

MOHIT PAPER MILLS LIMITED

NINETEENTH ANNUAL REPORT



MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR Mr. Sandeep Jain

WHOLE TIME DIRECTOR
Mr. Tapan Kumar Chowdhury

NON EXECUTIVE DIRECTOR Mrs. Anju Jain

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

COMPANY SECRETARY

Mr. Anant Vats

AUDITORS

M/s Ajay Shreya & Company Chartered Accountants New Delhi

BANKERS

BANK OF BARODA

REGISTERED OFFICE

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

WORKS:

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 19th Annual General Meeting of MOHIT PAPER MILLS LIMITED will be held on Friday, the 30th Day of September, 2011 at 10.00 A.M. at Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005 to transact the following business.

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the 19th Annual Report of the Company, Balance Sheet as at 31st March, 2011, the Profit and Loss account for the financial year ended 31st March,2011, the Cash Flow Statement for the financial year ended March 31st, 2011 and the Reports of the Auditors and Directors thereon.
- 2. To appoint a Director in place of Mr. Rakesh Kansal, who retires by rotation and is eligible for reappointment.
- 3. To appoint a Director in place of Mrs. Rashmi Kansal, who retires by rotation and is eligible for reappointment.
- 4. To consider and, if thought fit, to pass, with or without, modifications, if any, the following as an ORDINARY RESOLUTION:

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

SPECIAL BUSINESS:

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

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

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



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

of

Service.

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

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

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and/or charge all the immovable and movable properties of the Company wheresoever situated, present or future and the whole or substantially the whole of the undertaking of the Company to secure the Term Loan/Corporate Loan, Working Capital and /or other borrowings lent and advanced by the public financial institutions, other financial institutions or scheduled banks, whether Indian or Foreign, whether public sector bank or private sector bank on such terms and conditions as to repayment, interest or otherwise as the Board may deem fit and proper in the best interest of the Company upto a limit of Rs.40 crores at any one time exclusive of the temporary loan which may be obtained by the company from time to time from its bankers in the ordinary course of business.

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

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

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



matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or then considered by the Board of Directors to be in the interest of the Company."

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS (COMPANY SECRETARY)

PLACE: NEW DELHI DATED: 09.07.2011

NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- 2. The information as required to be provided under the Listing Agreement entered into with Stock Exchanges regarding the directors who are proposed to be appointed/re-appointed and the related explanatory statement pursuant to section 173(2) in respect of the business under item no 5,6 and 7 as set out are attached herewith.
- The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th Day of September to 30th Day of September, 2011 (both days Inclusive).



- 4. Members are requested to notify to the Company any change in their address quoting ledger folio number.
- 5. Members who hold shares in Dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 6. Members / Proxies are requested to bring copy of the Annual Report with them, as copies of the Report will not be distributed at the meeting.
- 7. Members / Proxies should fill the Attendance Slip for attending the meeting.

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

1.NAME	MR. RAKESH KANSAL
AGE	50 YEARS
QUALIFICATION	LL.B
EXPERIENCE	25 YEARS EXPERIENCE IN ADVOCACY
OTHER DIRECTORSHIPS	NIL-
DESIGNATION	INDEPENDENT DIRECTOR

2.NAME	MRS. RASHMI KANSAL
AGE	42 YEARS
QUALIFICATION	GRADUATE
OTHER DIRECTORSHIPS	NIL .
DESIGNATION	INDEPENDENT DIRECTOR
3.NAME	MR.TAPAN KUMAR CHAUDHARY
AGE	55 YEARS
QUALIFICATION	GRADUATE
OTHER DIRECTORSHIPS	30 Years Of Experience In Paper Making
DESIGNATION	NIL NIL
	WHOLE TIME DIRECTOR



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

ITEM NO. 5

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

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

The Remuneration payable to Mr. Tapan Kumar Chowdhury shall be subject to Section 198, 269 and 309, 310, 311, 314, read with Schedule XIII and other applicable provisions of the Companies Act,1956 including any (modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government if required. Mr. Tapan Kumar Chowdhury does not hold any other directorship in other Company. None of the Directors of the Company except Mr. Tapan Kumar Chowdhury is in any way interested or concerned in the resolution.

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

ITEM NO.6

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

Consent of the members of the Company is sought pursuant to section 293(1) (a) of the Companies Act, 1956 to mortgage/hypothecate or to create charge over moveable or immoveable property of the company in favor of the public financial institutions, other financial institutions and scheduled banks, whether Indian or Foreign, whether public sector bank or private sector bank to secure the long term loan or working capital facilities.

None of the Directors of the Company are interested in the resolution.

ITEM NO.7

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

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS (COMPANY SECRETARY)

PLACE: NEW DELHI DATED: 09.07.2011

NINETEENTH ANNUAL REPORT 2010-2011



DIRECTORS' REPORT

To the Members,

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

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

1. FINANCIAL RESULTS

(Amount/Rs.)

		Current Year 31.03.2011		Previous Year 31.03.2010
Gross Sales & Other Income		61,35,50,969		53,14,27,259
Operating Profit				
-before Interest & Depreciation		42,337,725		2,31,21,241
Interest & Finance Charges		1,44,34,728		1,43,02,856
Depreciation	2,83,11,251		3,04,92,148	
Less Depreciation for earlier				
years written back	37,36,822		2,01,29,995	
Net of Adjustments				
Depreciation on revalued Assets	20,02,955	22,571,474	23,51,132	80,11,021
Less:Amount Transferred	·			
from capital reserve	20,02,955	-	23,51,132	-
NET PROFIT BEFORE TAX		53,31,523	4	8,07,364

The Company has not transferred any amount to the reserves during the current year except the surplus in the Profit & Loss Account for the year ended on 31.03.2011, which has been carried over in the Balance Sheet. Gross Sales and Other Income for the year was Rs. 61.36 crores as against Rs.53.14 in the previous year.

Profit before Depreciation, Interest and Taxes was Rs. 4.23 crores as against Rs.2.31 crores in the previous year.

2. DIVIDEND

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

3. PUBLIC DEPOSITS UNDER SECTION 58 A

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



4. SHARE CAPITAL

The Company have issued 20,00,000 Convertible Warrants of Rs.10 per Warrant to the Promoters on Preferential Basis out of which 6,66,667 Warrants have been converted into 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2009-2010 and 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2010-2011. So The Paid up Capital of the Company stands increased from 9,66,66,670 to 10,33,33,340.

5. CORPORATE OVERVIEW

During the year the production has increased from 18299.636 M.T. to 19291.575 M.T. Gross Sales has increased from 53.14 Crores to 61.35 crores.Net Profit of the Company has increased from 8.07 Lacs to 53.31 Lacs. The Performance of the Company was better than the last year. The situation of the global market has improved which shows in the improvement of the performance of your Company.

6. DIRECTORS

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

7. INSURANCE

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

8. AUDITORS

M/s AJAY SHREYA & CO. CHARTERED ACCOUNTANTS, Auditors of the Company, retire from their office. They are eligible for re-appointment and have furnished certificate to the effect that their appointment if made will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Your directors recommend their re-appointment for the Accounting Year 2011-2012.

9. AUDITORS REPORT

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

10. COST AUDITORS

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

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

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



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

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

- i. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2010 the applicable Accounting Standards had been followed and there has been no material departures;
- ii. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of financial year and of the profit of the Company for the year under review;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on 'going concern basis'.

13. CORPORATE GOVERNANCE

Your Company has complied with all the mandatory requirements of Corporate Governance. A detailed report on Corporate Governance and Management Discussion and Analysis forming part of the Director's Report is enclosed as Annexure (B).

14. PARTICULARS OF EMPLOYEES

None of the employee of the Company was in receipt of total remuneration of Rs. 60,00,000/- during the financial year under review or Rs. 5,00,000/- per month. Hence, the information U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not required to be furnished.

