence this provision is not applicable.
- ii. **Tenure of Independent Directors**
Their Office is liable to retire by rotation at every Annual General Meeting as of other Directors other than Managing Director and Whole Time Directors.
- iii. **Remuneration Committee**
A remuneration committee under the name of Remuneration Committee comprises of 3 Independent Directors. Chairman of the Committee is an Independent Director who reviews and decides the company's policy on specific remuneration package for Executive Directors.
- iv. **Shareholders Right**
The quarterly and annual results of the company are published in English language in newspapers having nation-wide circulation and also in regional language newspaper of the registered office of the Company as well as Stock Exchanges. Annual Report containing the Detailed Balance Sheet and Profit and Loss Account is also sent to individual Shareholders of the Company.
- v. **Audit Qualifications**
The Company always strives to present an unqualified Financial Statements. There was no audit qualification in the financial statements of the Company for year 2008-2009.
- vi. **The Training of Board Members**
The Board of Directors of the Company is continuously briefed with the developments and performance of the company so as to enable them to monitor the same at regular intervals. Report on risk assessment and minimization process and new initiatives proposed by the Company are also presented to them for suggestions and up gradation.
- vii. **Mechanism of evaluation of Non-Executive Directors**
The Board of Directors including Non- Executive Directors is casted with the responsibility of strategic supervision of the Company. In view of the same, the Board evaluates its Non-executive Directors on the basis of individual contribution towards fulfillment of this responsibility.
- viii. **Whistle Blower Policy**
The Company has promoted a policy for employees to have an open access to the Respective Functional Heads, Head HRD, Managing Director as well as Executive Chairman so as to ensure ethical and fair conduct of the business of the Company.

Declaration of Compliance with the Code of Conduct as provided in Clause 49 of the Listing Agreement with the Stock Exchange.

The Board Members and Senior Management of MOHIT PAPER MILLS LIMITED have confirmed compliance with the Code of Conduct as laid down by the Board of Directors of the Company, during the Financial Year 2008-2009.

SANDEEP JAIN
(MANAGING DIRECTOR)



**ANNEXURE TO DIRECTOR' REPORT
ANNEXURE(D)
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Board of Directors presents hereunder an analysis of performance of the Company for the year 2008-2009 and its outlook for the future. This outlook is based on current business environment which may vary due to future economic and other developments.

1. Industry Structure and Development

India has emerged as the fastest growing market in the world, registering a growth of 10% per capita consumption of paper over the last one year.

The Indian paper industry accounts for about 1.6% of the worlds production of paper and paperboard. The estimated turnover of the industry is Rs. 25,000 crore. The Pulp and Paper Industry will grow at an estimated CAGR of 7-8% over the next decade. The installed capacity is also stated to grow to 11.2 million tonne per annum by 2010 from the current level of 9 million tonne.

The industry is targeting a capital expenditure of over Rs.13,000 crores in the next 2-3 years, towards capacity expansion, modernization and enhancement of efficiencies.

This high growth rate is possible due to high growth rate of literacy, increasing use of photocopier, higher export growth and demand for high quality paper.

Worlds demand of paper is subdued to 2-3% as against India's 6%.Indian Industry ranks second by value and seventh largest by employment.

This is despite the fact that the global slowdown has started impacting the paper industry and paper firms and Indonesia and China are all set to push large quantities of coated and uncoated paper into the Indian paper market.

As demand from industrialized countries like the US drying up due to global slowdown, big paper manufactures have started to dump their products in developing economies such as India. The domestic paper industry, estimated to be worth Rs. 25,000 crores, has urged the government to impose anti-dumping duty in compliance with WTO norms, so that growth could be maintained during the next few year. The Indian paper industry needs some kind of safeguard duties immediately to protect it from cheap imports from abroad.

Excise duty cut on writing and printing paper from 8% to 4% has also given relief to the paper industry and the consumer. It is a welcome change as the prices of paper will remain controlled which has been increased due to the increase in cost of raw-material and chemicals.

In this year there has been global industrial slowdown despite of this the demand for paper was maintained because it is been used by all the sectors.

We have also achieved the Production and Sales better than before. The recession was in almost all the sectors but not so in Paper Industry. We are proud that we have achieved boom in this global recession.

To be globally more competitive Indian paper industry needs the following:

- Sustained availability of good quality of raw material (forest based) and bulk import of waste paper to supplement the raw material supplies.
- Adequate modernization of the manufacturing facilities.
- Improvement of Infrastructure
- Quality improvements and reduction in cost of production
- Import policy conducive for import of material, equipment, instrument, raw-materials & technologies.

2. Opportunities and Threats:

The performance of paper industry was good as compared to all other industries.

Due to mushrooming of small manufacturers, there has been severe competition in the market, which has resulted in low margins. However due to improved efficiencies, optimum usage of resources and strict control, the Company has been able to maintain its market leadership.

Competitiveness would harm only in such a situation when demand of product is very low and supply is high. In the case of paper industry no such adverse demand supply ratio exists. If we look at our position we are not facing much competition. The reason is that we do not compromise on quality and we are selling the paper at very reasonable price.

The main strength of the company lies in its ability to sustain in leaner period. Through innovation and continuous up-gradation in efficiency & improvement in the health of the plant, the company has been able to successfully overcome market adversities.

The company has flexibility to use wheat straw and sarkanda as alternate raw material. If there is any shortage of bagasse, the company would not face the problem of raw material.

There has been steep increase in the allocation of funds to the education sector in the budget with the change in government, which will increase the consumption of paper.

One more threat is the availability of fuel like Tel Rahit Bhussi and Bagasse and Coal for production of Electricity. Agro base fuel are scarce so there is need to increase the forestation of degraded lands so that fuels can become available for generation of Power.

The Cost of Manufacturing can only be reduced if the cost of Power and Fuel remains under check. As most of the Paper Industry has set up their own Power Plants, they are in need of fuels to make electricity. If the availability of the fuel is made available at competitive prices and in abundance then most of the problem of the paper industry will be solved.

Your Company has become self sufficient in terms of Electricity as it has installed New Turbine which is of the capacity of 4.5 MW. After this installation the problem of availability of Power is controlled. Easy and cheap availability of fuel is required for better results.

3. Segment wise Performance

During the year the company has achieved the capacity utilization to 104.80% with respect to the manufacture of the paper and it has been done due to the expertise of the Managing Director and the Technical staff. This is a good example of maximum utilization of the capacity with minimum of the resources.

