



30TH ANNUAL REPORT 2009-10



RUCHIRA PAPERS LIMITED

Regd. Office: Trilokpur Road, Kala-Amb

Distt. Sirmour (H.P.)-173030

www.ruchirapapers.com

BOARD OF DIRECTORS

Chairman cum Whole Time Director

Jatinder Singh

Co-Chairman cum Whole Time Director

Subhash Chander Garg

Managing Director

Umesh Chander Garg

Executive Director

Jaleshwar Narain Singh

Independent Directors

Dalbir Singh

Surinder Gupta

Sawtantar Kumar Dewan

Col. (Retd.) Avtar Singh Bajwa

Company Secretary

Hussan Kumar

Registered Office & Works

Trilokpur Road, Kala Amb,

Distt. Sirmour

Himachal Pradesh-173030

Administrative Office

21-22, New Professors Colony,

Yamuna Nagar-135001

Haryana

Auditors

J.L. Garg & Co.

Chartered Accountants

Head Office :

J-34, Lower Ground Floor

South Extension Part-1

New Delhi-110049

Branch Office :

Railway Road,

Jagadhri (Haryana)-135003

Registrar

Link Intime India Pvt Ltd.

C-13, Pannalal Silk

Mills Compound,

LBS Road, Bhandup (W)

Mumbai-440078

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NOTICE

Notice is hereby given that the 30TH ANNUAL GENERAL MEETING of the Members of RUCHIRA PAPERS LIMITED will be held at Hotel Black Mango, Nahan Road, Kala-Amb, District Sirmour, Himachal Pradesh on THURSDAY, the 16th Day of September, 2010 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To appoint a Director in place of Shri Dalbir Singh, who retires from the office by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Surinder Gupta, who retires from the office by rotation and being eligible, offers himself for re-appointment.
4. To Consider and if thought to pass with or without modification(s), the following resolution as an ordinary Resolution

"RESOLVED THAT M/S J.L. Garg & Co., Chartered Accountants (ICAI Reg No. 004730N), who retire at the conclusion of this Annual General Meeting, be and are hereby appointed as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee."

SPECIAL BUSINESS:

5. ***Re-Appointment of Shri Jatinder Singh as Whole Time Director***

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and pursuant to the Article of Association of the Company, the consent of Shareholders is hereby accorded for re-appointment of Shri Jatinder Singh as Whole Time Director of the Company for a further period of five years pursuant to the provision to sub-section 2 of section 317 of the Companies Act, 1956 with effect from 1st Day of September, 2010 and he may be paid remuneration by way of monthly salary presently being paid i.e. Rs 3,75,000 (Rs Three Lacs Seventy Five Thousands only) plus 20% House Rent Allowance and other perquisites in accordance with schedule xiii or Central Government approval as applicable."

6. ***Re-Appointment of Shri Subhash Chander Garg as Whole Time Director***

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and pursuant to the Article of Association of the Company, the consent of Shareholders is hereby accorded for re-appointment of Shri Subhash Chander Garg as Whole Time Director of the Company for a further period of five years, pursuant to the provision to sub-section 2 of section 317 of the Companies Act, 1956, with effect from 1st Day of September, 2010 and he may be paid remuneration by way of monthly salary presently being paid i.e. Rs 3,75,000 (Rs Three Lacs Seventy Five Thousands only) plus 20% House Rent Allowance and other perquisites in accordance with schedule xiii or Central Government approval as applicable."

7. ***Re-Appointment of Shri Umesh Chander Garg as Managing Director***

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and pursuant to the Article of Association of the Company, the consent of Shareholders is hereby accorded for re-appointment of Shri Umesh Chander Garg as Managing Director of the Company for a further period of five years pursuant to the provision to sub-section 2 of section 317 of the Companies Act, 1956 with effect from 1st Day of September, 2010 and he may be paid remuneration by way of monthly salary presently being paid i.e. Rs 3,75,000 (Rs Three Lacs Seventy Five Thousands only) plus 20% House Rent Allowance and other perquisites in accordance with schedule xiii or Central Government approval as applicable."

8. ***Increase in Remuneration of the Whole Time Director***

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time

being in force and as may be enacted from time to time and subject to Central Government approvals, permissions and sanctions, as may be necessary, the consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Shri Jatinder Singh, Chairman cum Whole-Time Director, with effect from October 01, 2010 to next three years as set out below:-

- a. Salary: Rs. 4,75,000/- (Rupees Four Lacs and Seventy Five thousand Only) per month.
- b. House Rent Allowance @ 20 % of Salary per month.
- c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year.
- d. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year.
- e. Conveyance: Company's Car with Driver for Official Use.
- f. Telephone: Mobile and Telephone Facility at the residence for office purpose.