15. SAFETY AND ENVIRONMENT

The company continued to maintain a good safety record. The plants of the company are environment friendly and maintain all safety measures.

16. INDUSTRIAL RELATIONS

Industrial relations remained cordial during the year. The company received full cooperation and support from all its employees without which it would not have been possible to achieve consistent good performance.

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

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



- 1. The Delhi Stock Exchange Ltd. DSE House, 3/1, Asaf Ali Road New Delhi-110002
- The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street Mumbai-400001

18. 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: 09.07.2011



ANNEXURE TO DIRECTOR'S REPORT ANNEXURE (A)

DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTOR) RULES, 1988

A. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken:
 - i. The Company is self sufficient in terms of power. Co-generation power plant is running good.
 - ii. Training sessions of Shop Floor Workmen had been organized periodically.
 - iii. The Company has revamped and realigned the existing facilities to optimize power consumption in various power consuming facilities.
- b. Additional Investments and proposals, if any, being implemented for reduction of energy consumption.
 - i. Better power factor management across the unit.
 - ii. Identifying and eliminating non-productive energy consumption areas.
- c. Impact of the measures at (a) and (b) for reduction of energy Consumption on the cost of Production of goods.

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

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

As per Form 'A' enclosed.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption

As per 'B' enclosed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Company operates in domestic market of India and has not undertaken exports during the year. Foreign Exchange earnings on account of Exports was NIL. Total foreign exchange outgo during the year amounted to Rs. 8,77,04,537/- 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: 09.07.2011



FORM-A

Disclosure of particulars with respect to conservation of energy:

A. Power & Fuel consumption

1. Electricity

1. Electricity	Current Year	Previous Year
	<u>31.03.2011</u>	31.03.2010
a. Purchased: Units Total Amount(Rs) Rate/Unit b. Own Generation:	-	305500 4130840 13.52
 i. Through Diesel Generator: Units Units per ltr. of Diesel oil Cost/Unit ii. Through Steam Turbine/Generator 	14080 3.20 8.89	3210 3.21 8.87
a) Units Produced Cost/Unit Units per MT of fuel b) Unit Sold Rate / Units c) Net units consumed for production Units Cost / Units Units per rate of fuel	17218625 NIL NIL 1278200 4.50 15940425 NIL NIL	14954022 NIL NIL - -
2. Coal / Charcoal:		
Qty.(MT) Total Cost (Rs.) Average Rate	27998.21 100218366 3579.45	18585.324 50931147 2740.39
3. Tel Rahit Bhussi:		
Qty.(MT) Total Cost (Rs.) Average Rate	11261.235 21853608 1940.60	26509 39111566 1475.40



4. Baggass:

Qty.(M.T.)NilNilTotal Cost (Rs)NilNilAverage RateNilNil

B. Consumption/Tones of Production:

	Current year		Previous ye	ear
Product	Paper	Soda Ash	Paper	soda Ash
Production (MT) Electricity (Units/MT)	15322.575 945	3969.00 368	14838.136 943	3461.500 367
Tel Rahit Bhussi (in Boiler) (On directly attributable basis To Production)	0.667	0.259	1.637	0.637
Coal(In Boiler) (On Directly attributable basis to production)	1.659	0.640	1.148	0.446
Bagasse	Nil	Nil	Nil	Nil

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN (CHAIRMAN)

PLACE: NEW DELHI DATED: 09.07.2011



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: 09.07.2011



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, 2011 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 31.03.2011, 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 Registration No.:021423N

Ajay Jain (Proprietor) Membership No. 85354

PLACE: NEW DELHI DATED: 09.07.2011



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:

Mohit Paper Mills Limited is committed to good corporate governance and in ensuring adequate disclosure for its stakeholders. We believe that governance process should be such so as to ensure adequate utilization of resources to meet the expectations of the shareholders.

We believe in accountability, self-responsibility, transparency, safety of the people and environment.

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. TAPAN KUMAR CHOWDHURY	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 9



30.04.2010 15.06.2010 31.07.2010 21.08.2010 01.09.2010 31.01.2011 07.02.2011 09.03.2011

Mr. Sushil Kumar Patidar was whole time director till 23.12.2010. He has given the resignation from the office of directorship on 23.12.2010.

Mr. Tapan Kumar Chowdhury was appointed whole time director with effect from 07.02.2011.

Particulars of Directors including their attendance at the Board/Shareholder's Meetings during the year 2010-2011

NAME OF DIRECTORS	CATEGORY	OTHER DIRECTORSHIPS	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE AT LAST AGM	COMMITTEE MEMBERSHIP
Mr. Sandeep Jain	Chairman and Managing Director	Nil	9	Yes	-
Mrs. Anju Jain	Non Executive Director	Nil	9	Yes	-
Mr.Sushil Kumar Patedar	Executive Director	-	4	No	-
Mr. Rakesh Kansal	Independent Director	-	6	No	3
Mrs. Rashmi Kansal	Independent Director	_	3	No	3
Mr. Tapan Kumar Chowdhury	Whole Time Director		2	No	-
Mr.Devendra Shankar Vishnoi	Independent Director	÷	0	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 Director	No. of Meetings Attended	Chairman/Member
Mr. Rakesh Kansal	4	Chairman
Mrs. Rashmi Kansal	4	Member
Mr. Devendra Shankar Vishnoi	3	Member



Date of the Meetings are as follows:

26.04.2010

28.07.2010

26.10.2010

27.01.2011

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.

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

One Meeting was held during the year on 23.03.2011 to consider the appointment /and remuneration of Mr. Tapan Kumar Chowdhury.

Details of Remuneration for the Year 2010-2011

Name	Salary	Commission	Perks	Retirement Benefits	Total
Mr. Sandeep Jain	1200000	-	-	-	1200000
Mr. Tapan Kumar Chowdhury	53571	-			53571
Mr. Sushil Kumar Patidar	268086	-	-		268086
Total	1521657				1521657



5. Shareholders/Investors/Grievance Committee:

Composition of the Committee was as follows:

Mr. Rakesh Kansal
Mrs. Rashmi Kansal
Mr. Devendra Shankar Vishnoi
Chairman
Member
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 23rd Day of March, 2011, 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 31.03.2011.

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	Venue	Date	Time
2009-2010	Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005	30.09.2010	10.00 A.M.
2008-2009	Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005	19.09.2009	10.00 A.M.
2007-2008	Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005	30.09.2008	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. 13 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	491	YES	
(A) Composition of Board	49(IA)	YES	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	on the state of the
(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 (IIE)	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 generally published in Jansatta and Financial Express.

Official News releases and results, shareholding pattern are displayed on the BSE website-www.bseindia.com.

Annual Report containing, 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

30.09.2011

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 1st To March 31st

d. Date of Book Closure

From 28th Day of September, 2011 To 30th September, 2011 (both days inclusive)

e. Listing at Stock Exchanges:

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

- The Delhi Stock Exchange Ltd.
 DSE House, 3/1 Asaf Ali Road
 New Delhi-110002
- The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street Mumbai-400001

The Annual Listing Fee for the year 2010-2011 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:

M/S 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 dematerialisation of shares is provided to the shareholders.

I. 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 31.03.2011

4192292 number of shares stand in NSDLA/C

495975 number of shares stand in CDSLA/C and balance of 5645067 stands in physical mode.