Your Company has produced 15624.785 M.T. of paper as against 15562.781 M.T for the previous year.

The Company has also produced 3070.750 M.T. of Soda Ash which is another segment.

4. Outlook

India has emerged as the fastest growing market in the world, registering a growth of 10% per capita consumption of paper over the last one year. Despite of the economic recession, the paper industry has given growth so is the case with your company.

Paper Industry has a share of 9% in GDP growth which is quiet commendable compared to the overall GDP growth of the economy.

The Indian paper industry accounts for about 1.6% of the worlds production of paper and paperboard.

The estimated turnover of the industry is Rs.25,000 crores. The installed capacity is also stated to grow to 11.2 million tonne per annum by 2010 from the current level of 9 million tonne.

The industry is targeting a capital expenditure of over Rs.13,000 crores in the next 2-3 years, towards capacity expansion, modernization and enhancement of efficiencies.

This high growth rate is possible due to high growth rate of literacy, increasing use of photocopier, higher export growth and demand for high quality paper.

Due to recessionary pressures during the later quarter of the year the Demand of the paper has been tremendously reduced but this was mainly due to the global recession but the Indian Paper Industry is strong and it will bounce back when these global melt down goes away.

5. Risks And Concerns

The industry faces the following risks

The Company faces competition from cheap imports from China, Indonesia, Russia, South East European countries.

The Company mainly depends upon the good quality of agro products like bagasse, what straw paddy husk which are used for pulp making as well as used as fuel for making power. This is an agro based industry and its production depends upon the production of agro based raw material which is seasonal and depends upon crop. In this year the crop was not good. Due to this price of agro based products were high which has increased our cost of production. The rate of US\$ was also high as compared to the Indian Rupee this has also effected the cost of production as the rate of imported waste paper were on higher side.

In a competitive market, quality is the most effective differentiator. In paper making quality means brightness, strength, color, printability. We at Mohit Paper Mills have consistently used best practices backed by strict quality control regime to ensure the quality of our products.

We integrate Quality Control as an integral part of our manufacturing process to ensure adherence to standards. This is our Strength against the risk.

6. Internal Control System And Their Adequacy

Your Company possesses a good internal control system to ensure that all the assets are safe guarded and protected against the unauthorized use or disposition and that transactions are authorized recorded and reported correctly.

The Audit Committee of the Board of Directors have been constituted as per the provisions of Section 292A of the Companies Act, 1956 and Corporate Governance requirements specified by the Stock Exchange. The Committee review the Internal Control system of the Company from time to time.

7. Discussion of Financial Performance with respect to operational performance

The financial statements have been prepared in accordance with the requirements of the Companies Act 1956 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The Management of Mohit Paper Mills Limited accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein. The Statement has been made on prudent basis and reflects in a true and fair manner.

Highlights for the year are as follows.

Particulars	Amount (Rs. In Lacs)
Sales & Other Income	5923.69
Profit before Interest, Depreciation and Tax	589.00

8. Human Resources/ Industrial Relations

It is the companies belief that Human Resources is the driving force towards progress and success of the company. The Company seek to motivate and retain its professionals by offering reasonable compensation and opportunity to grow in the organization. The Total permanent employees strength of the company was 158 as on 31st March, 2009. Industrial relations remains cordial during the year.

Cautionary Statement

Statements in the management discussion and analysis describing the Companies objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed and implied. Important matters that effects the companies performance is the economic conditions of demand and supply and price conditions in the domestic and overseas market in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS
R-160, GREATER KAILASH-I, NEW DELHI-110048

AUDITOR'S REPORT

Report on the Accounts for the year ended on 31st March 2009 in accordance with the provisions of section 227(2) of the Companies Act, 1956.

To the Members of Mohit Paper Mills Limited

1. We have audited the attached Balance Sheet of M/s Mohit Paper Mills Limited at 31st March 2009, and annexed Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose herewith in the Annexure 'A' statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure 'A' statement on the matters specified in paragraph 4 and 5 of the said Order.
 - (i.) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii.) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of the books of account of the company.
 - (iii.) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
 - (iv.) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.



- (v) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - b. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**FOR AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS**

AJAY JAIN
(Proprietor)
Membership No.: 85354

PLACE : NEW DELHI
DATED : 31.07.2009

ANNEXURE 'A' TO THE AUDITOR'S REPORT**Annexure 'A' to the Auditor's Report of even date to the Members of
Mohit Paper Mills Limited on the financial statements for the year ended 31st March, 2009**

In terms of information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

1. In respect of Fixed Assets
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verifications.
 - c. According to the information and explanation given to us, the Company has not disposed off substantial part of its fixed assets during the year and the fixed assets disposed off during the year were not material enough to affect the going concern status of the Company.
2. In respect of Inventories
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured granted or taken by the Company to/from Companies, firms and other parties covered in the register maintained u/s 301 of Companies Act, 1956:
 - a. According to the records of the Company and information given to us, Company has not granted loan to any party during the year.
 - b. The Company has taken Loan from 2 Parties. In respect of the said Loan the maximum amount due at any time during the year is Rs. 167.98 Lacs and year end balance is Rs. 167.98 Lacs.
 - c. In our opinion and according to the information and explanation given to us, the loan taken is interest free and other terms and conditions of the loans taken by the Company are not prima facie prejudicial to the interest of the Company.



- d. According to the records of the Company and information given to us in respect of loans taken by the Company, the loan is interest free and the principal amount is repayable on demand and there are no overdues.
4. In our opinion and according to the information and explanations given to us, there were adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
- In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in Section 301 of the Companies Act, 1956, particulars of which need to be entered into a register maintained under Section 301 of the Act. Accordingly, clause 4(v)(b) of the order is not applicable.
6. The company has not accepted any deposits from the public.
7. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
9. (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, excise and cess were in arrears, as at 31.03.2009 for the period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, no dues of income tax, wealth tax, sales tax and cess, which have not been deposited on account of any dispute.
10. The Company do not have any accumulated losses nor has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
11. According to the records and information given to us, the Company has not defaulted in repayment of dues to any financial institution or banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanation given to us, the company is not dealing in shares, securities/debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year covered by our audit, the terms and conditions whereof are prejudicial to the interest of the Company.
16. The term loans have been applied for the purpose for which they were raised.
17. According to information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets (excludes permanent working capital).
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to information and explanations given to us, the company has not issued any, debentures during the year.
20. The Company has not raised any money by way of Public Issue during the year.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**FOR AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS**

