



**MOHIT PAPER
MILLS LIMITED**

2011 - 2012
TWENTIETH ANNUAL REPORT



MOHIT PAPER MILLS LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR
Mr. Sandeep Jain

WHOLE TIME DIRECTOR
Mr. Hardesh Kumar Gupta

NON EXECUTIVE DIRECTOR
Mrs. Anju Jain

INDEPENDENT DIRECTORS
Mr. Rakesh Kansal
Mrs. Rashmi Kansal
Mr. Devender Shankar Vishnoi
Mr. Sushil Kumar Tyagi

COMPANY SECRETARY
Mr. Anant Vats

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

BANKERS
BANK OF BARODA

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

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

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



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 20th Annual General Meeting of MOHIT PAPER MILLS LIMITED will be held on Saturday, the 29th Day of September, 2012 at 10.00 A.M. at Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the 20th Annual Report of the Company, Balance Sheet as at 31st March, 2012, the Profit and Loss account for the financial year ended 31st March, 2012, the Cash Flow Statement for the financial year ended March 31st, 2012 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Anju Jain, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Devendra Shankar Vishnoi, who retires by rotation and is eligible for re-appointment.
4. To consider and, if thought fit, to pass, with or without, modifications, if any, the following as an **ORDINARY RESOLUTION:**

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

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to the provisions, inter alia of Section 198, 269 and 309, 310, 311, 314, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 including any (modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government if required, and such other approvals as may be necessary, the approval of the Company be and is hereby accorded to the appointment of Mr. Hardesh Kumar Gupta as Whole Time Director for a period of 5 years with effect from 7th Day of July, 2012 and be paid remuneration in the manner and to the extent set out:-

- a. Monthly Remuneration of ₹50,000/-
- b. Perquisites in addition to salary payable:
 1. Medical Reimbursement: Reimbursement of expenses for self and family subject to the ceiling of one months salary in a year.
 2. Leave Travel Concession: For Self and Family once in a year in accordance with the rules framed by the company.
 3. Provident Fund: Company's contribution to the Fund as per the rules of the company.
 4. Gratuity: As per the rules of the company but not exceeding half months salary for each completed year of service. However the overall amount payable to Mr. Hardesh Kumar Gupta shall not exceed the maximum permissible under section 198 and 309, read with Schedule XIII of the Companies Act, 1956.



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

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

"RESOLVED that pursuant to the provisions, inter alia of Section 198, 269 and 309, 310, 311, 314, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 including any (modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government if required, and such other approvals as may be necessary, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Sandeep Jain as Managing Director for a period of 5 years with effect from 13th August 2012 and be paid remuneration in the manner and to the extent set out:-

a. Monthly Remuneration of ₹100,000/-

b. Perquisites in addition to salary payable:

1. Medical Reimbursement- Reimbursement of expenses for self and family subject to the ceiling of one months salary in a year.

2. Leave Travel Concession: For Self and Family once in a year in accordance with the rules framed by the company.

3. Provident Fund: Company's contribution to the Fund as per the rules of the company.

4. Gratuity: As per the rules of the company but not exceeding half months salary for each completed year of service.

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

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

ANANT VATS
COMPANY SECRETARY)
PLACE : NEW DELHI
DATED : 11/08/2012
NOTES:



1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The information as required to be provided under the Listing Agreement entered into with Stock Exchanges regarding the directors who are proposed to be appointed/re-appointed and the related explanatory statement pursuant to section 173(2) in respect of the business under item no.5,6 and 7 as set out are attached herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 27th Day of September to 29th Day of September, 2012 (both days Inclusive).
4. Members are requested to notify to the Company any change in their address quoting ledger folio number.
5. Members who hold shares in Dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Members / Proxies are requested to bring copy of the Annual Report with them, as copies of the Report will not be distributed at the meeting.
7. Members / Proxies should fill the Attendance Slip for attending the meeting.
8. The Ministry of Corporate Affairs ("Ministry") has undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode. Shareholders are requested to register their e-mail ID in the format given below with the company to receive communication through electronic mode as permitted by Circular No.17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011 issued by the Ministry of Corporate Affairs.

E-COMMUNICATION REGISTRATION FORM

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

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



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

Signature

Date:..... (First Holder)

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

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

1.NAME	MRS. ANJU JAIN
AGE	45 YEARS
QUALIFICATION	POST GRADUATE
EXPERIENCE	19 YEARS EXPERIENCE IN ADMINISTRATION
OTHER DIRECTORSHIPS	NIL
DESIGNATION	PROMOTER, NON -EXECUTIVE DIRECTOR

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



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

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

Mr. Hardesh Kumar Gupta has a vast experience in the manufacturing of Paper, he is engaged with the paper industry for more than 25 years. He has worked with the leading paper manufacturers of the Country.

The Board of Directors at the meeting held on 7th Day of July, 2012 have appointed Mr. Hardesh Kumar Gupta as the Whole Time Director for a period of 5 years effective from 7th Day of July, 2012 and the remuneration has been fixed as approved by the Remuneration Committee who has taken diligence in deciding the same.

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

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

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

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

ITEM NO. 6

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

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



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

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

ITEM NO.7

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

**ANANT VATS
(COMPANY SECRETARY)**

**PLACE : NEW DELHI
DATED : 11.08.2012**

**DIRECTORS' REPORT**

To the Members,

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

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

1. FINANCIAL RESULTS

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

The Company has not transferred any amount to the reserves during the current year except the surplus in the Profit & Loss Account for the year ended on 31.3.2012, which has been carried over in the Balance Sheet. Gross Sales and Other Income for the year was ₹ 68.12 crores as against ₹ 61.35 crores in the previous year.

2. DIVIDEND

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

3. PUBLIC DEPOSITS UNDER SECTION 58 A

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

4. SHARE CAPITAL

The Company have issued 20,00,000 Convertible Warrants of ₹ 10 each to the Promoters on Preferential basis out of which 666667 warrants have been converted into 666667 equity shares of ₹ 10 each during the Financial year



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

During the year the production has increased from 19291.575 M.T. to 19980.674 M.T. Gross Sales has increased from ₹ 61.35 Crores to ₹ 68.12 crores. Net Profit before tax of the Company has increased from ₹ 53.31 Lacs to ₹ 96.93 Lacs.