ISIN of the Company is INE388C01017

m. Distribution of shareholding as on 31" March 2011

Slab	No of Shareholde	rs	No of Sha	<u>areholders</u>
	Total	% of Shareholders	Total	% of Share Capital
Upto -5000	10111	91.38	1244140	12.04
5001-10000	483	4.36	434203	4.20
10001-20000	258	2.33	413851	4.01
20001-30000	82	- 0.74	208024	2.01
30001-40000	23	0.21	82258	0.80
40001-50001	12	0.11	57200	0.55
50001-100000	45	0.41	324651	3.14
100000 & above	51	0.46	7569007	73.25
Total	11065	100	10333334	100



n. Category of Shareholders as on 31st March, 2011

Category	No. of Shares	% 4.65	
Non Resident Holding	480082		
Body Corporate	1365851	13.22	
Mutual Funds	1400	0.01	
Promoter Group	5335034	51.63	
Public	3150967	30.49	
Total	10333334	100	

o. Stock Price Data-monthly high and low in Bombay Stock Exchange during the financial year 2010-2011

Month	High(Rs.)	Low(Rs.) 6.55	
April 2010	8.40		
May 2010	6.80	5.51	
June 2010	6.68	5.50	
July 2010	4.46	5.48	
August 2010	7.25	5.66	
September 2010	6.79	5.90	
October 2010	8.66	6.00	
November 2010	6.95	5.76	
December 2010	6.49	5.23	
January 2011	6.07	4.90	
February 2011	5.46	4.33	
March 2011	5.15	3.66	

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@intimespectrum.com

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:

- 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;
- 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.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN (MANAGING DIRECTOR)

PLACE: NEW DELHI DATED: 09.07.2011



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.

i. 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 2010-2011.

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 2010-2011.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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 2010-2011 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

The Indian paper industry is an integral part of the nation economy and is contributing to its growth and development. It is with this spirit that the paper industry is continuing to upgrade its capacity and technology despite of several challenges.

The current turnover of the Indian paper industry is about Rs.30,000 crores and the industry contributes to the exchequer about Rs.3000 crores providing employment opportunity to almost 1.5 million people especially in rural areas.

Even though India's per capita consumption is 10 kg currently, India is likely to experience the highest growth rate in the world in paper consumption over next 10 years. Paper consumption in the world is 380 million tons and India consumes just 3% of this. While 16% of the world's population resides in India. By 2020 the paper consumption in India would be about 20 million tons or 20kg per capita.

2. Opportunities and Threats:

The consumption of paper is directly attached to the growth of the economy. With the emergence of economic use of paper which has risen tremendously like in packaging, education, print-media, documentation etc.

The Government is strict on the use of packaging of goods in plastic pouches and is promoting the use of paper in all sorts of packaging. So the demand and consumption of paper will rise in the near future, which is a good opportunity for the paper industry.



The major threat of the industry is the lesser availability of raw material like Bagasse and wheat straw, increase in the prices of waste paper, increase in transport cost, increase in the prices of fuel.

Today cost is a very big concern, if we look at the cost of making a sheet of paper, much of it is the fibre cost, then the chemical cost, energy cost, human resource etc. These all forms the total cost of the sheet of paper. All the cost mentioned above will increase in near future so there is need to optimize the process in order to reap the economic benefits.

3. Segment wise Performance

During the year the company has achieved the capacity utilization to 99.92% 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 15322.575 M.T. of paper as against 14838.136 M.T. for the previous year.

The Company has also produced 3969.00 M.T. of Soda Ash as against 3461.500 M.T. which is another segment.

4. Outlook

The growth rate of paper industry is higher if compared to the previous year. The paper industry is slowly coming out of the recessionary pressures which it has seen in the previous year. With the rise in living standards of the people, the growth potential would be high in view of increased demand of paper due to industrialization and economic reforms.

The company is looking at consolidating its position in the industry with aggressive and innovative strategies, continuing focus on cost optimization and technical upgradation. The management is optimistic about the future outlook of the company in long term.

5. Risks And Concerns

The major risk of the company is the availability of raw material. The major raw-materials required for making pulp and paper are baggasse and wheat straw which are seasonal and their availability depends upon the crop.

As the sugar mills have their own captive power plants where they use baggasse as fuel, the situation becomes all the more critical. Due to the increase in demand of raw material, prices are always on the higher side which hikes the cost of production of paper.

As the price of dollar is high as compared to the rupee the price of imported waste-paper increases which again increases the cost of production of paper. So the margin of earning for the industry goes down.

Prices of fuel are always rising which again increases the cost of production making the margin of earnings to reduce.

Your company is situated near the sugar belt, so the risks are less as compared to other mills which are not so situated.



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	6135.51		
Profit before Interest, Depreciation and Tax	. 423.37		

8. Human Resources/Industrial Relations

Human resource is the best resource of all the resources because it is the one which can properly take advantage of the other resources.

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 134 as on 31st March, 2011. 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 2011 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 31 March 2011, 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.
- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure 'A", a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 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.



- On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 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, 2011.
 - 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

Registration No.021423N

AJAY JAIN (Proprietor)

Membership No.: 85354

PLACE: NEW DELHI DATED: 09.07.2011



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, 2011

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.
- 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.
- 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 ay time during the year is Rs 45.36 Lacs and year end balance is Rs. 20.52 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.
- In our opinion the Company has an adequate internal audit system commensurate with the size and nature
 of its business.
- 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 31.03.2011 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.



- 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.
- According to the information and explanation given to us, the company is not dealing in shares, securities/debentures and other investments.
- 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.
- 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).
- The Company has made preferential allotment of 20,00,000 warrants convertible into equity shares which were allotted to parties covered in the Register maintained under Section 301 of the Companies Act,1956. Out of these 6,66,667 Warrants have been converted at par into Equity Shares during the year. These were priced as per the SEBI guidelines and are not prejudicial to the interest of the shareholders.
- 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.
- 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

Registration No.021423N

AJAY JAIN (Proprietor)

Membership No.: 85354

PLACE: NEW DELHI DATED: 09.07.2011

NINETEENTH ANNUAL REPORT 2010-2011



MOHIT PAPER MILLS LIMITED BALANCE SHEETS AS AT 31ST MARCH, 2011

· DALANCE ONE NO AT C.				PR	PREVIOUS YEAR	
PARTICULARS	SCH.		CURRENT YEAR 31.03.2011 AMOUNT (Rs)		31.03.2010 AMOUNT (Rs)	
SOURCES OF FUNDS:						
Share Capital	1	103,333,340	•	96,666,670	•	
Reserve and Surplus	2	84,257,632		78,706,156	400 700 450	
Share Warrant	3	6,666,660	194,257,632	13,333,330	188,706,156	
LOAN FUNDS:		· · · ·	•	00.500.400		
Secured Loan	4	100,146,454		88,598,160		
Unsecured Loan	5	56,521,036	40.0050.074	52,619,427	107 700 061	
Deferred Tax Liability - Net		43,289,381	19,9956,871	46,582,274	187,799,861 276,506,047	
TOTAL	•		394,214,503	•	376,506,017	
APPLICATION OF FUNDS: FIXED ASSETS:			•		-	
Gross Block	6	542,896,800		548,051,720		
Less : Depreciation		339,298,499	•	320,322,789		
NET BLOCK		203,598,301		227,728,931		
Add : Work in Progress		<u>5,675,425</u>	209,273,726	5,319,583	233,048,514	
INVESTMENT	7		13,200,000	1,	13,200,000	
CURRENT ASSETS, LOANS & ADVANCES :						
Inventories	8	147,700,668		150,698,961		
Sundry Debtors	9	44,863,160		36,220,674	•	
Cash & Bank Balances	10	11,673,415		19,050,300		
Loans & Advances	11	40,820,596		22,575,780		
		245,057,839	-	228,545,715		
Less: Current Liabilities & Provisions	12	73,317,062		98,288,212		
Net Current Assets			171,740,777		130,257,503 376,506,017	
TOTAL			394,214,503		370,300,017	
Notes Forming Part of Accounts As per our report of even date attached	21 ed	•				
And bot out tobott of overt date attack.						
For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS					· ••	
Registration No.:021423N		•			-	
A IAV IAINI	SANDEEP JAIN		ANJU JAIN		ANANT VATS	
	Managing D	_	(Director)	•	mpany Secretary)	
MEMBERSHIP NO.: 85354	nanaging D		\			