AJAY JAIN
(Proprietor)
Membership No.: 85354

PLACE : NEW DELHI
DATED : 31.07.2009



MOHIT PAPER MILLS LIMITED

MOHIT PAPER MILLS LIMITED BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCH.		CURRENT YEAR 31.03.2009 AMOUNT (Rs)		PREVIOUS YEAR 31.03.2008 AMOUNT (Rs)
SOURCES OF FUNDS					
Share Capital	1	90,000,000		90,000,000	
Reserve and Surplus	2	84,446,051	174,446,051	91,285,993	181,285,993
LOAN FUNDS :					
Secured Loan	3	89,739,071			90,354,983
Unsecured Loan	4	70,199,753			61,431,455
Deferred Tax Liability - Net		42,561,397	202,500,221		23,768,779
TOTAL			376,946,272		356,841,210
APPLICATION OF FUNDS :					
FIXED ASSETS :					
Gross Block	5	541,032,493		437,348,125	
Less : Depreciation		311,056,098		280,419,426	
NET BLOCK		229,976,395		156,928,699	
Add : Work in Progress			229,976,395	31,131,448	188,060,147
INVESTMENT	6		13,200,000		13,200,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	7	133,050,600		117,498,053	
Sundry Debtors	8	50,794,891		42,956,064	
Cash & Bank Balances	9	18,960,649		16,141,305	
Loans & Advances	10	23,910,794		59,208,512	
		226,716,934		235,803,934	
Less : Current Liabilities & Provisions	11	92,947,057		80,222,871	
Net Current Assets			133,769,877		155,581,063
TOTAL			376,946,272		356,841,210
Notes Forming Part of Accounts As per our report of even date attached	20				

For AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS

AJAY JAIN
(Proprietor)
Membership No.:85354

ANANT VATS
(Company Secretary)

SANDEEP JAIN
(Managing Director)

ANJU JAIN
(Director)

PLACE : NEW DELHI
DATED : 31.07.2009



MOHIT PAPER MILLS LIMITED

MOHIT PAPER MILLS LIMITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2009

PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
INCOME			
Sales	12	590,289,151	540,991,871
Less : Excise Duty		24,189,906	45,617,017
		566,099,245	495,374,854
Other Income	13	2,080,308	3,158,824
Increase / (Decrease) in stock	14	4,479,664	2,108,316
TOTAL (A)		572,659,217	500,641,994
EXPENDITURE			
Raw Materials Consumed	15	167,726,497	140,866,092
Manufacturing Expenses	16	304,421,193	271,061,362
Administration & Other Expenses	17	13,777,636	11,640,109
Selling Expenses	18	27,833,021	28,640,903
TOTAL (B)		513,758,347	452,208,466
Profit Before Depreciation, Interest & Tax		58,900,870	48,433,528
Interest & Financial Charges	19	14,002,834	11,112,162
Depreciation		30,949,414	25,367,475
Less : Transfer from Capital Reserve		2,760,739	3,289,347
Profit after Depreciation & Interest		16,709,361	15,243,238
Provision for Current Taxation		1,898,718	1,727,059
Provision for Taxation - Deferred		18,792,618	5,332,375
Fringe Benefit Tax		82,630	94,313
Wealth Tax		14,598	-
Profit After Tax		(4,079,203)	8,089,491
Balance carried over to Balance Sheet		(4,079,203)	8,089,491
Earning per share (In Rupees) :			
Basic		(0.45)	(0.90)
Diluted		(0.45)	(0.90)
Notes forming part of accounts	20		
As per our report attached to the Balance Sheet.			

For AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS

AJAY JAIN
(Proprietor)
Membership No.:85354

ANANT VATS
(Company Secretary)

SANDEEP JAIN
(Managing Director)

ANJU JAIN
(Director)

PLACE : NEW DELHI
DATED : 31.07.2009



MOHIT PAPER MILLS LIMITED

MOHIT PAPER MILLS LIMITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2009

PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 1			
AUTHORISED SHARE CAPITAL :		100,000,000	100,000,000
1,00,00,000, (Previous year 1,00,00,000 Equity shares of Rs. 10/- each.			
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP CAPITAL		90,000,000	90,000,000
90,00,000 Equity Shares of Rs. 10/- each Fully Paid up.		90,000,000	90,000,000
SCHEDULE - 2			
RESERVE & SURPLUS			
Profit & Loss A/C (As per last Balance Sheet)		64,922,376	56,832,885
Add : Profit & Loss A/C		(4,079,203)	8,089,491
	A	60,843,173	64,922,376
CAPITAL RESERVE :			
Capital Reserve		26,363,617	29,652,964
Less : Transfer to Profit & Loss A/C		2,760,739	32,89,347
	B	23,602,878	26,363,617
Total Reserve & Surplus	(A+B)	84,446,051	91,285,993



MOHIT PAPER MILLS LIMITED

PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 3			
SECURED LOANS :			
Bank of Baroda Terms Loan - I		1,046,169	6,004,427
Bank of Baroda Terms Loan - II		16,669,964	21,243,471
Bank of Baroda Terms Loan - III		31,427,372	22,031,675
(Refer Note No. 6)		(641,295)	1,408,892
Bank of Baroda CC, (Sub Limit-Parking)		41,236,861	44,529,522
Bank of Baroda CC, (Stock)			(4,863,004)
Bank of Baroda CC (Book Debts)			
(Refer Note No. 7)		<u>89,739,071</u>	<u>90,354,983</u>
SCHEDULE - 4			
UNSECURED LOANS :			
Loan & Advances from :			
-From Directors		18,083,528	5,546,362
-Other than Bank (Inter Corporate)		<u>52,116,225</u>	<u>55,885,093</u>
		<u>70,199,753</u>	<u>61,431,455</u>

MOHIT PAPER MILLS LTD.
SCHEDULE - 5
FIXED ASSETS
Amount in Rs.