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

6. DIRECTORS

Mr. Devendra Shankar Vishnoi and Mrs. Anju Jain retires by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Sushil Kumar Tyagi is been appointed as Additional Director on the Board on 14.05.2012. Mr. Sanat Kumar Bhatt and Mr. Tapan Kumar Chowdhury whole time directors gave their resignation during the year and Mr. Devi Prasad Dwivedi has been appointed whole time director during the year and he resigned on 07/07/2012. Mr. Hardesh Kumar Gupta was appointed as Whole Time Director subject to the approval of shareholders in the Annual General Meeting on 07/07/2012. Mr. Sandeep Jain's Office of Managing Directorship expires on 13.08.2012 so he is re-appointed as Managing Director by the Board on 11/08/2012 subject to the approval of shareholders in the Annual General Meeting.

7. INSURANCE

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

8. AUDITORS

M/s AJAY SHREYA & CO. CHARTERED ACCOUNTANTS, Auditors of the Company, retire from their office. They are eligible for re-appointment and have furnished certificate to the effect that their appointment if made will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Your directors recommend their re-appointment for the Accounting Year 2012-2013.

9. AUDITORS REPORT

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

10. COST AUDITORS

The Central Government has approved the appointment of M/S H. Tara & Company the cost accountants for conducting Cost Audit for the financial year 2011-2012 relating to (Paper) and (Electricity).

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

Under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the detailed



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
2. 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 : 11/08/2012



**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 ₹ 14,60,06,832/- 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 : 11/08/2012



FORM-A

Disclosure of particulars with respect to conservation of energy:

A. Power & Fuel consumption

1. Electricity

	Current Year 31.03.2012	Previous Year 31.03.2011
a. Purchased:		
Units	1569680	-
Total Amount (₹)	8623866	-
Rate/Unit	5.49	-
b. Own Generation:		
i. Through Diesel Generator:		
Units	3542	14080
Units per ltr. of Diesel oil	3.22	3.20
Cost/Unit	8.85	8.89
ii. Through Steam Turbine/Generator		
a. Units Produced	17361758	17218625
Cost/Unit	NIL	NIL
Units per ltr. of fuel	NIL	NIL
b. Units Sold	2043519	1278200
Rate/Units	4.30	4.50
c. Net units consumed for production		
Units	15318239	15940425
Cost/Units	NIL	NIL
Units per rate of fuel	NIL	NIL
2. Coal / Charcoal:		
Qty.(MT)	13709.68	27998.21
Total Cost (₹)	55855411	100218366
Average Rate	4074.15	3579.45
3. Tel Rahit Bhussi:		
Qty.(MT)	28953.410	11261.235
Total Cost (₹)	73013855	21853608
Average Rate	2521.77	1940.60
4. Baggass:		
Qty.(M.T.)	Nil	Nil
Total Cost (₹)	Nil	Nil
Average Rate	Nil	Nil

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

Product	Current Year		Previous Year	
	Paper	Soda Ash	Paper	Soda Ash
Production (MT)	16377.024	3603.650	15322.575	3969.00
Electricity (Units/MT)	950	369	945	368
Tel Rahit Bhussi (in Boiler) (On directly attributable basis To Production)	0.77	0.291	0.667	0.259
Coal(In Boiler) (On Directly attributable basis to production)	1.632	0.615	1.659	0.640
Bagasse	Nil	Nil	Nil	Nil

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN
(CHAIRMAN)
PLACE : NEW DELHI
DATED : 11/08/2012



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 : 11/08/2012



**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, 2012 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 31.03.2012, 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 : 11/08/2012



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 during the year 2012:

NAME	DESIGNATION	CATEGORY
MR. SANDEEP JAIN	CHAIRMAN AND MANAGING DIRECTOR	PROMOTER, EXECUTIVE DIRECTOR
MR. DEVI PRASAD DWIVEDI	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 12

13.04.2011
29.04.2011
07.07.2011
30.07.2011
16.08.2011
09.09.2011
15.10.2011
02.12.2011
04.01.2012
06.01.2012
31.01.2012
31.03.2012



Mr. Tapan Kumar Chowdhury was whole time director till 06.01.2012. He has given the resignation from the office of directorship on 06.01.2012.

Mr. Sushil Kumar Tyagi was appointed as Additional Director on 14.05.2012.

Mr. Sanat Kumar Bhatt was appointed whole time director with effect from 06.01.2012.

Mr. Sanat Kumar Bhatt have also resigned from the office of whole time director on 31.03.2012 and in his place Mr. Devi Prasad Dwivedi was appointed as whole time director on 31.03.2012 who resigned on 07/07/2012. Mr. Hardesh Kumar Gupta was appointed as whole time director on 07/07/2012 subject to approval at the AGM.

Mr. Sandeep Jain's Office of Managing Directorship expires on 13.08.2012 so he is re-appointed as Managing Director by the Board subject to the approval of shareholders in the Annual General Meeting.

Particulars of Directors including their attendance at the Board / Shareholder's Meetings during the year 2011-2012

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	12	Yes	-
Mrs. Anju Jain	Non Executive Director	Nil	12	Yes	-
Mr. Sanat Kumar Bhatt	Whole Time Director	Nil	0	No	No
Mr. Rakesh Kansal	Independent Director	-	8	No	3
Mrs. Rashmi Kansal	Independent Director	-	1	No	3
Mr. Tapan Kumar Chowdhury	Whole Time Director	-	9	No	-
Mr. Devi Prasad Dwivedi	Whole Time Director	Nil	0	No	No
Mr. Devendra Shankar Vishnoi	Independent Director	-	1	No	-

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	4	Member

Mr. Sushil Kumar Tyagi is appointed as Additional Director in the Board meeting held on 14/05/2012 and is made the member of the Audit Committee.

Mr. Rakesh Kansal have shown disinterest in continuing with the Chairman of Audit Committee so Mr. Sushil Kumar Tyagi is elected as Chairman of the Audit Committee in the meeting of the Audit Committee held on 28.05.2012.

Date of the Meetings are as follows:

28.04.2011
08.07.2011
19.10.2011
20.01.2012

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

Two Meetings were held during the year on 02.01.2012 and 28.03.2012.

Details of Remuneration for the Year 2011-2012

Name	Salary	Commission	Perks	Retirement Benefits	Total
Mr. Sandeep Jain	1200000	-	-	-	1200000
Mr. Tapan Kumar Chowdhury	270000	-	-	-	270000
Mr. Sanat Kumar Bhatt	285484	-	-	-	285484
Total	1755484				1755484

5. Shareholders/Investors/Grievance Committee:

Composition of the Committee was as follows:

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

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

So the Committee has reviewed the work done by the Registrar and Share Transfer Agent on its Meeting held on 23rd Day of March, 2012, 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 31.03.2012.