Place : New Delhi



MOHIT PAPER MILLS LIMITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011

PROFIF& LO	55 ACCOURT 1 OIL		PREVIOUS YEAR
PARTICULARS	SCH.	CURRENT YEAR 31.03.2011 AMOUNT (Rs)	31.03.2010 AMOUNT (Rs)
INCOME.		603,077,143	528,228,223
INCOME	13	25,003,068	14,452,133
Sales	•	578,074,075	513,776,090
Less: Excise Duty	•	•	3,199,036
	14	10,473,826	422 <u>,123</u>
Other Income	15	2,482,781	517,397,249
Increase / (Decrease) in stock	()	591,030,682	
TOTAL (A)		•	
		504	184,086,225
EXPENDITURE	16	177,208,501	271,405,049
Raw Materials Consumed		331,352,364	11,543,173
Manufacturing Expenses	17	10,843,458	•
Administration & Other Expenses	18	29,288,364	27,241,561
Administration a date and	19	548,692,957	494,276,008
Selling Expenses		540,052,551	
TOTAL (B)		705	23,121,241
0	Tox	42,337,725	
Profit Before Depreciation, Interest &	lax		14,302,856
		14,434,728	
Interest & Financial Charges	20	, , , , , , , , , , , , , , , , , , ,	30,492,148
	6 28,311,		2 351 132
Depreciation Capital Bosons	2,002,	955	20,129,995 8,011,021
Less: Transfer from Capital Reserve	written back 3,736	822 22,571,474	20,120,000
Less: Transfer from Outsider years \ Less: Depreciation of earlier years \	Willien odok		807,364
	•	5,331,523	124,738
Profit Before Tax		1,069,985	· _
Profit Deloie Tax		(3,292,893)	4,020,877
Provision for Current Taxation		(3,232,000)	•
Provision for Deferred Tax		-	24,070
Provision for Fringe Benefit Tax			(3,362,321)
Provision for Wealth Tax		7,554,431	26,442
Profit After Tax			•
Less: Prior Period Adjustment		7,554,431	(3,388,763)
Balance carried over to Balance St	neet	, , , , , , , , , , , , , , , , , , , ,	
Balance carried over to baracios or			· · · · · · · · · · · · · · · · · · ·
- i sancharo (In Rupees)		0.73	(0.35)
Earning per share (In Rupees):		- · ·	(0.30)
Basic		0.69	•
Diluted			
	21	•	
Notes Forming Part of Accounts	· _ ·		
As per our report of even date atta	ached	•	
72 her on 1264			•
For AJAY SHREYA & COMPANY			
FOR AJAY STIKE IN G COMMINE	•		
CHARTERED ACCOUNTANTS	•		
Registration No.:021423N		·	ANANT VATS
	OANDEED IAIKI	ANJU JAIN	(Company Secretary)
AJAY JAIN	SANDEEP JAIN	(Director)	(Company Secretary)
	(Managing Director)	(222)	
(Proprietor) MEMBERSHIP NO.: 85354	•	· · · · · · · · · · · · · · · · · · ·	•
WEWREKOLIE 140" 0000-			
Place : New Delhi			
Dated :09.07.2011			
			36