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2008	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL COST AS AT 31.03.2009	UPTO 31.03.2009	FOR THE YEAR	ADJUST- MENT	TOTAL UPTO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
LAND	8,857,464	-	-	8,857,464	-	-	-	-	8,857,464	8,857,464
BUILDING	41,703,218	2,914,031	-	44,617,249	24,680,588	1,729,542	-	26,410,130	18,207,119	17,022,630
FURNITURE & FIXTURE	1,662,032	44,665	-	1,706,697	1,132,525	100,492	-	1,233,017	473,680	529,507
PLANT & MACHINERY	378,345,264	98,571,494	-	476,916,758	250,286,115	28,282,031	-	278,568,146	198,348,612	128,059,149
MOTOR VEHICLES	3,907,635	2,141,354	380,000	5,668,989	2,151,925	615,794	312,742	2,454,977	3,214,012	1,755,710
OFFICE EQUIPMENTS	2,872,512	392,824	-	3,265,336	2,168,273	221,555	-	2,389,828	875,508	704,239
TOTAL	437,348,125	104,064,368	380,000	541,032,493	280,419,426	30,949,414	312,742	311,056,098	229,976,395	156,928,699
PREVIOUS YEAR	430,525,180	6,822,945	-	437,348,125	255,051,951	25,367,475	-	280,419,426	156,928,699	175,473,229

STATEMENT OF CAPITAL WORK IN PROGRESS AS ON 31.03.2009

(Amount in Rs.)

PARTICULARS	AS AT 01.04.2008	ADDITIONS	TOTAL	TRANSFERRED TO GROSS BLOCK	TOTAL COST AS AT 31.03.2009
A) FACTORY BUILDING	2,073,471	486,827	2,560,298	2,560,298	-
B) BOILER CBL	25,645,935	1,652,126	27,298,061	27,298,061	-
C) STEAM TURBINE TRIVENI	3,404,362	61,008,127	64,412,489	64,412,489	-
D) PREOPERATIVE EXPENSES	7,680	-	7,680	7,680	-
CURRENT YEAR TOTAL	31,131,448	63,147,080	94,278,528	94,278,528	-
PREVIOUS YEAR TOTAL	16,079,070	15,052,378	31,131,448	-	31,131,448



PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 6			
INVESTMENT :			
INVESTMENT :- (Non Trade) (At Cost)-			
Un quoted-In Equity Shares of Mohit			
Petrochemicals (P) Ltd-1320000 Equity			
Shares of Rs 10/- Each Fully paid up.		13,200,000	13,200,000
(Previous year 1320000 of Rs 10/- each			
fully paid up)		<u>13,200,000</u>	<u>13,200,000</u>
SCHEDULE - 7			
INVENTORIES :			
(As Valued & Certified by the Management)			
Raw Materials & Chemicals		65,683,689	59,139,275
Stores & Spares		44,797,332	40,295,686
Packing Materials & Others		7,742,455	7,566,429
Finished Goods		8,696,755	5,199,550
Unfinished Goods		3,659,797	3,288,979
Work - In - Process		2,470,572	2,008,134
		<u>133,050,600</u>	<u>117,498,053</u>
SCHEDULE - 8			
SUNDRY DEBTORS :			
(Unsecured but considered good)			
Debts outstanding for a period exceeding 6 months		5,171,823	1,254,434
Other Debts		45,623,068	41,701,630
		<u>50,794,891</u>	<u>42,956,064</u>



PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 9			
CASH & BANK BALANCES :			
Cash in Hand		275,387	455,421
Balance with Scheduled Banks :			
In Current Accounts		7,128,578	8,291,972
In Fixed Deposits		11,556,684	7,393,912
		<u>18,960,649</u>	<u>16,141,305</u>
SCHEDULE - 10			
LOANS & ADVANCES :			
(Unsecured but considered good)			
Advance to Suppliers		7,103,878	45,644,328
Tax Deducted at Sources		125,071	147,285
Advance Income Tax Paid		1,775,000	1,770,000
Prepaid Expenses		685,985	539,595
Interest Accrued But not Received		61,378	345,679
Advances (Recoverable in cash or in kind or for value to be received)		14,159,482	10,761,625
		<u>23,910,794</u>	<u>59,208,512</u>



PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 11			
CURRENT LIABILITIES & PROVISIONS :			
CURRENT LIABILITIES :			
Sundry Creditors		82,591,101	68,327,560
Security Deposits from Distributors		600,000	600,000
Advances from Distributors & Others		934,223	3,109,119
Expenses		6,825,787	6,364,820
Provisions :			
Income Tax- (2008-09)		1,898,718	1,727,059
Fringe Benefit Tax (2008-09)		82,630	94,313
Wealth Tax (2008-09)		14,598	-
		<u>92,947,057</u>	<u>80,222,871</u>
SCHEDULE - 12			
SALES :			
Finished Goods - Paper		560,385,991	517,939,622
Finished Goods - Soda Ash		29,903,160	23,052,249
		<u>590,289,151</u>	<u>540,991,871</u>
SCHEDULE - 13			
INCOME FROM MISC. BUSINESS OPERATION :			
Misc. Receipts & Income Fm Business Operation		2,080,308	3,158,824
		<u>2,080,308</u>	<u>3,158,824</u>



PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)		PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 14				
INCREASE/(DECREASE) IN STOCK :				
Opening Stock :				
Finished Goods	5,199,550		3,598,077	
Semi-Finished Goods	3,288,979		2,464,573	
Work in Process	<u>2,008,134</u>	10,496,663	<u>2,343,384</u>	8,406,034
Closing Stock :				
Finished Goods	8,696,755		5,199,550	
Semi-Finished Goods	3,659,797		3,288,979	
Work in Process	<u>2,470,572</u>	14,827,124	<u>2,008,134</u>	10,496,663
				2,090,629
Add: Excise duty in value of Finished Goods.		<u>149,203</u>		<u>17,687</u>
Increase / (Decrease)		<u>4,479,664</u>		<u>2,108,316</u>
SCHEDULE - 15				
RAW MATERIAL CONSUMED :				
Opening Stock		48,650,844		28,388,234
Add : Purchases		<u>182,933,493</u>		<u>168,162,758</u>
		231,584,337		196,550,992
Less : Transfer to Fuel Exp.		<u>12,430,243</u>		<u>7,034,057</u>
		219,154,094		189,516,935
Less : Closing Stock		<u>51,427,597</u>		<u>48,650,843</u>
		<u>167,726,497</u>		<u>140,866,092</u>



PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 16			
MANUFACTURING EXPENSES :			
Chemicals, Consumables & Stores		190,298,214	168,495,898
Wages & Allowances		7,804,439	7,275,141
Power & Fuel		99,754,692	92,292,212
Repair & Maintenance		1,857,203	424,481
Raw Material, Mixing, Loading & Sorting		1,810,000	1,300,000
Laboratory Expenses		98,491	157,752
Boiler Feeding Expenses		960,000	600,000
Water Cess		1,838,154	515,878
		<u>304,421,193</u>	<u>271,061,362</u>
SCHEDULE - 17			
ADMINISTRATION & OTHER EXPENSES :			
Advertisement & Publicity		96,039	98,581
Office & General Expenses		2,847,321	1,544,996
Fees, Rate & Taxes		638,036	1,136,781
Insurance Charges		1,335,190	1,722,259
Legal and Professional Charges		749,999	568,195
Printing & Stationery		139,955	111,076
Communication Charges		596,141	716,045
Travelling & Conveyance		17,925	9,528
Vehicle Running & Maintanens Expenses		6,332	18,189
Auditors Remuneration		110,000	110,000
Salaries (Including Managerial Remuneration)		<u>7,240,698</u>	<u>5,604,459</u>
		<u>13,777,636</u>	<u>11,640,109</u>



PARTICULARS	SCH.	CURRENT YEAR 31.03.09 AMOUNT (Rs)	PREVIOUS YEAR 31.03.08 AMOUNT (Rs)
SCHEDULE - 18			
SELLING EXPENSES :			
Discount, Commission & Other Selling Exp.			
Discount & Commission	5,874,740	3,686,846	
Add: Other Selling Exp	1,892,667	7,767,407	12,037,672
Sales Tax & Entry Tax		20,065,614	16,603,231
		<u>27,833,021</u>	<u>28,640,903</u>
SCHEDULE - 19			
INTEREST & FINANCIAL CHARGES :			
Interest on Bank of Baroda Term Loans		5,489,540	4,627,837
Interest on Bank of Baroda CC (Hypo)		4,109,005	1,526,097
Interest on Bank of Baroda CC (Book Debts)		34,398	1,581,958
Interest on Bank of Baroda CC (Parking)		-	86,151
Interest on Distributor and Inter-Corporate Deposit		2,937,670	1,876,394
Bank Charges		1,432,221	1,413,725
		<u>14,002,834</u>	<u>11,112,162</u>

SCHEDULE - 20**NOTES TO ACCOUNTS****(A) SIGNIFICANT ACCOUNTING POLICIES****(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- (i) The financial statements have been prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant disclosure requirements of the Companies Act, 1956 under historical cost convention and on the basis of going concern. Revenues and expenses are accounted for on accrual basis with necessary provisions for all known liabilities and losses except certain items as noted elsewhere. Claims/refunds not ascertainable with reasonable certainty are accounted for on cash basis.
- (ii) Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles followed by the company.
- (iii) The Company has adopted accrual system of accounting and the financial statements have been prepared in accordance with the accepted accounting policies. All expenses and incomes are accounted on accrual basis.

(2) REVENUE RECOGNITION

Sales are recognised at the point of dispatch of goods to customers and includes excise duty and Sales Tax.

Income/Expenses/Revenues are accounted for on accrual basis in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India.

(3) FIXED ASSETS INCLUDING INTANGIBLE ASSETS AND DEPRECIATION

Fixed Assets including Intangible Assets are stated at Acquisition Cost (Net of Modvat/Cenvat) less Accumulated Depreciation. Cost comprises of purchase price and other attributable expenses incurred during the construction period and is net of modvat credit availed.

Depreciation on Fixed Assets is charged at pro-rata basis from the month the assets are put to use at Written Down Value method prescribed in Schedule XIV of the Companies Act, 1956.

Intangible Assets are amortised over a period of 10 years.

On amounts added on revaluation, made in the year 1996 on basis of an independent valuers report, depreciation is charged as aforesaid over the residual life of the assets as certified by the valuer and is written off against Capital Reserve.

(4) INVESTMENTS

Long term investments are held at cost. Provision will be made as and when deemed necessary under AS-13 issued by the Institute of Chartered Accountants of India.

(5) FOREIGN CURRENCY TRANSACTIONS

- i) Foreign currency transactions are recorded on initial recognition at the date prevailing on the date of the transactions.
- ii) Foreign currency monetary items are reported using the closing rate. Exchange difference arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognized as income or expenses in the period in which they arise except in case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which case such exchange differences are adjusted in the carrying amount of fixed assets.

(6) INVENTORIES

The Company has valued its inventories on "cost or net realizable value whichever is lower" basis and is in compliance with the Accounting Standard (AS-2)" issued by the Institute of Chartered Accountants of India. Further, the valuation of inventory is inclusive of Excise Duty component wherever applicable as required u/s 145A of the Income Tax Act, 1961.

Cost for the purposes of inventory valuation is calculated as follows :

- i) Raw Materials and other materials at weighted average cost.
- ii) Store Spares and loose tools at Cost on FIFO basis.
- iii) Work in process Material Cost plus appropriate share of labour and overheads.
- iv) Finished Goods - Cost is determined by taking material, labour and related factory overheads including depreciation and fixed production overheads which are apportioned on the basis of normal capacity.

(7) EXCISE DUTY

Excise Duty has been accounted on the basis of payments made in respect of goods cleared, as also provision for goods lying in store room wherever applicable.

(8) SALES & STOCKS

Sales are recorded on the basis of dispatches till the last day of the year. Sales are accounted for inclusive of excise duty, trade tax & sales tax. Closing Stocks of Finished Goods and semi-finished goods are accounted for inclusive of Excise Duty.

(9) TAX ON INCOME

Current tax is determined in accordance with the provision of the Income Tax Act, 1961, as the amount of tax payable to the taxation authorities in respect of taxable income for the year. Tax on Fringe Benefits is measured at the specified rate on the value of Fringe Benefits in accordance with the Provision of Section 115WC of the Income Tax Act, 1961.

The Deferred tax is accounted for under the liability method, subject to the consideration of prudence for deferred tax assets, at the current rate of tax, on timing difference being the difference one period and are capable of reversal in one or more subsequent period.

**(10) EARNING PER SHARE**

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(11) BORROWING COST

Interest and other costs in connection with the borrowing of funds to the extent related / attributed to the acquisition /consumption of qualifying fixed assets are capitalised up to the date when such assets are ready for intended use and other borrowing costs are charged to Profit & Loss Account.

(12) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not provided for and are disclosed separately by way of Notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

(13) RETIREMENT BENEFITS

The Company has adopted the Revised Accounting Standard-15 (Revised-2005) 'Employee Benefits'. The relevant policies are:

Short Term Employee Benefits

Short term employee benefits are, recognized in the period during which the services have been rendered.

Long Term Employee Benefits**a) Defined Contribution plan****(i) Provident Fund Scheme**

Contribution to this scheme are expensed in the Profit & Loss Account.