Where in any financial year, the Company has no profits or its profits are inadequate during the term of his office, the aforesaid remuneration shall be continued to be paid within the provisions prescribed under Schedule XIII of the Companies Act, 1956.

In addition to the above remuneration, he shall also be entitled to the following benefits

1. *Provident Fund*: Company's Contribution towards Provident Fund as per the provisions of the Act.
2. *Gratuity*: Payable at a rate not exceeding half a month's salary for each completed year of service.

RESOLVED FURTHER THAT Board of Directors and/ or Remuneration Committee be and is hereby further authorized to revise, alter and vary the terms and conditions and remuneration of Sh. Jatinder Singh, Chairman cum Whole Time Director from time to time, subject to the applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

9. Increase in Remuneration of the Whole Time Director

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the

Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to Central Government approvals, permissions and sanctions, as may be necessary, the consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Shri Subhash Chander Garg, Co-Chairman cum Whole-Time Director, with effect from October 01, 2010 to next three years as set out below :

- a. Salary: Rs. 4,75,000/- (Rupees Four Lacs and Seventy Five thousand Only) per month.
- b. House Rent Allowance @ 20 % of Salary per month.
- c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year.
- d. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year.
- e. Conveyance: Company's Car with Driver for Official Use.
- f. Telephone: Mobile and Telephone Facility at the residence for office purpose.

Where in any financial year, the Company has no profits or its profits are inadequate during the term of his office, the aforesaid remuneration shall be continued to be paid within the provisions prescribed under Schedule XIII of the Companies Act, 1956.

In addition to the above remuneration, he shall also be entitled to the following benefits

1. *Provident Fund*: Company's Contribution towards Provident Fund as per the provisions of the Act.
2. *Gratuity*: Payable at a rate not exceeding half a month's salary for each completed year of service.

RESOLVED FURTHER THAT Board of Directors and/ or Remuneration Committee be and is hereby further authorized to revise, alter and vary the terms and conditions and remuneration of Sh. Subhash Chander Garg, Co-Chairman cum Whole-Time Director from time to time subject to the applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution"

10. Increase in Remuneration of the Managing Director

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of

Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to Central Government approvals, permissions and sanctions, as may be necessary, the consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Shri Umesh Chander Garg, Managing Director, with effect from October 01, 2010 to next three years as set out below :

- a. Salary: Rs. 4,75,000/- (Rupees Four Lacs and Seventy Five thousand Only) per month.
- b. House Rent Allowance @ 20 % of Salary per month.
- c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year.
- d. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year.
- e. Conveyance: Company's Car with Driver for Official Use.
- f. Telephone: Mobile and Telephone Facility at the residence for office purpose.

Where in any financial year, the Company has no profits or its profits are inadequate during the term of his office, the aforesaid remuneration shall be continued to be paid within the provisions prescribed under Schedule XIII of the Companies Act, 1956.

In addition to the above remuneration, he shall also be entitled to the following benefits

1. *Provident Fund*: Company's Contribution towards Provident Fund as per the provisions of the Act.
2. *Gratuity*: Payable at a rate not exceeding half a month's salary for each completed year of service.

RESOLVED FURTHER THAT Board of Directors and/ or Remuneration Committee be and is hereby further authorized to revise, alter and vary the terms and conditions and remuneration of Sh. Umesh Chander Garg, Managing Director, from time to time subject to the applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution"

11. **Increase in Remuneration of the Executive Director**

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to Central Government approvals, permissions and sanctions, as may be necessary, the consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Shri Jaleshwar Narain Singh, Executive Director, with effect from October 01, 2010 to next three years as set out below :

- a. Salary: Rs. 1,60,000/- (Rupees One Lac and Sixty thousand Only) per month.
- b. Conveyance Allowance @ Rs 800/- per month.
- c. Conveyance: Company's Car with Driver for Official Use.
- d. Telephone: Mobile and Telephone Facility at the residence for office purpose.

Where in any financial year, the Company has no profits or its profits are inadequate during the term of his office, the aforesaid remuneration shall be continued to be paid within the provisions prescribed under Schedule XIII of the Companies Act, 1956.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be included in the computation of the ceiling on remuneration specified above:

1. *Provident Fund*: Company's Contribution towards Provident Fund as per the provisions of the Act.
2. *Gratuity*: Payable at a rate not exceeding half a month's salary for each completed year of service as per the Gratuity Act.