MOHIT PAPER MILLS LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

A Cash flow from Operating Activities Net profit before tax and extra ordinary item Net profit before tax and extra ordinary item Net profit year & other adjustment: (i) Depreciation (ii) Amount credit from P&L Nc (iii) Profit/(Loss) on sale of Assets (iiii) Profit/(Loss) on sale of Assets Adjustment for - Depreciation Operation Profit before working capital changes Adjustment for: - Inventories - Invent	PARTICULARS	•		YEAR ENDED 31.03.2011		Amount in Rs. YEAR ENDED 31.03.2010
Net prior year & other adjustment 10 Depreciation 10 Dep	•					007004
(ii) Depreciation 5739777 22481127 (iii) Amount credit from P&L A/c (2002955) (2351132 (20123335) (2012335) (20123335) (2012333333) (2012333333) (2012333333) (2012333333) (201233333) (2012333333) (2012335) (2012333333) (2012333333) (2012333333) (2012333333) (2012333333) (2012333333) (20123235) (2012335)	•	nary item		5331523	•	807364
(iii) Amount credit from P&L A/c (2002955) (2351132 (20123335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (2012335) (20123555) (20123555) (20123555) (201235555) (20123555) (20123555) (20123555) (20123555) (20123555) (20123555	•			· · · · · · · · · · · · · · · · · · ·	00404407	
(Dep of earlier year written Back) (3736822) (20123335) (iii) Profit/(Loss) on sale of Assets (1085104) (67102) Adjusted for	•			•		
(iii) Profit/(Loss) on sale of Assets (1085104) (87102) Adjusted for	· · · · · · · · · · · · · · · · · · ·				1	-
(iii) Profit/(Loss) on sale of Assets (1085104) 4246419 720262 Adjusted for - Depreciation 2251474 8011021 Operation Profit before working capital changes Adjustment for: - Inventories - Irrade Receivables - Trade Receivables - Direct Taxes Paid - Direct Taxes Paid - Osset Flow from poperating activities - Sale of Fixed Assets - Sale of Fixed Assets - Sale of Fixed Assets - Increase in Loan & Advances - Increase in Loan & Advances - Increase in Loan & Advances - Cash Flow from Secured Loan - Increase in Unsecured Loan - Increase in Share Capital -	(Dep. of earlier year written Back)		(3736822)		(20123335)	
(iii) Profit/(Loss) on sale of Assets (1085104) 4246419 720262 Adjusted for - Depreciation Depreciation Operation Profit before working capital changes Adjustment for: - Inventories - Irvael Receivables - Trade Receivables - Payable - Direct Taxes Paid - Operating Activities - Sale of Fixed Assets - Sale of Fixed Assets - Increase in Loan & Advances - Cash Flow from Secured Loan - Increase in Unsecured Loan - Increase in Share Capital - Increase in Share Capita	-	•		E224E22	. ,	207364
Adjusted for - Depreciation 2251474 8011021 Operation Profit before working capital 26817893 8731283 changes Adjustment for:	(III) Durickiii aasta saasta sõõesasta					
Adjusted for - Depreciation 2251474 8011021 Coperation Profit before working capital 26817893 8731283 changes Adjustment for: - Inventories 2998293 (17648361 - Trade Receivables (8642486) 14574217 - Payable (24971150) 2430399 - Direct Taxes Paid (1069985) (175250) Net Cash Flow from operating activities (4867435) 7912288 B. Cash flow From Investing Activities (1833676) (8385587) - Sale of Fixed Assets (1833676) (8385587) - Sale of Fixed Assets (1833676) (8385587) - Decrease in Loan & Advances (18244816) 358000 - Decrease in capital work in progress (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Inventing Activities - Proceeds from Secured Loan 3901609 (14669570) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital (6666670) (13333330) Cash flow from Financing Activities (15949903) 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Closing Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANT'S Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	(III) Profit/(Loss) on sale of Assets			(1003104)		(07 102)
Adjusted for - Depreciation 2251474 8011021 Coperation Profit before working capital 26817893 8731283 changes Adjustment for: - Inventories 2998293 (17648361 - Trade Receivables (8642486) 14574217 - Payable (24971150) 2430399 - Direct Taxes Paid (1069985) (175250) Net Cash Flow from operating activities (4867435) 7912288 B. Cash flow From Investing Activities (1833676) (8385587) - Sale of Fixed Assets (1833676) (8385587) - Sale of Fixed Assets (1833676) (8385587) - Decrease in Loan & Advances (18244816) 358000 - Decrease in capital work in progress (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Inventing Activities - Proceeds from Secured Loan 3901609 (14669570) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital (6666670) (13333330) Cash flow from Financing Activities (15949903) 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Closing Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANT'S Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS				A246A1Q		720262
Depreciation	. Adjusted for					, LULUL
Operation Profit before working capital changes Adjustment for: - Inventories 2998293 (17648361 - 17ade Receivables (8642486) (14574217 - 249309) - Direct Taxes Paid (1069985) (175250) Net Cash Flow from operating activities (4867435) 7912288 B. Cash flow From Investing Activities (1833676) (8385587) - Sale of Fixed Assets (1833676) (8385587) - Sale of Fixed Assets (2474981 (358000 - Decrease in Capital work in progress (355842) (5319853) - Increase in Capital work in progress (18244816) (1935014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities (17959353) (12012156) C. Cash Flow from Financing Activities (17959353) (12012156) C. Cash Flow from Financing Activities (17959353) (13012156) C. Cash Flow from Financing Activities (19959353) (13012156) C. Cash Flow from	•		•	2251474		8011021
Adjustment for: - Inventories	- Depreciation	•	•			
Adjustment for: - Inventories	Operation Profit before working	o canital		26817893	•	8731283
Adjustment for: - Inventories - Inventories - Trade Receivables - Trade Receivables - Direct Taxes Paid - Receivables - Direct Taxes Paid - Receivables - Direct Taxes Paid - Receivables - Proceeds from Secured Loan - Increase in Loan & Advances - Proceeds from Secured Loan - Receivables - Proceeds from Secured Loan - Receivables - Recei		y Çapıtai				
- Inventories	G					
- Trade Receivables (8642486) 14574217 - Payable (24971150) 2430399 - Direct Taxes Paid (1069985) (175250) Net Cash Flow from operating activities (4867435) 7912288 B. Cash flow From Investing Activities Increase in Fixed Assets (1833676) (8385587) - Sale of Fixed Assets (1833676) (8385587) - Sale of Fixed Assets (2474981 358000 - Decrease in capital work in progress (355842) (5319853) - Increase in Loan & Advances (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities - Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 13333330 Cash flow from Financing Activities (1549903) 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS				2998293		(17648361
- Payable				, —		`14574217
- Direct Taxes Paid (1069985) (175250) Net Cash Flow from operating activities (4867435) 7912288 B. Cash flow From Investing Activities Increase in Fixed Assets (1833676) (8385587) - Sale of Fixed Assets (2474981 358000 - Decrease in capital work in progress (355842) (5319853) - Increase in Loan & Advances (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Investing Activities - Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670 6666670 - Issue of Share Warrants (6666670 13333330) Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS		·		V	-	2430399
Net Cash Flow from operating activities (4867435) 7912288 B. Cash flow From Investing Activities Increase in Fixed Assets (1833676) (8385587) - Sale of Fixed Assets 2474981 358000 - Decrease in capital work in progress (355842) (5319853) - Increase in Loan & Advances (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities (17959353) (12012156) C. Cash Flow from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 13333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached 70747887 7074787 7074787				· · · · · · · · · · · · · · · · · · ·	_	(175250)
B. Cash flow From Investing Activities Increase in Fixed Assets (1833676) (8385587) - Sale of Fixed Assets 2474981 358000 - Decrease in capital work in progress (355842) (5319853) - Increase in Loan & Advances (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities - Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 13333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Closing Balance of cash and cash equivalents 19050300 1896049 Closing Balance of cash and cash equivalents 1167,3415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS		activities	•	(4867435)		7912288
Increase in Fixed Assets			•	•	•	
- Decrease in capital work in progress (355842) (5319853) - Increase in Loan & Advances (18244816) 1335014 Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities - Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 133333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	•			(1833676)		(8385587)
Increase in Loan & Advances (18244816) (17959353) (12012156) Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities - Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 13333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (737685) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	- Sale of Fixed Assets	-		2474981		358000
Net Cash Flow from Investing Activities (17959353) (12012156) C. Cash Flow from Financing Activities - Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 133333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	- Decrease in capital work in p	progress		(355842)	•	•
C. Cash Flow from Financing Activities - Proceeds from Secured Loan - Increase in Unsecured Loan - Increase in Share Capital - Increase in Share Capital - Issue of Share Warrants - Issue of Share Warr	- Increase in Loan & Advances	S		(18244816)	•	
- Proceeds from Secured Loan 11548294 (1140911) - Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 13333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No::021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	Net Cash Flow from Investing	Activities		(17959353)		(12012156)
- Increase in Unsecured Loan 3901609 (14669570) - Increase in Share Capital 6666670 6666670 - Issue of Share Warrants (6666670) 13333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	C. Cash Flow from Financing /	Activities			•	
Increase in Share Capital Increase in Share Capital Issue of Share Warrants Cash flow from Financing Activities Itsus of Share Warrants Cash flow from Financing Activities Itsus of Share Warrants Cash flow from Financing Activities Itsus of Share Warrants Itsus of Share						, ,
- Issue of Share Warrants (6666670) 133333330 Cash flow from Financing Activities 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS				'		Y
Cash flow from Financing Activities . 15449903 4189519 Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	•					
Net increase in Cash and Cash Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS		•	.	,		
Equivalents (A+B+C) (7376885) 89651 Opening Balance of cash and cash equivalents 19050300 18960649 Closing Balance of cash and cash equivalents 11673415 19050300 As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	•			15449903		4109319
Opening Balance of cash and cash equivalents Closing Balance of cash and cash equivalents As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS		sn		· /727005\	•	90651
Closing Balance of cash and cash equivalents As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	· · · · · · · · · · · · · · · · · · ·			•	•	
As per our report of even date attached For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANANT VATS		-	•	•		
For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No.:021423N AJAY JAIN SANDEEP JAIN ANJU JAIN ANANT VATS	Closing Balance of cash and c	cash equivalents		1107,3413	•	13030300
	For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS	ed				
	A 1437 1411	OANIDEED IAINI		AA: II I AAAI	•	ANIANT VATO
(Description) (Marketine District Alex) (Miderates) (Miderates) (Marketine Marketine Marketine District Alexandria (Miderates)			•	·	•	VINUIA I AVIO
(Proprietor) (Managing Director) (Director) (Company Secretary) MEMBERSHIP NO.: 85354	, , , , , , , , , , , , , , , , , , , ,	(Director)	•	(Company Secretary)	•	

Place : New Delhi

Dated :09.07.2011



SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET

	CURRENT YEAR	PREVIOUS YEAR
PARTICULARS	31.03.2011	31.03.2010
	AMOUNT (Rs)	AMOUNT (Rs)
SCHEDULE - 1		400.000
AUTHORISED SHARE CAPITAL: 1,20,00,000 (Previous year 1,00,00,000) Equity shares of Rs. 10/- each.	120,000,000	120,000,000
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP	103,333,340	96,666,670
10333334 (Previous Year 96,66,667) Equity Shares of Rs. 10/-each Fully Paid up.	103,333,340	96,666,670
SCHEDULE - 2	•	
RESERVE & SURPLUS	•	
Profit & Loss A/C (As per last Balance Sheet)	57,454,410	60,843,173
Add: Profit & Loss A/c	7,554,431 65,008,841	(3,388,763 57,454,410
CAPITAL RESERVE:	21,251,746	23,602,878
Capital Reserve Less: Transfer to Profit & Loss A/C	2,002,955	<u>2,351,132</u>
	19,248,791	21,251,746
Total Reserve & Surplus	84,257,632	<u>78,706,156</u>
SCHEDULE - 3		
SHARE WARRANT 6,66,666 (Previous Year 13,33,333) Warrant of Rs. 10 Each	6,666,660	1,33,33,330
	6,666,660	1,33,33,330
SCHEDULE - 4 SECURED LOANS :		
Bank of Baroda Term Loan - I Bank of Baroda Term Loan - II	1,589,974 16,176,196	10,924,350 17,282,589
(Refer Note No. 5) Bank of Baroda CC (Stock & Book Debts)	81,970,216	59,773,890
(Refer Note No. 6) Bank of Baroda Car Loan	351,635	450,000
Mahindra & Mahindra Financial Services Limited	58433	167,331
(Vehicle Loan) (Refer Note No. 7)	100,146,454	88,598,160
SCHEDULE - 5 UNSECURED LOANS ::		
Loan & Advances from : - From Directors	2,052,165	851,445 51,767,082
- Other than Bank (Inter Corporate)	<u>54.468.871</u> <u>56,521,036</u>	51,767,982 52,619,427