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
2010-2011	Junction 36,16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005	30.09.2011	10.00 A.M.
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.



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. 8 of Section B of Notes to Accounts.

b. Compliance by the Company

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

12. CORPORATE GOVERNANCE COMPLIANCE STATUS

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I	YES	
(A) Composition of Board	49(IA)	YES	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	
(C) Other provisions as to Board and Committees	49 (IC)	YES	
D) Code of Conduct	(49 (ID)	YES	
II. Audit Committee	49 (II)	YES	
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	
(B) Meeting of Audit Committee		YES	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	YES	
(D) Role of Audit Committee	49 II(D)	YES	
(E) Review of Information by Audit Committee	49 (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 Business Standard.

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 29.09.2012
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 27th Day of September, 2012 To 29th September, 2012 (both days inclusive)

e. Listing at Stock Exchanges:

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

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

The Annual Listing Fee for the year 2011-2012 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 31.03.2012

4192292 number of shares stand in NSDLA/C

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

ISIN of the Company is INE388C01017

m. Distribution of shareholding as on 31st March 2012

Slab	No of Shareholders		No of Shareholders	
	Total	% of Shareholders	Total	% of Share Capital
Upto -5000	10087	91.58	1232994	11.21
5001-10000	461	4.19	414005	3.76
10001-20000	257	2.33	410076	3.73
20001-30000	86	0.78	216424	1.97
30001-40000	22	0.20	78107	0.71
40001-50001	12	0.11	56986	0.52
50001-100000	40	0.36	297904	2.71
100000 & above	50	0.45	8293504	75.39
Total	11015	100	110000000	100

n. Category of Shareholders as on 31st March, 2012

Category	No. of Shares	%
Non Resident Holding	469982	4.27
Body Corporate	1342411	12.20
Mutual Funds	1400	0.01
Promoter Group	5996700	54.52
Public	3189507	29.00
Total	11000000	100

o. Stock Price Data- monthly high and low in Bombay Stock Exchange during the financial year 2011-2012

Month	High (₹)	Low (₹)
April 2011	6.03	4.42
May 2011	5.69	4.73
June 2011	6.35	4.52
July 2011	6.39	4.36
August 2011	6.30	4.46
September 2011	5.14	4.10
October 2011	5.51	4.50
November 2011	7.22	5.00
December 2011	7.35	5.73
January 2012	5.71	4.70
February 2012	5.56	4.74
March 2012	5.09	4.21

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:

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



- 4.1) Significant changes in internal control during the year.
- 4.2) Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements;
- 4.3) Instances of significant fraud of which the Company has become aware and the involvement therein, if any of the management or an employee having significant role in the Company's internal control system.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SANDEEP JAIN
(MANAGING DIRECTOR)

PLACE : NEW DELHI
DATED : 11/08/2012

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 2011-2012.
- 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 2011-2012.

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 2011-2012 and its outlook for the future. This outlook is based on current business environment which may vary due to future economic and other developments.

1. Industry Structure and Development

India's per capita consumption is 10 kg currently, India is likely to experience the highest growth rate in the world in paper consumption over coming 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 20 kg per capita. India consumes 9 kg paper as compared to world average of 58 kg. However with more income in the hands of the people especially the younger lot due to increase in income, the life style of young generation is fast changing. Consumers are now buying branded products, they are preferring branded notebooks and files instead of non-branded ones.

Electronic media is growing and has many uses of paper, paper is fundamental to the economy and always will be so it is a positive factor in favor of the paper industry.

Indians are becoming more environmental friendly thereby replacing plastic with paper. India is doing well and requires more of copier paper, paper for print outs, marketing etc.

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 90.23% 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 16377.024 M.T. of paper as against 15322.575 M.T. for the previous year.

The Company has also produced 3603.650 M.T. of Soda Ash as against 3969.00 M.T. which is another segment.



4. Outlook

The future of paper industry is can be linked with the future of the economy of India. It is a turbulent time but we can foresee a better and brighter prospect in 2012-2013 The inflation is coming under control and after a while RBI has loosened its tight monetary regulations. A favorable GDP growth will result in higher demand for paper and paperboards. Noboubt like most of the Industries, paper industry is also facing pressure of selling price coupled with increase in raw-material prices.

However with a population of 1.2 billion with higher young population having large disposable income the demand for consumer products is bound to increase.

There is excess capacity in the market due to large expansions, but those mills which can offer quality product at competitive prices combined with fast delivery and better services to client will overcome all the problems of excess capacities in the market.

5. Risks And Concerns

The year 2011-2012 was very challenging for the paper Industry as a whole. Excess supplies of paper in the market and the slowdown of the demand in the market has caused setback to the Industry.

Increase in raw-material ,energy and financing costs and decrease in value of rupee in exchange of dollar have put enormous pressure on the cost of production

With good monsoon and the anticipated improvement in the economic growth, demand for paper and paper products in expected to improve in 2012-2013.

The expectation of Indian Paper Industry is expected to be positive in 2012-2013

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 (₹ In Lacs)
Sales & Other Income	6812.98
Profit before Interest, Depreciation and Tax	306.95



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 132 on 31st March, 2012. 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 2012 in accordance with the provisions of section 227(2) of the Companies Act, 1956.

To the Members of Mohit Paper Mills Limited,

1. We have audited the attached Balance Sheet of M/s Mohit Paper Mills Limited at 31st March 2012, and annexed Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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.
4. Further to our comments in the Annexure 'A' statement on the matters specified in paragraph 4 and 5 of the said Order.
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of the books of account of the company.
 - (iii) The Balance Sheet and Statement of Profit & Loss 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.



- (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 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, 2012.
 - b. in the case of the Statement of Profit & Loss 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 : 29.05.2012



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, 2012

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 Inventory
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory 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 inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured granted or taken by the Company to/from Companies, firms and other parties covered in the register maintained u/s 301 of Companies Act, 1956:
 - a. According to the records of the Company and information given to us, Company has not granted loan to any party during the year.
 - b. The Company has not taken Loan from from any party during the year. The Company has repaid the opening balance of ₹ 20.52 Lacs which was the maximum balance during the year, and year end balance is 'NIL'.