These contribution are made to the fund administered and managed by the Government of India. The Company has no further obligations under these plans beyond its monthly contribution.

(ii) Gratuity

Group Gratuity cum Life Assurance Scheme with the Life Insurance Corporation of India has been taken in such a way that the gratuity benefits will be payable under an irrevocable trust. The trustees appointed for the purpose of administering the Scheme shall insure gratuity benefits with the LIC. The Company shall pay to the trustees such contributions as are required to secure Gratuity benefits to the employees which will include the liberalized death cover to the employees.

The employees gratuity fund scheme managed by the Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

DEFINED BENEFIT PLAN
Actuarial Assumptions

Mortality Rate - Indian Assured Lives Mortality Table (1994-1996) ultimate

Discount Rate - 8% p.a.

Interest Rate - 9%

Salary Escalation - 7%

Withdrawal Rate - 1% to 3% depending on age

Gratuity Plan :

1	Change in present value of obligation	2008-2009
a)	Present value of obligation as at the beginning	205710
b)	Current Service cost	44176
c)	Present value of obligation as at the end of year	249886
2	Change in the fair value of plan assets	
3	Fair value of plan assets	-
	Funded Status	(249886)
4	Actuarial gain / loss recognized	-
a)	Actuarial gain / (loss) for the period-obligation	-
b)	Actuarial (Gain) / loss for the period plan assets	-
c)	Total (gain) / loss for the year	-
d)	Actuarial (gain)/loss recognized in the period	-
e)	Unrecognised actuarial (gains)/losses at the end of the period	-
5	The amount recognized in balance sheet and statement of profit and loss	
a)	Present value of obligation as at the end of the year	249886
b)	Fair value of plan assets as at the end of the year	-
c)	Funded status	(249886)
d)	Net assets / (liability) recognized in balance sheet	(249886)
6	Expenses recognized in the statement of profit and loss	
a)	Current service cost	44176
b)	Interest cost	-
c)	Curtailment cost / (credit)	-
d)	Settlement cost / (credit)	-
e)	Net actuarial (gain)/loss recognized in the year	-
f)	Expenses recognized in the statement of profit & loss	44176

(b) Other Long Term Benefit

Provision of leave encashment is provided for as liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

(c) Actuarial gains and losses are recognized as and when incurred.
(14) CASH FLOW

Cash Flow Statement has been prepared as per the indirect method prescribed in the Accounting Standard 3 issued by "The Institute of Chartered Accountants of India."

B. NOTES FORMING PART OF THE ACCOUNT

1. (a) Previous year figures have been reworked, rearranged regrouped and reclassified, wherever considered necessary.
- (b) Figures have been rounded off to the nearest rupees.
2. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value of realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet. The provisions for all known liabilities are adequate and not in excess of amount considered reasonably necessary.
3. Contingent Liability not provided for:
 - i. In land Bank Guarantee given by Bank of Baroda for the Company amounting for Rs. 26.97 Lacs and L/C amount Rs.3.12 Lacs outstanding as on 31.03.2009.
 - ii. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. NIL (previous year Rs. 491.70 Lacs).

4. Managerial Remuneration
Remuneration paid to Managing Director and Whole Time Director:

	Current Year (Rs.)	Previous Year (Rs.)
Salary & Allowances	1555000	1600000
Total	1555000	1600000

Computation of Net Profit under Section 349 of the Companies Act, 1956

Profit before tax as per P&L A/c	16709361	15243238
Add: Depreciation as per accounts	28188675	22078128
Managerial remuneration	1555000	1600000
Less: Depreciation as per Sec. 350 of the Companies Act	28188675	22078128
- Net Profit for the year	18264361	16843238
- Maximum remuneration allowable @ 10% of the net profit u/s 309 of the Companies Act, 1956	1826436	1684324
- Remuneration paid as per Schedule XIII of the Companies Act, 1956	1555000	1600000

5. Auditor's Remuneration

	Current Year (Rs.)	Previous Year (Rs.)
As Audit Fees	1,10,000	1,10,000



6. The Term Loan from Bank of Baroda of Rs. 4,91,43,505/- (Previous Year Rs. 4,92,79,573/-) is secured by way of First Charge over immovable assets of the Company and equitable mortgage of landed property situated at Village Aaspur ka & Abdulpur Munna, 9KM Nagina Road, District Bijnor. The loan is further secured by way of second charge on the current assets of the company and personal guarantee of the promoter / directors of the company.
7. Working Capital Loan from Bank of Baroda Rs. 4,05,95,566/- (Previous Year Rs. 4,10,75,410/-) is secured by way of Hypothecation of stocks of raw material, stores & spares, stock in process, finished goods, book debts and second charge over the plant & machinery of the Company and equitable mortgage of landed property situated at Village Aaspur ka & Abdulpur Munna, 9th KM Nagina Road, District Bijnor. The loan is further secured by way of personal guarantee of the promoter / directors of the company.
8. Land, Building and Plant & Machinery were revalued by Rs. 10,02,83,565/- by an approved valuer on 31.03.1996. The resultant surplus amounting Rs. 10,02,83,565/- was credited to Capital Reserve from which depreciation on revalued portion is being written off every year. Depreciation charge for the year include Rs. 27,60,739/- (Previous year Rs. 32,89,347/-) which is amount of depreciation for the year on the revalued portion and has been transferred from revaluation reserve and credited to Profit & Loss Account of the year.
9. Based on the information available with the Company, there are no dues outstanding/payable to Small Scale Industrial Units where the balance in respect of each party as at the year end exceeds Rs. 100000/-, outstanding for more than 30 days.
There are no micro, small and medium enterprise to whom the company owes dues which are outstanding for more than 45 days as on the Balance Sheet date. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.
10. There are no impairment of assets in terms of AS-28 issued by the Institute of Chartered Accountants of India.
11. Related Parties Disclosures:

Holding Company : NIL
Subsidiary Company : NIL

Name of related party and nature of related party relationship other than those referred to in (a) above in transaction with the Company.

Key Managerial Personnel : Mr. Sandeep Jain

Related Party :

Bijnor Steel & Alloys Pvt. Ltd.
Mohit Petrochemicals Pvt. Ltd.
Mohit Gramodhyog Vikas Sansthan



Transactions with related parties for the period 01.04.2008 to 31.03.2009

(Amount in Rs.)