SCHEDULE-

			,							
		Gross Block	Š			Depreciation	iation		Net Block	ock
Assents	As At 01.04.10	Addition during the Year	Deduction During the Year	Total Cost As At 31.3.11	upto 31.3.2010	For the period	Adjustment	Total Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
Land	8,857,464			8,857,464		•			8,857,464	8,857,464
Building	44,919,089	57,151		44,976,240	28,145,437	1,583,927		29,729,364	15,246,876	16,773,652
Furniture & Fixtures	1,7642,71	18,500		1,782,771	1,328,267	80,208		1,408,475	374,296	436,004
Plant & Machinery	483,378,952	1,624,676	5,406,214	479,597,414	285,972,051	25,635,688	8,203,509	303,404,230	176,193,184	197,406,901
Motor Vehicle	5,437,662		1,582,382	3,855,280	2,257,874	787,482	1,132,032	1,913,324	1,941,956	3,179,788
Office Equipment	3,694,282	133,349		3,827,631	2,619,160	223,946		2,843,106	984,525	1,075,122
Total	548,051,720	1,833,676	6,988,596	542,896,800	320,322,789	28,311,251	9,335,541	339,298,499	203,598,301	227,728,931
Previous Year Total	541,032,493	8,385,587	1,366,360	548,051,720	548,051,720 311,056,098	30,492,148	21,225,458	21,225,458 320,322,789	227,728,931	229,976,395



TEMENT OF CAPITAL WORK IN PROGRESS AS ON 31.03.2011

PARTICULARS	AS ON 01.04.2010	ADDITIONS	TOTAL	TRANSFERRED TO GROSS BLOCK	TOTAL COST AS ON 31.03 2011
A) FACTORY BUILDING	3,385,542	355,842	3,741,384		3,741,384
B) PLANT & MACHINERY	1,934,041		1,934,041		1,934,041
	7 0 70 70 70 70 70 70 70 70 70 70 70 70	255 210	5 675 425		5,675,425
CORREINIYEAR IOIAL	5,518,505	333,04£	0,000		
PREVIOUS YEAR TOTAL	0	5,319,583	5,319,583	0	5,319,583



PARTICULARS	CURRENT YEAR 31.03.2011 AMOUNT (Rs)	PREVIOUS YEAR 31.03.2010 AMOUNT (Rs)
SCHEDULE - 7		
INVESTMENT:-(Non Trade) (At Cost)- Un quoted-In Equity Shares of Mohit Petrochemicals Private Limited 1320000 Equity Shares of Rs 10/- Each fully paid up. (Previous year 1320000 of Rs 10/-each fully paid up)	13,200,000	13,200,000
SCHEDULE - 8		•
INVENTORIES: (As Valued & Certified by the Management) Raw Materials & Chemicals Stores & Spares Packing Materials & Others Finished Goods Unfinished Goods Work - in - Process	57,178,007 65,933,568 6,818,564 9,750,560 3,365,204 4,654,765	76,291,175 48,789,267 10,398,270 7,157,472 4,301,557 3,761,220
SCHEDULE - 9		
SUNDRY DEBTORS : (Unsecured but considered good)		·
Debts outstanding for a period exceeding 6 months	6,549,475	4,903,560
Other Debts	38,313,685	31,317,114
	44,863,160	36,220,674
SCHEDULE - 10	· •	
CASH & BANK BALANCES :		
Cash in hand	433,466	430,369
Balance with Scheduled Banks :		
In Current Accounts	2,659,845	10,804,379
In Fixed Deposits	8,580,104	7,815,552
	11,673,415	19,050,300

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		DDEMONG TO
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
PMN HOULAND	31.03.2011 AMOUNT (Rs)	31.03.2010 AMOUNT (Rs)
SCHEDULE - 11		
LOANS & ADVANCES : (Unsecured but considered good)		
Advance to Suppliers Tax Deducted at Sources Advance Income Tax Paid Prepaid Expenses Interest Accrued Advances recoverable in cash or in kind or for value to be received (Considered good)	13,237,148 88,332 350,000 500,942 85,116 26,559,058	6,492,111 168,213 625,000 454,672 61,644 14,774,140
	40,820,596	22,575,780
SCHEDULE - 12		
CURRENT LIABILITIES & PROVISIONS:		
CURRENT LIABILITIES:		
Sundry Creditors & Others Security Deposits from Distributors Advances from Distributors & others Expenses Payable PROVISIONS: Income Tax Fringe Benefit Tax Wealth Tax	64,012,773 6000,000 914,616 6,719,688 1,069,985	90,180,835 6000,000 1,465,951 5,892,618 124,738 24,070 98,288,212
SCHEDULE - 13 SALES :		
Finished Goods - Paper Finished Goods - Soda Ash	570,752,393 32,324,750 603,077,143	497,703,323 30,524,900 528,228,223
SCHEDULE - 14	•	
INCOME FROM MISC. BUSINESS OPERATION:		
Misc. Receipts & Income From Business Operation	10,473,826 10,473,826	3,199,036 3,199,036



•				
PARTICULARS		CURRENT YEAR 31.03.2011 AMOUNT (Rs)	PR	31.03.2010 AMOUNT (Rs)
SCHEDULE - 15				
INCREASE/(DECREASE) IN STOCK:		•		
Opening Stock: Finished Goods Semi-Finished Goods Work in process	7,157,472 4,301,557. 3,761,220	15,220,249	8,696,755 3,659,797 2,470,572	14,827,124
Closing Stock: Finished Goods Semi-Finished Goods Work in process	9,750,560 3,365,204 4,654,765	17,770,529	7,157,472 4,301,557 3,761,220	15,220,249
Add: Excise duty in value of Finished Goods Increase / (Decrease)		2,550,280 (67,499) 2,482,781		393,125 28,998 422,123
SCHEDULE - 16 RAW MATERIAL CONSUMED :			•	
Opening Stock Add : Purchases		58,753,822 157,289,255 216,043,077		51,427,597 191,412,450 242.840.047
Less: Transfer to Fuel Exp.		216,043,077	•	242,840,047
Less : Closing Stock		38,834,576 177,208,501	•	58,753,822 184,086,225
SCHEDULE - 17			· ·	
MANUFACTURING EXPENSES: Chemicals, Consumables & Stores Wages & Allowances Power & Fuel Repair & Maintenance Raw Material, Mixing, Loading & Sorting Laboratory Expenses Boiler Feeding Expenses		194,224,751 8,916,877 123,466,376 1,648,635 1,500,000 155,995 1,440,000		162,446,660 8,136,704 95,173,660 2,511,095 1,320,000 131,265 1,685,665
		331,352,634		271,405,049
				•



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	31.03.2011 AMOUNT (Rs)	31.03.2010 AMOUNT (Rs)
SCHEDULE - 18		
ADMINISTRATION & OTHER EXPENSES:		20.550
Advertisement & Publicity	73,400	99,556
Office & General Expenses	17,267	623,848 644,792
Fees, Rate & Taxes	368,751 1 250 146	1,324,233
Insurance Charges	1,250,146 1,422,426	985,236
Legal and Professional Charges	54,648	160,070
Printing & Stationery Communication Charges	453,356	520,817
Travelling & Conveyance	3,613	7,243
Vehicle Running & Maintanens Expenses	44,221	36,908
Auditors Remuneration	150,000	170,000
Salaries (Including Managerial Remuneration)	7,005,630	6,970,470
	10,843,458	11,543,173
SCHEDULE -19 SELLING EXPENSES: Discount, Commission & other Selling Exp:		
Discount & Commission 8,141,88		7,701,941
Add: Other Selling Exp 2,656,94		2,426,080 10,128,021 17,113,540
Sales Tax & Entry Tax	18,489,538	17,110,040
	29,288,364	27,241,561
SCHEDULE - 20		
INTEREST & FINANCIAL CHARGES:	•	·
Interest on Bank of Baroda Term Loans	2,682,998	5,153,982
Interest on Bank of Baroda CC (Hypo & Book Debts)	7,237,132	5,002,887
Interest on Distributor and Inter-Corporate Deposit	3,148,501	2,877,236 1,236,110
Bank Charges	1,286,234 79,863	32,641
Interest on Vehicle Loan	7 9,003	
	14,434,728	14,302,856
•		-



SCHEDULE - 21

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 installation period and is net of modvat credit availed.