- c. In our opinion and according to the information and explanation given to us, the loan taken is interest free and other terms and conditions of the loans taken by the Company are not prima facie prejudicial to the interest of the Company.
 - d. According to the records of the Company and information given to us in respect of loans taken by the Company, the loan is interest free and the principal amount is repayable on demand and there are no overdues.
4. In our opinion and according to the information and explanations given to us, there were adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
- In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in Section 301 of the Companies Act, 1956, particulars of which need to be entered into a register maintained under Section 301 of the Act. Accordingly, clause 4(v)(b) of the order is not applicable.
6. The company has not accepted any deposits from the public.
7. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
9. (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, excise and cess were in arrears, as at 31.03.2012 for the period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, no dues of income tax, wealth tax, sales tax and cess, which have not been deposited on account of any dispute.



10. The Company do not have any accumulated losses nor has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
11. According to the records and information given to us, the Company has not defaulted in repayment of dues to any financial institution or banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanation given to us, the company is not dealing in shares, securities/debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year covered by our audit, the terms and conditions whereof are prejudicial to the interest of the Company.
16. The term loans have been applied for the purpose for which they were raised.
17. According to information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets (excludes permanent working capital).
18. The Company has 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.
19. According to information and explanations given to us, the company has not issued any, debentures during the year.
20. The Company has not raised any money by way of Public Issue during the year.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.



FOR AJAY SHREYA & COMPANY

CHARTERED ACCOUNTANTS
Registration No. 021423N

AJAY JAIN
(Proprietor)
Membership No.: 85354

PLACE : New Delhi
DATED : 29.05.2012

**MOHIT PAPER MILLS LIMITED**

MOHIT PAPER MILLS LIMITED
 Regd. Office : 15A/13, UPPER GROUND FLOOR, EAST PATEL NAGAR, NEW DELHI - 110008

BALANCE SHEET AS AT 31.03.2012

PARTICULARS	Note	AS AT 31st March, 2012 Amount (₹)	AS AT 31st March, 2011 Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' fund			
Share Capital	1	110,000,000	103,333,340
Reserves & Surplus	2	86,760,399	84,257,632
Money received against share warrants		-	6,666,660
Non-current liabilities			
Long-term borrowings	3	10,113,465	18,176,238
Deferred Tax Liability - Net	4	46,878,488	43,289,381
Other long term liabilities	5	600,000	600,000
Current Liabilities			
Short-term borrowings	6	223,474,567	138,491,252
Trade Payables	7	30,055,761	64,012,773
Other current liabilities	8	8,411,256	7,634,304
Short-term provisions	9	1,895,020	1,069,985
TOTAL		<u>518,188,956</u>	<u>467,531,565</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	257,275,355	203,598,301
Capital work-in-progress	11	-	5,675,425
Long-term loans & advances	12	2,066,625	1,929,972
Non-Current investment	13	13,200,000	13,200,000
		<u>272,541,980</u>	<u>224,403,698</u>
Current Assets			
Inventories	14	116,398,866	147,700,668
Trade Receivables	15	92,508,361	44,863,160
Cash & cash equivalents	16	12,439,688	11,673,415
Short-term loans & advances	17	24,300,061	38,890,624
		<u>245,646,976</u>	<u>243,127,867</u>
TOTAL		<u>518,188,956</u>	<u>467,531,565</u>

The accompanying notes 1 to 27 are an integral part of the Financial Statements.
 As per our Report of even date

For Ajay Shreya & Company
 Chartered Accountants
 Registration No : 021423N

Ajay Jain
 (Proprietor)
 Membership No.: 85354

Sandeep Jain
 (Managing Director)

Anju Jain
 (Director)

Anant Vats
 (Company Secretary)

Place : New Delhi
 Dated : 29.05.2012

**MOHIT PAPER MILLS LIMITED**

MOHIT PAPER MILLS LIMITED
 Regd. Office : 15A/13, UPPER GROUND FLOOR, EAST PATEL NAGAR, NEW DELHI - 110008

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note	For the year ended 31st March, 2012 Amount (₹)	For the year ended 31st March, 2011 Amount (₹)
Revenue from operations			
Sales of Products		675,589,818	603,077,143
Less: Exise Duties		31,858,848	25,003,068
		<u>643,730,970</u>	<u>578,074,075</u>
Other Income	18 19	5,709,104	10,473,826
TOTAL REVENUE		<u>649,440,074</u>	<u>588,547,901</u>
EXPENDITURE			
Cost Of Materials Consumed	20	216,774,631	177,208,501
Changes in Inventories	21	(6,765,445)	(2,482,781)
Employee Benefits Expenses	22	11,933,147	15,922,507
Finance Costs	23	16,090,751	14,434,728
Depreciation and Amortization	24	4,911,539	22,571,474
Other Expenses	25	396,802,217	355,561,949
TOTAL EXPENSES		<u>639,746,840</u>	<u>583,216,378</u>
Profit/(Loss) before Exceptional and Extraordinary Items & tax		9,693,234	5,331,523
Exceptional Items		-	-
Profit/(Loss) before Extraordinary Item & tax		9,693,234	5,331,523
Extraordinary Items		-	-
Profit before tax		9,639,234	5,331,523
Tax Expenses			
Current Tax		1,895,020	1,069,985
Deferred Tax		3,589,107	(3,292,893)
Profit/(Loss) for the period from Continuing Operations		4,209,107	7,554,431
Profit/(Loss) from Discontinuing Operations		-	-
Tax Expenses of Discontinuing Operations		-	-
Profit/(Loss) for the period		4,209,107	7,554,431
Earning per Equity Share (Face Value of Rs. 10/- each)	26		
Basic		0.38	0.73
Diluted		0.38	0.69

The accompanying notes 1 to 27 are an integral part of the Financial Statements.
 As per our Report of even date

For Ajay Shreya & Company
 Chartered Accountants
 Registration No.:021423N

Ajay Jain
 (Proprietor)
 Membership No.: 85354

Sandeep Jain
 (Managing Director)

Anju Jain
 (Director)

Anant Vats
 (Company Secretary)