Particulars	Corporate Associates	KMP & Relations	Unincorporated Entities	O/S as on 31-03-2009
Loans received	-	1,74,19,527	-	2,09,94,284
Loan Repaid	30,00,000	48,82,361	-	-
Remuneration to Key Personnel	-	15,55,000	-	-
Rent Received	24,000	-	1,08,000	-

12. Segment Information as per Accounting Standard 17 on Segment Reporting for the year ended 31.03.2009.

(Amount : Rs. Lacs)

Particulars	Paper	Soda Ash	2009 Total	Paper	Soda Ash	2008 Total
Revenue						
External Sales	5603.86	299.03	5902.89	5179.40	230.52	5409.92
Internal Segment Sales	-	-	-	-	-	-
Total	5603.86	299.03	5902.89	5179.40	230.52	5409.92
Segment Result	185.18	101.13	286.31	215.36	16.61	231.97
Unallocated Corporate (Expenses) / Income	-	-	14.25	-	-	24.63
Operating Profit	-	-	300.56	-	-	256.60
Interest Expenses	116.27	23.75	140.02	75.53	35.59	111.12
Interest/Dividend Income & Surplus on Disposal of Investment	-	-	6.55	-	-	6.95
Income Tax	-	-	207.88	-	-	71.54
Profit after Tax	-	-	(40.79)	-	-	80.89
Other Information						
Segment Liabilities	4126.91	440.02	4566.93	3716.15	522.49	4238.64
Unallocated Corporate Assets	-	-	-	-	-	-
Total	4126.91	440.02	4566.93	3716.15	522.49	4238.64
Segment Liabilities	928.75	0.72	929.47	802.22	-	802.22
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total	928.75	0.72	929.47	802.22	-	802.22
Capital Expenditure	-	-	-	-	-	-
Depreciation/ Amortisation	207.70	74.18	281.88	134.83	85.95	220.78
Other Non Cash Expenses Other than Depreciation / Amortisation	-	-	-	-	-	-

Notes:

In addition to the significant accounting policies applicable to the business segment as set out in Part A of Schedule 20, Notes to Accounts, the accounting policies in relation to segment accounting are as under:

- i. The Company has disclosed Business Segment as the primary segment have been identified taking into account the nature of the products, the differing risks and returns, the organization structure and internal reporting system. The Companies operations predominantly relates to manufacturing of paper and other business segment comprises of Soda Ash.
- ii. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment are shown as unallocated corporate expenses.
- iii. Assets and Liabilities that cannot be allocated between the segments are shown as un-allocable corporate assets and liabilities respectively.
- iv. There are no secondary reportable segments as all operations and customers are located in India. The Company operates in a single geographical segment.

13. INTANGIBLE ASSETS

On account of prudence and as originally recommended by Accounting Standard 26 on "Intangible Assets", issued by the Institute of Chartered Accountants of India, expenditure on miscellaneous expenditure had been charged to the Profit & Loss Account. There are no intangible assets as on date of balance sheet.

14. EARNING PER SHARE (EPS) :

	Current Year (Rs.)	Previous Year (Rs.)
Profit after taxation	(4079203)	8089491
Weighted Number of Equity Shares Outstanding	9000000	9000000
Basic/diluted earning per share in Rupees (Face Value Rs. 10/- per share)	(0.45)	0.90

15. DEFERRED TAX LIABILITY (NET) :

	Deferred Tax Assets/(Liab.) as at 01.04.08	Current year (Charge)/ Credit	(Amount in Rs.) Deferred Tax Assets/(Liab.) as at 31.03.09
Deferred tax Liability due to time difference	(2,37,68,779)	(1,87,92,618)	(4,25,61,397)


19. Additional information as required by Part - II of Schedule VI of The Companies Act, 1956.
(i) Particulars in respect of capacity and production

Description	Unit	Annual Licensed Capacity		Annual Installed Capacity		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Writing & Printing paper and Newsprint	M.T.	N/A	N/A	14850	14850	15624.785	15562.781
Soda Ash	M.T.	N/A	N/A	NIL	NIL	3070.750	2652.79

Description	Unit	Opening Stock		Closing Stock		Sales	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Paper-Writing & Printing and Newsprint	M.T.	157.274	121.555	280.876	157.274	15501.183	15527.062
	VALUE	3851261	3212211	8514009	3851261	560385991	517939622
Soda Ash	M.T.	55.06	14.60	30.00	55.06	3095.810	2612.33
	VALUE	1348289	385866	182746	1348289	29903160	23052249
Unfinished Paper	M.T.	134.312	93.26	124.226	134.312	-	-
	VALUE	3288979	2464573	3659797	3288979	-	-

(ii) Particular of Stock and Turnover of Finished Goods :-

Particulars	Current Year		Previous Year	
	Amount in Rs.	Weight in MT	Amount in Rs.	Weight in MT
Opening Stock				
:Finished	5199550	212.334	35,98,077	136.156
:Unfinished	3288979	134.312	24,64,573	93.262
Turnover	590289151	18596.993	54,09,91,871	18139.392
Cl. Stock (Fin.)	8696755	310.876	51,99,550	212.334
Cl. Stock (unfin.)	3659797	124.226	32,88,979	134.312


(iii) Particulars of Raw Material Consumed (Excluding consumption in W.I.P.):-

Particulars	Current Year		Previous Year	
	Amount in Rs.	Weight in MT	Amount in Rs.	Weight in MT
Bagasse	6,03,80,998	38,987.00	4,51,25,966	35849
Waste Paper				
Indigenous	88,35,647	1181.955	36,34,399	726.840
Imported	10,93,53,755	5765.807	9,77,29,127	5598.653
Pulp :				
Indigenous	-	-	14,10,657	55.00
Agro Materials	15,86,340	793.170	NIL	NIL
Total	18,01,56,738	46727.932	14,79,00,149	42229.493
Less : Transfer to Boiler	1,24,30,243	8026.00	70,34,057	5588
	16,77,26,497	38701.932	14,08,66,092	36641,493

(iv) CIF Value of imports

	Current Year	Previous year
-Raw Material	8,45,79,267	8,06,84,499
-Capital Goods, Spares	22,76,609	24,50,111

(v) Expenditure in Foreign Exchange

NIL NIL

(vi) Earning in Foreign Exchange

NIL NIL

Subject to our separate report of even date.

For AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS

AJAY JAIN
(Proprietor)
Membership No.:85354

ANANT VATS
(Company Secretary)

SANDEEP JAIN
(Managing Director)

ANJU JAIN
(Director)

PLACE : NEW DELHI
DATED : 31.07.2009



PART-IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**i. Registration Details:**

Registration No.	:	116600
State code	:	55
Balance sheet Date	:	31.03.2009

ii. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private placement	:	NIL

iii. Position of Mobilisation and Deployments of Funds:(Amount in Rs. Thousand)

Total Liabilities	:	376946
Total Assets	:	376946

Sources of Funds-

Paid-up Capital	:	90,000
Reserves and Surplus	:	84,446
Secured Loans	:	89,739
Unsecured	:	70,200
Deferred TaxLiabilities	:	42,561

Application of Funds-

Net fixed Assets	:	2,29,976
Net Current Assets	:	1,33,770
Investment	:	13,200

iv. Performance of Company (Amount in Rs. Thousand)

Turnover	:	568179
Total Expenditure	:	551470
Profit before Tax	:	16709
Profit after Current Tax & Deferred tax, Fringe Benefit Tax	:	(4079)
Earning per share in Rs. (Weighted averages)	:	(0.45)
Dividend Rate %	:	NIL

v. Generic Names of Principal**Products / Services of****company -**

i) item Code No. (ITC Code)	:	48026990
Product Description	:	Writing & Printing Paper
ii.)item Code No. (ITC Code)	:	48010090
Product Description	:	Newsprint Paper
iii.)Item Code No.(ITC Code)	:	28362020
Product Description	:	Soda Ash

For AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS

AJAY JAIN
(Proprietor)
MEMBERSHIP NO.85354
Place : New Delhi
Dated :31.07.2009

ANANT VATS
(Company Secretary)

SANDEEP JAIN
(Managing Director)

ANJU JAIN
(Director)



MOHIT PAPER MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2009
Amount in Rs.

<u>PARTICULARS</u>	<u>YEAR ENDED</u> <u>31.03.2009</u>	<u>YEAR ENDED</u> <u>31.03.2008</u>
A. Cash Flow From Operating Activities		
Net Profit Before tax and extra ordinary item	16709360	15243238
Net prior year & other adjustment:		
(i) Depreciation 2760739		3289347
(ii) Amount credited from P&L A/c (2760739)	-	(3289347)
	<hr/>	<hr/>
(iii) Profit/(Loss) on sale of Assets	16709360 (72742)	15243238 -
	<hr/>	<hr/>
	16636618	15243238
Adjusted for		
- Depreciation (30949415 -2760739)	28188676	22078128
- Profit on sale of investment	-	-
- Misc. Expenditure	-	-
	<hr/>	<hr/>
	44825294	37321366
Adjustments for		
- Inventories	(15552547)	(29690205)
- Trade Receivables	(7838827)	(20125897)
- Payable	12724186	27205223
- Direct Taxes Paid	(1995946)	(1821372)
Net Cash Flow from operating activities	<hr/> 32162160	<hr/> 12889115
B. Cash flow From Investing Activities		
Increase in Fixed Assets	(104064368)	(6822945)
- Sale of Fixed Assets	140000	-
- Decrease in capital work in progress	31131448	(15052378)
- Increase in Loans & Advances	35297718	(43204730)
Net Cash Flow from investing activities	<hr/> (37495202)	<hr/> (65080053)
C. Cash Flow from financing Activities		
- Proceeds from Secured Loan	(615912)	9088330
- Increase in Unsecured Loans	8768298	33309884
Cash flow from Financing activities	8152386	42398214
Net increase in Cash and Cash		
Equivalents (A+B+C)	2819344	(9792724)
Opening Balance of cash and cash equivalents	16141305	25934029
Closing Balance of cash and cash equivalents	<hr/> 18960649	<hr/> 16141305

As per our report of even date attached

For AJAY SHREYA & COMPANY
CHARTERED ACCOUNTANTS

AJAY JAIN
(Proprietor)
MEMBERSHIP NO.85354

ANANT VATS
(Company Secretary)

SANDEEP JAIN
(Managing Director)

ANJU JAIN
(Director)

Place : New Delhi
Dated :31.07.2009



MOHIT PAPER MILLS LIMITED

REGD. OFFICE: 15A/13, UPPER GROUND FLOOR, EAST PATEL NAGAR, NEW DELHI-110008.

ADMISSION CARD/ATTENDANCE SLIP

ANNUAL GENERAL MEETING to be held on Saturday 19th Day of September, 2009 at 10:00 A.M. at Junction 36, 16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005.

NAME OF THE SHAREHOLDER : _____
FOLIO/CLIENT ID NO. : _____
NO. OF SHARES HELD : _____
NAME OF THE PROXY : _____

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company at Junction 36, 16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005

Signature of the Shareholder/Proxy

Name:

(Shareholder/Representative of Body Corporate/Proxy attending the Meeting must bring the above Admission Card/Attendance Slip to the Meeting and handover at the entrance, after duly signing)



MOHIT PAPER MILLS LIMITED

REGD. OFFICE: 15A/13, UPPER GROUND FLOOR, EAST PATEL NAGAR, NEW DELHI-110008.

FORM OF PROXY

Folio/Client ID No. _____

DP ID No. _____

I/We _____ of _____

_____ in the district of _____

_____ being a shareholder/s of the above

Company hereby appoint _____ of _____

_____ in the district of _____

_____ or failing him _____ of _____

_____ in the district of _____

as my/our proxy to attend and vote for me/us on

my/our behalf at the 17th Annual General Meeting of the Company to be held on , 19th Day of September, 2009 and

at any adjournments thereof.

Signed this _____ day of _____ 2009

Affix
Revenue
stamp

(Shareholder)

Note: Proxy must be deposited at the Registered Office of the Corporation not less than 48 hours before the time for holding the Meeting.



IN CASE SHAREHOLDER IS A BODY CORPORATE / INSTITUTION

Name of the Body Corporate
(Shareholder)

Name of the Representative

Folio/Client ID No. _____ Designation _____

I hereby record my presence at the 17th Annual General Meeting of the Company on, 19th Day of September, 2009 at Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005.

In case the Shareholder is a Body Corporate, certified copy of a resolution of the Board of Directors or a governing body of the Institution regarding appointment of the Representative to attend Meeting be enclosed or be sent in advance. The representative should sign the above Attendance Slip on behalf of the Body Corporate/Institution represented by him.

(Shareholder/Representative of Body Corporate/Proxy attending the Meeting must bring the above Admission Card/Attendance Slip to the Meeting and handover at the entrance, after duly signing.)

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