Depreciation on Fixed Assets is provided on Written Down Method (WDV) at the rates and in the manner prescribed in Schedule XIV of the Companies Act,1956 over their useful life, except on Fixed Assets pertaining to Boiler House, ETP Plant Conveyers & Handling Equipments, Laboratory Equipments, Forklift Truck and Rulling Machine where considering different set of environment in which these assets are operating viz-a-viz the other Plant and Machinery, adoption of Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act,1956 over their useful life, will result in more appropriate preparation and presentation of the financial statements of the Company. Due to change in accounting policy during the current year, depreciation has been recalculated on these assets in accordance with the changed method, from the date of the asset coming into use, and difference arising from the retrospective re-computation has been reflected in the accounts of the year.



(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.
- 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 Stock 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.

Deferred Tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

(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 computed using the weighted average number of equity shares and dilutive potential 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) SHARE CAPITAL

The Authorised Share Capital has been increased from Rs.10,00,00,000 to Rs.12,00,00,000. The Company had issued 20,00,000 Convertible Warrants of Rs.10 per Warrant to the Promoters on Preferential Basis out of which 6,66,667 Warrants have been converted into 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2009-2010,and 6,66,667 Warrants have been converted into 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2010-2011, so the Paid up Capital of the Company stands increased from Rs. 9,66,66,670 to Rs. 10,33,33,340.

(13) 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.

(14) 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

- Defined Contribution plan a)
 - 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.

Gratuity Group Gratuity cum Life Assurance Scheme with the Life Insurance Corporation of (ii) 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 administrating 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:

Amount in Rs.

1	Change in present value of obligation	2010-2011
a)	Present value of obligation as at the beginning	326249
b)	Current Service cost	29207
c)	Interest Cost	22451
d)	Benefit Paid	88846
e)	Additional contribution (As per Actuarial valuation)	<u>-</u>
f)	Present value of obligation as at the end of year	289061
2	Change in the fair value of plan assets	
3	Fair value of plan assets	<u> </u>
	Funded Status	(289004)
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	289061
b)	Fair value of plan assets as at the end of the year	-
<u>c)</u>	Funded status	(289061)
d)	Net assets / (liability) recognized in balance sheet	-
6	Expenses recognized in the statement of profit and loss	
a)	Current service cost	29207
b)	Interest cost	22451
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	51658

- (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.



(15) CASH FLOW

- i. The Cash Flow Statement has been prepared under the "Indirect Method" as prescribed in the Accounting Standard 3 "Cash Flow Statement".
- ii. The figures of previous year have been recast, rearranged and regrouped whenever considered necessary.
- iii. The Company had issued 20,00,000 Convertible Warrants of Rs.10 per Warrant to the Promoters on Preferential Basis out of which 6,66,667 Warrants have been converted into 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2009-2010, and 6,66,667 Warrants have been converted into 6,66,667 Equity Shares of Rs.10 each during the Financial Year 2010-2011, so the Paid up Capital of the Company stands increased from Rs. 9,66,66,670 to Rs. 10,33,33,340.

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 rupee.
- 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. 80.41Lacs and L/C amount Rs.211.36 Lacs outstanding as on 31.03.2011.
 - ii. Estimated amounts of contracts remaining to be executed on capital account and not provided for

Rs. NIL (Previous Year NIL).

4. Managerial Remuneration

Remuneration paid to Managing Director and Whole Time Director:

	Current Year 31.03.2011 Amount in (Rs.)	Previous Year 31.03.2010 Amount in (Rs.)
Salary & Allowances	1521657	1560000
TOTAL	1521657	1560000

Remuneration has been paid in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956.

Computation of Net Profit in accordance with section 309(5) of the Companies Act, 1956 is not given, as the Company has not paid any commission to any of its Directors.



- 5. The Term Loan from Bank of Baroda of Rs. 1,77,66,170/- (Previous Year Rs. 2,82,06,939/-) 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.
- 6. Working Capital Loan from Bank of Baroda Rs. 8,19,70,216/- (Previous Year Rs. 5,97,73,890/-) 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.
- 7. The Company has taken vehicle Loans from Bank of Baroda Rs. 3,51,635/- (Previous year 4,50,000/-) and Mahindra & Mahindra Financial Services Ltd. Rs. 58,433/- (Previous year 1,67,331/-) which are secured by hypothecation of the vehicles financed by them.
- 8. Auditor's Remuneration

Current Year (Rs.) Previous Year (Rs.)

As Audit Fees

1,50,000

1,50,000

- 9. Land, Building and Plant & Machinery were revalued by Rs.10,02,83,565/- by and 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 charged for the year include Rs.20,02,955/- (Previous Year Rs. 23,51,132/-) 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.
- 10. Method of charging depreciation on Conveyers & Handling Equipments, Laboratory Equipments, Forklift Truck and Rulling Machine has been changed from Written Down Method (WDV) to Straight Line Method (SLM), at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Accordingly, depreciation has been recalculated on these assets in accordance with the changed method, from the date of the asset coming into use, and the difference arising from the retrospective re-computation has been adjusted in the accounts of the year by crediting the differential amount of Rs. 37,36,822/- in the Profit & Loss Account and increasing the Net Block of Fixed Assets by equivalent amount. As a result of this change, the charge of depreciation for the current year is higher by Rs.1,50,901/-.

Had there been no change in the method of depreciation, the charge for the year would have been lower by Rs. 1,50,901/- and the Net Block of assets would have been higher by Rs. 35,85,921/-.

On amounts added due to 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.



11. 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 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.

12. There are no impairment of assets in terms of AS-28 issued by the Institute of Chartered Accountants of India.

13. Related Parties Disclosures:

Holding Company: NIL Subsidiary Company: NIL

Key Managerial Personnel: Mr.Sandeep Jain

Related Party:
Anju Jain
Mohit Jain
Bljnor Steel & Alloys Private Limited
Mohit Petrochemicals Private Limited
Centurion Paper and Board

Transactions with related parties for the period 01.04.2010 to 31.03.2011

Particulars Loans received Loan repaid Remuneration to key	Corporate Associates	KMP & Relations 36,85,000 24,84,280 14,70,000	Unincorporated Entities -	O/S as on 31-03-2011
personnel Rent Received	16,000			

14. Segment Information as per Accounting Standard 17 on Segment Reporting for the year ended 31.03.2011.

Particulars	Paper	Soda Ash	201 Total	Paper	Soda Ash	2010 Total
Revenue						
External Sales	5665.94	364.83	6030.77	4994.93	339.35	5282.28
Internal Segment Sales	-	<u>-</u>	· -	-	-	-
Total	5665.94	365.83	6030.77	4942.93	339.35	5282.28
Segment Result	(42.39)	135.31	92.92	(22.33)	141.44	119.11
Unallocated Corporate						
(Expenses)/ Income	-	-	99.76	-	-	19.47
Operating Profit		_	192.68	_	-	138.58
Interest Expenses	139.85	4.50	144.35	127.60	15.42	143.02
Interest/Dividend Income & Surplus on Disposal of Investments	-		4.98	-	_	12.52
Income Tax	_	_	-22.23		_	41.96
Profit after tax	_	_	75.54	_	-	(33.88)
Other Information						
Segment Assets	4200.16	34.15	4543.31	4219.64	396.30	4615.94
Unallocated Corporate Assets	-	-	132.00	_	-	. =
Total	4332.16	343.15	4675.31	4219.64	396.30	4615.94
Segment Liabilities	732.70	0.47	733.17	981.75	1.13	982.88
Unallocated Corporate Liabilities		-	-	-	<u>-</u>	
Total	732.70	0.47	733.17	981.75	1.13	982.88
Capital Expenditure			-	-	-	-
Depreciation/ Amortisation	169.87	55.84	225.71	15.84	6427	80.11
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 21, 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.