Place : New Delhi
 Dated : 29.05.2012



MOHIT PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2012

PARTICULARS	Amount in (₹) YEAR ENDED 31.03.2012	Amount in (₹) YEAR ENDED 31.03.2011
A. Cash flow from Operating Activities		
Net profit before tax and extra ordinary item	9,693,234	5,331,523
Net prior year & other adjustment:		
Finance Cost	16,090,751	14,434,728
(i) Depreciation	1,706,340	2,002,955
(ii) Amount credited from P&L A/c	(1,706,340)	(2,002,955)
(iii) Profit/(Loss) on sale of Assets	25,783,985	19,766,251
	(1,086,656)	(1,085,104)
	24,697,329	18,681,147
Adjusted for:		
-Depreciation	4,911,539	22,571,474
Operating Profit before working capital changes	29,608,868	41,252,621
Adjustment for:		
- Inventories	31,301,802	2,998,293
- Trade Receivables	(47,645,201)	(8,642,486)
- Payable	(32,355,025)	(24,971,150)
- Direct Taxes Paid	(1,895,020)	(1,069,985)
Net Cash Flow from operating activities	(20,984,576)	9,567,293
B. Cash flow From Investing Activities		
Increase in Fixed Assets	(63,115,298)	(1,833,676)
- Sale of Fixed Assets	3,907,021	2,474,981
- Decrease in capital work in progress	5,675,425	(355,842)
- Increase in Long Term Loans & Advances	(136,653)	(11,703)
- Increase in Short Term Loans & Advances	14,590,563	(18,233,113)
Net Cash Flow from Investing Activities	(39,078,942)	(17,959,353)
C. Cash Flow from Finance Activities		
- Proceeds from Long Term Borrowing	(8,062,773)	11,548,294
- Proceeds/repayment of Short Term Borrowings	84,983,315	3,901,609
- Increase in Share Capital	6,666,660	6,666,670
- Issue of Share Warrants	(6,666,660)	(6,666,670)
Finance Cost Paid	(16,090,751)	(14,434,728)
Cash flow from Financing Activities	60,829,791	1,015,175
Net increase in Cash and Cash Equivalents (A+B+C)	766,273	(7,376,885)
Opening Balance of cash and cash equivalents	11,673,415	19,050,300
Closing Balance of cash and cash equivalents	12,439,688	11,673,415

Notes Forming Part of Accounts

As per our report of even date attached

For Ajay Shreya & Company
Chartered Accountants
Registration No.:021423N

Ajay Jain
(Proprietor)
Membership No.: 85354

Sandeep Jain
(Managing Director)

Anju Jain
(Director)

Anant Vats
(Company Secretary)

Place : New Delhi
Dated : 29.05.2012

**MOHIT PAPER MILLS LIMITED****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	AS AT	
	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
1 A. SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :		
1,20,00,000 (Previous year 1,20,00,000)	120,000,000	120,000,000
Equity shares of ₹ 10/- each.		
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
1,10,00,000 (Previous year 1,03,33,334)	110,000,000	103,333,340
Equity shares of ₹ 10/- each.		
Fully Paid up.		
TOTAL	110,000,000	103,333,340

Shares out of the issued, subscribed and paid up share capital were allotted on exercise of warrants.

B. Details of shareholding more than 5 percent shares of the Company as on reporting date are given below :

S.No.	Name of Shareholders	As on 31/03/2012		As on 31/03/2011	
		Number of Share held	%age of Holding	Number of Share held	%age of Holding
1.	Mr. Sandeep Jain	1,456,450	13.24%	1,289,784	12.48%
2.	Mrs Anju Jain	1,353,201	12.30%	1,186,534	11.48%
3.	Mr. Mohit Jain	1,361,299	12.38%	1,027,966	9.95%

C. Reconciliation of Shares outstanding at the beginning and at the end of year are given below :

Particulars	2011-2012		2010-2011	
	Number	Amount (₹)	Number	Amount (₹)
Equity Shares outstanding at the beginning of the year	10,333,334	103,333,340	9,666,668	96,666,680
Add : Equity Shares issued during the year	666,666	6,666,660	666,666	6,666,660
Less : Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	11,000,000	110,000,000	10,333,334	103,333,340

2 RESERVES & SURPLUS				
Profit & Loss A/c		65,008,841		57,454,410
(As per last Balance Sheet)				
Add : Profit & Loss A/c	(A)	4,209,107		7,554,431
		69,217,948		65,008,841
CAPITAL RESERVE :				
Capital Reserve		19,248,791		21,251,746
Less : Transfer to Profit & Loss A/c	(B)	1,706,340		2,002,955
		17,542,451		19,248,791
Total Reserve & Surplus (A + B)	TOTAL	86,760,399		84,257,632

3 LONG TERM BORROWINGS**SECURED:****Term Loan**

From Bank

Long Term Maturities of Vehicle Loan Obligations

TOTAL

10,113,465

17,766,170

410,068

10,113,465**17,766,170****410,068**

Nature of Security for Secured Borrowings are given below :

Term Loan from Bank :

The Term Loan from Bank of Baroda of ₹ 10113465/- (Previous Year of ₹ 17766170/-) 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.

Long Term Maturities of Vehicle Loan :

Above Loan is secured against Hypothecation of Vehicles financed by them.

410,068

**MOHIT PAPER MILLS LIMITED**

PARTICULARS	AS AT	AS AT
	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
4 DEFERRED TAX LIABILITY		
Related to fixed assets	46,878,488	43,289,381
TOTAL	46,878,488	43,289,381
5 OTHER LONG TERM LIABILITIES		
Dealers Security	600,000	600,000
TOTAL	600,000	600,000
6 SHORT TERM BORROWINGS		
SECURED:		
Working Capital Loan from Bank	130,701,125	81,970,216
	130,701,125	81,970,216
UNSECURED:		
- From Directors		2,052,165
- From Body Corporates	92,773,442	54,468,871
	92,773,442	56,521,036
TOTAL	223,474,567	138,491,525
<p>Working Capital Borrowings from Bank of Baroda are secured against Hypothecation of Stock and Book Debts of the Company. In addition to above, First Charge as Collateral Security over Building and Plant & Machinery both present and future have been created in favour of Bank of Baroda.</p>		
7 TRADE PAYABLES		
Sundry Creditors	30,055,761	64,012,773
TOTAL	30,055,761	64,012,773
8 OTHER CURRENT LIABILITIES		
Advances received from customers	1,071,414	914,616
Other Payables	7,339,842	6,719,688
TOTAL	8,411,256	7,634,304
Other payables comprise :		
Statutory Liabilities	4,101,203	6,342,429
Others	3,238,639	377,259
	7,339,842	6,719,688
9 SHORT TERM PROVISIONS		
Current Tax	1,895,020	1,069,985
TOTAL	1,895,020	1,069,985

**MOHIT PAPER MILLS LIMITED**

PARTICULARS	AS AT	AS AT
	31st March, 2012 Amount (₹)	31st March, 2011 Amount (₹)
4 DEFERRED TAX LIABILITY		
Related to fixed assets	46,878,488	43,289,381
TOTAL	<u>46,878,488</u>	<u>43,289,381</u>
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Dealers Security	600,000	600,000
TOTAL	<u>600,000</u>	<u>600,000</u>
6 SHORT TERM BORROWINGS		
SECURED:		
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	<u>92,773,442</u>	<u>56,521,036</u>
TOTAL	<u>223,474,567</u>	<u>138,491,525</u>
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Others	3,238,639	377,259
	<u>7,339,842</u>	<u>6,719,688</u>
9 SHORT TERM PROVISIONS		
Current Tax	1,895,020	1,069,985
TOTAL	<u>1,895,020</u>	<u>1,069,985</u>



MOHIT PAPER MILLS LIMITED

FIXED ASSETS

Assets	Gross Block			Depreciation			Net Block			
	As At 01.04.11	Additions during the year	Deduction During the year	Total Cost As At 31.03.12	upto 31.03.2011	For the period	Adjustment	Total Upto 31.03.2012	As At 31.03.2011	As At 31.03.2012
Land	8,857,464	-	-	8,857,464	-	-	-	-	8,857,464	8,857,464
Building	44,976,240	3,748,333	-	48,724,573	29,729,364	1,615,360	-	31,344,724	17,379,849	15,246,876
Furniture & Fixtures	1,782,771	21,380	-	1,804,151	1,408,475	68,585	-	1,477,060	327,091	374,296
Plant & Machinery	479,597,415	59,302,914	4,288,213	534,612,116	303,404,230	4,383,698	2,692,287	305,095,641	229,516,475	176,193,184
Motor Vehicle	3,855,280	-	2,757,312	1,097,968	1,913,324	364,659	1,532,873	745,110	352,858	1,941,956
Office Equipment	3,827,630	42,671	-	3,870,301	2,843,106	185,577	-	3,028,683	841,618	984,525
Total	542,896,800	63,115,298	7,045,525	598,966,573	339,298,499	6,617,879	4,225,160	341,691,218	257,275,355	203,589,301
Previous Year 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

(a) Land, Building and Plant & Machinery were revalued by ₹10,02,83,565/- by an approved valuer on 31.03.1996. The resultant surplus amounting ₹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 ₹17,06,340/- (Previous Year ₹20,02,955/-) 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. This has no impact on Profit for the year.

(b) Method of charging depreciation of Steam Turbine has been changed from Written Down Method (WDM) 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 in to use, and the difference arising from the retrospective re-computation has been adjusted in the accounts of the years by crediting the differential account of ₹1,76,77,388/- 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 ₹37,31,450/-.

(c) Out of depreciation of ₹2,20,61,087/- on Plant & Machinery for the current period, an amount of ₹1,76,77,388/- has been written back on account of change in method of depreciation on steam turbine and the resultant depreciation of ₹43,83,699/- has been charged to the Profit & Loss Account.

(d) The depreciation for the period in the sum of ₹66,17,880/- is inclusive of the amount of ₹17,06,340/- which has been transferred from Capital Reserve.

11. CAPITAL WORK IN PROGRESS

PARTICULARS	AS ON		TOTAL	TRANSFERRED TO GROSS BLOCK	TOTAL COST AS ON 31.03.2012
	01.04.2011	ADDITIONS			
A) FACTORY BUILDING	3741384	-	3741384	3741384	-
B) PLANT & MACHINERY	1934041	-	1934041	1934041	-
CURRENT YEAR TOTAL	5675425	-	5675425	5675425	-
PREVIOUS YEAR TOTAL	5319583	355842	5675425	-	5675425



MOHIT PAPER MILLS LIMITED

PARTICULARS	AS AT 31st March, 2012 Amount (₹)	AS AT 31st March, 2011 Amount (₹)
12. LONG TERM LOANS & ADVANCES		
Securities Deposits (Secured, Considered Good)	2,066,625	1,929,972
TOTAL	<u>2,066,625</u>	<u>1,929,972</u>
13 NON-CURRENT INVESTMENT		
Other Investments		
Investments in Equity Instruments (Unquoted Shares) Mohit Petrochemicals Pvt. Ltd. 1320000 Equity Shares of ₹10/- each fully paid-up (Previous year 1320000 of ₹ 10/- each fully paid-up)	13,200,000	13,200,000
TOTAL	<u>13,200,000</u>	<u>13,200,000</u>
14 INVENTORIES (At lower of cost and net realisable value)		
Raw Materials & Chemicals	48,606,035	57,178,007
Work - in - Process	7,460,105	4,654,765
Finished Goods	8,531,882	9,50,560
Stores & Fuel	41,476,504	71,305,222
Packing Materials & Others	1,279,840	1,446,910
Unfinished Goods	9,044,500	3,365,204
TOTAL	<u>116,398,866</u>	<u>147,700,668</u>
15 TRADE RECEIVABLES (Unsecured, Considered good)		
Over six months	3,360,147	6,549,475
Others	89,148,214	38,313,685
TOTAL	<u>92,508,361</u>	<u>44,863,160</u>
16 CASH & BANK BALANCES		
Cash and Cash Equivalents		
Balance with Banks		
Current Accounts	4,276,922	2,659,845
Cash on hand	1,744,736	433,466
Deposits maturing within 12 months	6,418,030	8,580,104
FDR pledged with bank includes in the sum of ₹ 2410000 (Previous Year ₹ 2410000)		
TOTAL	<u>12,439,688</u>	<u>11,673,415</u>
17 SHORT TERM LOANS & ADVANCES (Unsecured but considered good)		
Advance Income Tax Paid	1,864,300	350,000
Prepaid Expenses	414,026	500,942
Interest Accrued But not Received	251,857	85,116
Other loans and advances-(a) (Unsecured but considered good)	21,769,878	37,954,566
TOTAL	<u>24,300,061</u>	<u>38,890,624</u>
(a) Other loans and advances include advance to suppliers, advances and imprest to staff and CENVAT/VAT/Service Tax credit receivable etc.		