15. 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.

Profit after tax is Positive due to deferred tax asset provision of Rs. 32,92,893 during the year (Previous Year

16. EARNING PER SHARE (EPS):

Rs.40,20,877)

ARNING PER SHARE (EPS):		
	Current Year (Rs.)	Previous Year (Rs.)
Profit after taxation	7554431	(3362321)
Weighted Number of Equity Shares Outstanding	10333333	966667
	0.73	(0.35)
Basic Earning Per Share	U.13	(0.33)
Weighted Number of Shares (including		
Convertible Warrants)	11000000	11000000
Diluted earning		
per share	0.69	(0.30)
(Face Value Rs. 10/- per share)		



17. DEFERRED TAX LIABILITY (NET):

Deferred tax Liability due to

time difference

Deferred Tax Assets/Liab. as at 01.04.10	Current year (Charge)/ Credit)	(Amount in Rs.) Deferred Tax Assets/Liab. as at 31.03.11	
(4,65,82,274)	32,92,893	(4,32,89,381)	

18. 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		ced Capacity Previous Year		lled Capacity Previous Year		roduction Previous Year
Writing & Printing Paper & Newsprint	M.T.	N/A	N/A	14850	14850	15322.575	14838.136
Soda Ash	M.T.	N/A	N/A	NIL	NIL	3969	3461.500

Description	Unit	Opening Stock		Closing Stock		Sales	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Paper-Writing	M.Ţ.	211.961	280.876	272.599	211.961	15261.937	14907.051
& Printing & - Newsprint	VALUE	6753310	8514009	9391207	6753310	570752393	497703323
Soda Ash	M.T.	65.750	30.00	48.00	65.750	3986.750	3425.750
	VALUE	404162	182746	359353	404162	32324750	30524900
Unfinished	M.T.	139.590	124.226	100.296	139.590	-	-
Goods	VALUE	4301557	3659797	3365204	4301557	-	-

(ii) Particular of Stock and Turnover of Finished Goods

	Curre	nt Year	Previous Year		
Particulars	Amount in Rs.	Weight in MT	Amount in Rs.	Weight in MT	
Opening Stock					
Finished	7157472	277.711	8696755	310.876	
Unfinished	4301557	139.590	3659797	124.226	
Turnover	603077143	19248.687	528228223	18332.801	
Closing Stock			·		
Finished	9750560	320.599	7157472	277.711	
Unfinished	3365204	100.296	4301557	139.590	

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

	Curren	t Year	Previous Year	
Particulars	Amount in Rs.	Weight · in MT	Amount in Rs.	Weight in MT
Bagasse	48111216	30349	4,91,81,703	27,363,995
Waste Paper				
Indigenous	1,41,32,079	880.00	39,81,945	477.35
Imported	10,27,65,155	5219.426	12,48,14,919	6,860,165
Pulp:		<u>-</u>		
Imported	-	- · · · · · · · · · · · · · · · · · · ·	27,87,971	107.958
Agro Materials	1,22,00,051	4,409	33,16,687	1,576.51
TOTAL	17,72,08,501	41457.426	18,40,86,225	36,385.978
Less: Transfer to Boiler	-	-	-	•
	17,7208,501	41457.426	18,40,86,225	36,385,978

Current Year Previous Year

 (iv) CIF Value of imports
 8,63,34,954
 10,79,91,200

 -Capital Goods, Spares
 13,69,583
 12,76,578

 (v) Expenditure in Foreign Exchange
 NIL
 NIL

NIL

Subject to our separate report of even date.

For AJAY SHREYA & COMPANY CHARTERED ACCOUNTANTS Registration No. 021423N

(vi) Earning in Foreign Exchange

AJAY JAIN

(Proprietor)

SANDEEP JAIN

(Managing Director)

ANJU JAIN

(Company Secretary)

Membership No.:85354 PLACE: NEW DELHI DATED:09.07.2011 NIL



PART-IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PRO	OFILE
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		IND COMPANY 2 REMEMBER BOSINESS I MOUTE
İ.	•	440000
	Registration No.	: 116600
	State code	: 55
	Balance sheet Date	: 31.03.2011
	ii. Capital raised during the year (Amo	ount in Rs. Thousand)
	Public Issue	: NIL
	Right Issue	: NIL
	Bonus Issue	· NIL
	Private placement	: NIL
,	iii Position of Mobilisation and Deploy	ments of Funds:(Amount in Rs. Thousand)
	Total Liabilities	394214
	Total Assets	. : 394214
	Sources of Funds-	
	Paid-up Capital	: 103333
	Share Warrant	: 6667
	Reserves and Surplus	84258
	Secured Loans	100146
	Unsecured	56521
	Deferred Tax Liabilities	43289
	Application of Funds-	
	Net fixed Assets	209274
	Net Current Assets	171740
	Investment	13200
	iv. Performance of Company (Amour	
		: 588547
	Turnover Total Expanditure	583216
	Total Expenditure	5331
	Profit before Tax	. 3331
	Profit after Current Tax &	: 7554
	Deferred tax, Fringe Benefit Tax	. 1354
	Earning per share in Rs.	n 72
	(Weighted averages)	. 0.73 NIII
	Dividend Rate %	; NIL
	v. Generic Names of Principal	
	Products / Services of company -	4000000
	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 Registration No. 021423N

AJAY JAIN	
(Proprietor)	
MEMBERSHIP NO.85354	

Place: New Delhi

Dated:09.07.2011

ANANT VATS (Company Secretary) SANDEEP JAIN (Managing Director)

ANJU JAIN (Director)

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 Thursday 30th Day of September, 2011 at 10:00 A.M. at Junction 36,
16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005.

NAME OF THE SHAREHOLDER	•	
FOLIO/CLIENTID NO.	•	
NO. OF SHARES HELD		
NAME OF THE PROXY	• • <u> </u>	

I/We hereby record my/our presence at the 18th 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.

<u>.</u>			
Folio/Client ID No DP ID No			
/We			of
	in the dist		· -
Company hereby appo	nint		eing a shareholder/s of the above o
			in the district o
		*	o in the distric
ny/our behalf at the 19th Ar ny adjournments thereof.	inual General Meeting of	the Company to be held or	n, 30th Day of September,2011 and a
Signed this	day of	2011	
			•
	-		[
			Affix Revenue
	•		stamp
	•	(Shareh	nolder)
			•
Note: Proxy must be deposing the Meeting.	ted at the Registered Offi	ce of the Corporation not le	ess than 48 hours before the time for



IN CASE SHAREHOLDER IS A BODY CORPORATE / INSTITUTION

Name of the Body Corporate (Shareholder)		Name of the Representative
Folio/Client ID No:	Designation_	
* '	•	of the Company on, 30 th day of September, 2011 at ak Road, Karol Bagh, New Delhi-110005.
body of the Institution regarding appo	intment of the Represent	resolution of the Board of Directors or a governing ative to attend Meeting be enclosed or be sent in e Slip on behalf of the Body Corporate/Institution
(Shareholder/Representative of Body Card/Attendance Slip to the Meeting an		ng the Meeting must bring the above Admission e, after duly signing.)
•		

BOOK POST

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If undelivered please return to:

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