MOHIT PAPER MILLS LIMITED

PARTICULARS	For the year ended 31st March, 2012 Amount (₹)		For the year ended 31st March, 2011 Amount (₹)	
18 REVENUE FROM OPERATIONS				
Sale of Products	642,774,789		570,752,393	
Finished Goods-Soda Ash	<u>32,815,029</u>	675,589,818	<u>32,324,750</u>	603,077,143
Less : Excise Duty		31,858,848		25,003,068
TOTAL		<u>643,730,970</u>		<u>578,074,075</u>
19 OTHER INCOME				
Interest Income		759,837		498,419
Other Non-Operating Income		24,000		16,000
Profit/(Loss) on Fixed Assets sold/discarded (Net)		1,086,656		1,085,104
Misc. Receipts & Income From Business Operation		3,838,611		8,874,303
TOTAL		<u>5,709,104</u>		<u>10,473,826</u>
20 COST OF MATERIAL CONSUMED				
Bagasse		55,496,452		48,111,216
Waste Paper:				
- Imported	147,133,446		102,765,155	
- Indigenous	<u>9,935,540</u>	157,068,986	<u>14,132,079</u>	116,897,234
Pulp		358,307		
Agro Material		3,850,886		12,200,051
TOTAL		<u>216,774,631</u>		<u>177,208,501</u>
Of the above				
Imported items-amount		147,133,446		102,765,155
- percentage		68%		58%
Indigenous items-amount		69,641,185		74,443,346
- percentage		32%		42%
21 CHANGES IN INVENTORIES				
Opening Stock :				
Finished Goods	9,750,560		7,157,472	
Semi - Finished Goods	3,365,204		4,301,557	
Work in process	<u>4,654,765</u>	17,770,529	<u>3,761,220</u>	15,220,549
Closing Stock :				
Finished Goods	8,531,882		9,750,560	
Semi - Finished Goods	9,044,550		3,365,204	
Work in process	<u>7,460,105</u>	25,036,487	4,654,765	17,770,529
		7,265,958		2,550,280
Excise duty in value of Finished Goods		(500,513)		67,499
Increase / (Decrease) TOTAL		<u>6,765,445</u>		<u>2,482,781</u>
22 EMPLOYEE BENEFITS EXPENSES				
Salaries & Wages		11,197,471		15,078,288
Contribution to Provident and other Funds		735,676		844,219
TOTAL		<u>11,933,147</u>		<u>15,922,507</u>



22(i) RETIREMENT BENEFITS

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

Short Term Employee Benefits

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

Long Term Employee Benefits

a) Defined Contribution plan

(i) Provident Fund Scheme

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

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

(ii) Gratuity

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

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

DEFINED BENEFIT PLAN

Actuarial Assumptions

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

Discount Rate - 8% p.a.

Interest Rate - 9%

Salary Escalation - 7%

Withdrawal Rate - 1% to 3% depending on age


MOHIT PAPER MILLS LIMITED
Gratuity Plan :

1 Change in present value of obligation		2011-2012	2010-2011
a)	Present value of obligation as at the beginning	289,061	326,249
b)	Current Service cost	61,702	29,207
c)	Interest Cost	26,005	22,451
d)	Benefit Paid	13,846	88,846
e)	Additional contribution (As per Actuarial valuation)	50,269	-
f)	Present value of obligation as at the end of year	413,191	289,061
2	Change in the fair value of plan assets		
3	Fair value of plan assets		
	Funded Status	-	-
		(413,191)	(289,061)
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	413,191	289,061
b)	Fair value of plan assets as at the end of the year	-	-
c)	Funded status	(413,191)	(289,061)
d)	Net assets / (liability) recognized in balance sheet	-	-
6	Expenses recognized in the statement of profit and loss		
a)	Current service cost	61,702	29,207
b)	Interest cost	26,005	22,451
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	87,707	51,658

PARTICULARS
**For the year ended
31st March, 2012
Amount (₹)**
**For the year ended
31st March, 2011
Amount (₹)**
23 FINANCE COSTS

Interest & Charges on Bank borrowing for working capital	10,660,949	8,523,366
Interest on Term Loans	2,240,356	2,682,998
Others Interest	3,189,446	3,228,364
TOTAL	16,090,751	14,434,728

24 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and Amortization Exp.	24,295,267	28,311,251
Less : Transfer from Capital Reserve	1,706,340	2,002,955
Less : Depreciation of earlier years written back	17,677,388	3,736,822
TOTAL	4,911,539	22,571,474



MOHIT PAPER MILLS LIMITED

PARTICULARS	For the year ended 31st March, 2012 Amount (₹)		For the year ended 31st March, 2011 Amount (₹)	
25 OTHER EXPENSES				
Manufacturing Expenses				
Chemicals, Stores & Fuel	361,455,813		317,691,127	
Repair & Maintenance	531,220		1,648,635	
Raw Material, Mixing, Loading & Sorting	1,500,000		1,500,000	
Laboratory Expenses	110,612		155,995	
Boiler Feeding Expenses	<u>1,440,000</u>	365,037,645	<u>1,440,000</u>	322,435,757
Selling & Distribution Expenses				
Discount, Commission & other Selling Exp.				
Discount & commission	4,067,673		8,141,881	
Add : Other Selling Exp.	<u>854,653</u>		<u>2,656,945</u>	
	4,922,326		10,798,826	
Add : Sales Tax & Entry Tax	<u>22,285,804</u>	27,208,130	<u>18,489,538</u>	29,288,364
Establishment Expenses				
Advertisement & Publicity	88,881		73,400	
Office & General Exp.	122,169		17,267	
Fees, Rate & Taxes	864,472		368,751	
Insurance Charges	1,467,313		1,250,146	
Legal and Professional Charges	1,367,040		1,422,426	
Printing & Stationery	35,162		54,648	
Communication Charges	416,154		453,356	
Travelling & Conveyance	26,851		3,613	
Vehicle Running & Maintenance Expenses	18,400		44,221	
Auditors Remuneration	<u>150,000</u>	4,556,442	<u>150,000</u>	3,837,828
TOTAL		<u><u>396,802,217</u></u>		<u><u>355,561,949</u></u>
25(i) Value of Chemicals, Consumable & Stores consumed:				
	Amount (₹)	%of Consumption	Amount (₹)	%of Consumption
Imported	1,957,043	0.92	1,369,583	0.71
Indigenous	<u>210,613,546</u>	99.08	<u>192,855,168</u>	99.29
TOTAL	<u><u>212,570,589</u></u>	100	<u><u>194,224,751</u></u>	100
25(ii) Value of Imports on CIF basis in respect of				
Raw Material and Stock-in-trade	144,049,787		86,334,954	
Chemicals, Consumable & Stores	<u>1,957,043</u>		<u>1,369,583</u>	
TOTAL	<u><u>146,006,830</u></u>		<u><u>87,704,537</u></u>	
26 EARNINGS PER SHARE (EPS)				
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	4,209,107		7,554,430	
ii) Number of equity shares used as denominator for calculating EPS	11,000,000		10,333,334	
iii) Number of Diluted Equity Share	11,000,000		11,000,000	
iv) Basic Earning per share	0.38		0.73	
v) Diluted Earning per share	0.38		0.69	
vi) Face value per equity share	10		10	



27. 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

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

(b) 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 Ruling Machine where considering different set of environment in which these assets are operation viz-a-viz the other Plant and Machinery, depreciation is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 over their useful life.

(4) INVESTMENTS

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

(5) FOREIGN CURRENCY TRANSACTIONS

- i) Foreign currency transactions are recorded on initial recognition at the date prevailing on the date of the transactions.
- ii) Foreign currency monetary items are reported using the closing rate. Exchange difference arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date



are recognized as income or expenses in the period in which they arise except in case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which case such exchange differences are adjusted in the carrying amount of fixed assets.

(6) INVENTORIES

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

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

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

(7) EXCISE DUTY

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

(8) SALES & STOCKS

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

(9) TAX ON INCOME

Current tax is determined in accordance with the provision of the Income Tax Act, 1961, as the amount of tax payable to the taxation authorities in respect of taxable income for the year.

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) 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.

(11) 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.

(12) 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.

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.
- 2. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value of realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet. The provisions for all known liabilities are adequate and not in excess of amount considered reasonably necessary.
- 3. Contingent Liability not provided for:
 - i. In land Bank Guarantee given by Bank of Baroda for the Company amounting for ₹ 288.96 Lacs and L/C amount ₹ 152.27 Lacs outstanding as on 31.03.2012.
 - ii. Estimated amounts of contracts remaining to be executed on capital account and not provided for ₹ NIL (Previous Year NIL).

4. Managerial Remuneration

Remuneration paid to Managing Director and Whole Time Director:

	Current 31.03.2012 Amount (₹) 1755484	Previous Year 31.03.2011 Amount (₹) 1521657
TOTAL	1755484	1521657

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 the Directors.

5. Auditor's Remuneration

Current Year	Previous Year
--------------	---------------



- | | | | |
|--|---------------|----------|----------|
| | As Audit Fees | 1,50,000 | 1,50,000 |
|--|---------------|----------|----------|
6. 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 ₹ 100000/ , outstanding for more than 30 days.

There are no micro, small and medium enterprise to whom the company owes dues which are outstanding for more than 45 days as on the Balance Sheet date. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

7. There are no impairment of assets in terms of AS-28 issued by the Institute of Chartered Accountants of India.
8. Related Parties Disclosures:
Holding Company : NIL
Subsidiary Company : NIL

Key Managerial Personnel : Mr. Sandeep Jain
Related Party :
Anju Jain
Mohit Jain
Centurion Paper and Board
Centurion Rubber



Transactions with related parties for the period 01.04.2011 to 31.03.2012

Particulars	Corporate Associates	KMP & Relations	Unincorporated Entities	O/S as on 31-03-2012
Loan repaid	-	2052165	-	-
Remuneration to key personnel	-	1755484	-	-
Rent Received	24000	-	-	-

9. Segment Information as per Accounting Standard 17 on Segment Reporting for the year ended 31.03.2012.

Particulars	Paper	Soda Ash	2012 Total	Paper	Soda Ash	2011 Total
Revenue						
External Sales	6381.90	373.99	6755.89	5665.94	364.83	6030.77
Internal Segment Sales	-	-	-	-	-	-
Total	6381.90	373.99	6755.89	5665.94	364.83	6030.77
Segment Result	35.40	165.35	200.75	(42.39)	135.31	92.92
Unallocated Corporate (Expenses)/ Income	-	-	49.50	-	-	99.760
Operating Profit	-	-	250.25	-	-	192.68
Interest Expenses	160.91	-	160.91	139.85	4.50	144.35
Interest/Dividend Income & Surplus on Disposal of Investments	-	-	7.59	-	-	4.98
Income Tax	-	-	18.95	-	-	10.70
Deferred Tax	-	-	35.89	-	-	-32.93
Profit after tax	-	-	42.09	-	-	75.54
Other Information						
Segment Assets	4775.11	324.78	5099.89	4200.16	343.15	4543.31
Unallocated Corporate Assets	-	-	132.00	-	-	132.00
Total	4907.11	324.78	5231.89	4332.16	343.15	4675.31
Segment Liabilities	409.62	-	409.62	732.70	0.47	733.17
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total	409.62	-	409.62	732.70	0.47	733.17
Capital Expenditure	-	-	-	-	-	-
Depreciation/ Amortisation	1.53	47.58	49.11	169.87	55.84	225.71
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 mounts 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.
- ii. 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.

10. 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.

Subject to our separate report of even date.

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

AJAY JAIN
(Proprietor)
Secretary
Membership No.:85354

Sandeep Jain
(Managing Director)

Anju Jain
(Director)

Anant Vats
(Company)

PLACE : New Delhi
DATED : 29.05.2012



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

ADMISSION CARD/ATTENDANCE SLIP

ANNUAL GENERAL MEETING to be held on Saturday 29th Day of September, 2012 at 10:00 A.M. at Junction 36, 16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005.

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

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company at Junction 36, 16/36, Junction of Joshi Road & Rohtak Road, Karol Bagh, New Delhi-110005

Signature of the Shareholder/Proxy
Name:

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



MOHIT PAPER MILLS LIMITED

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

FORM OF PROXY

Folio/Client ID No. _____

DP ID No. _____

I/We _____ of _____

_____ in the district of _____

_____ being a shareholder/s of the above

Company hereby appoint _____ of _____

_____ in the district of _____

_____ or failing him _____ of _____

_____ in the district

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

my/our behalf at the 20th Annual General Meeting of the Company to be held on , 29th Day of September, 2012 and at any adjournments thereof.

Signed this _____ day of _____ 2012

Affix
Revenue
stamp

(Shareholder)

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

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