RESOLVED FURTHER THAT the Board of Directors and/ or Remuneration Committee be and is hereby further authorized to alter and vary the terms and conditions and remuneration of Mr. Jaleshwar Narain Singh, Executive Director, from time to time subject to the applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

12. **Increase in Remuneration of the Vice President Marketing.**

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956

including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time the consent of the Company be and is hereby accorded to Ms. Ruchica G Kumar, who is relative of a Director to hold an office or place of profit under the Company as a Vice-President Marketing or with such designation as the Board of Directors of the Company may, from time to time, decide upon at monthly remuneration and terms mentioned below :

- (a) Basic Salary Rs 43,000(Forty Three Thousand Only) plus HRA 15% Per Month.
- (b) During her tenure , she will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time.
- (c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act, 1956, to effect change in designation and responsibilities of Ms. Ruchica G Kumar."

13. Increase in Remuneration of the Vice President Marketing

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time the consent of the Company be and is hereby accorded to Ms. Vaishali Jhaveri, who is relative of a Director to hold an office or place of profit under the Company as a Vice-President Marketing or with such designation as the Board of Directors of the Company may, from time to time, decide upon a monthly remuneration and terms mentioned below :

- (a) Basic Salary Rs 43,000 (Forty Three Thousand Only) plus HRA 15% Per Month.
- (b) During her tenure, she will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time.
- (c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act, 1956, to effect change in designation and responsibilities of Ms. Vaishali Jhaveri."

14. Increase in Sitting Fee

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 310 of the Companies Act, 1956 and Article 27 of the Article of Association of the Company and within the limits prescribed by the Central Government, the consent of the Company be and hereby accorded to increase the sitting fee payable to Directors other than Managing/ Executive/Whole Time Directors of the Company for attending the meeting of the Board of Directors and/or any of its committee from Rs 5000/- to Rs 10000/- per sitting."

15. Contribution to charitable, philanthropic and other social objects in excess of the Limits.

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT in accordance with the provisions of Section 293(1)(e) and other applicable provisions, if any, of the companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and Memorandum Of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to make contributions, subscription and/or donation on behalf of the Company to any institute, body corporate, trust, society, association or person for any charitable, philanthropic and / or other social objects/ purposes, in one or more tranche, notwithstanding that such contributions, subscription and/or donations do not directly relate to the business of the company or the welfare of its employees, up to an amount not exceeding Rs. 4,00,000/- (Rs. Four Lacs only) in any financial year, and further notwithstanding that said amount in any financial year may exceed Rs 50000/- or 5% of the Company's average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 whichever is greater, during the immediately preceding three financial years."

Regd. Office :
Trilokpur Road, Kala Amb
Distt. Sirmour (HP) 173 030

**By order of the Board
of Directors**

Place : Kala-Amb (H.P.)
Date : 27th July, 2010

Hussan Kumar
Company Secretary

Notes:-

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING. The proxy so appointed shall not have any right to speak at the meeting. The blank proxy form is appended with the attendance slip.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 10TH September, 2010 to Thursday, the 16th September, 2010 (both days inclusive).
4. Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
5. Members desirous of getting any information on Accounts or other items of the Agenda are requested to forward his/her queries to the Company at least Seven working days prior to the date of the Annual General Meeting so as to enable the Management to keep the information ready.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. Members are requested to intimate the Registrar and Share Transfer Agents of the Company - Link Intime India Private Limited, Mumbai, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DP's) in respect of equity shares held in dematerialized form.
- 8.. Members/ Proxies attending the Meeting are requested to bring their copy of the Annual Report with them at the meeting as the same will not be distributed at the meeting. The enclosed attendance slip duly filled up may kindly be delivered at the entrance of the meeting hall.
9. Information pursuant to Clause 49 of the listing agreement regarding appointment and re-appointment of directors is annexed herewith.

EXPLANATORY STATEMENT (Pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM NO. 5, 6 & 7 Re-appointment of Shri Jatinder Singh, Shri Subhash Chander Garg, Shri Umesh Chander Garg

As you are aware that Shri Jatinder Singh, Whole Time Director, Shri Subhash Chander Garg, Whole Time Director and Shri Umesh Chander, Managing Director of the Company, were appointed for five years period w.e.f. 01.09.2005 to 31.08.2010. The Three Promoter Directors have gained the expertise in respective field and offered themselves for re-appointment, the Board of Directors in meeting held on 27.7.2010, has recommended, subject to your approval, to re-appoint Shri Jatinder Singh as Whole Time Director Shri Subhash Chander Garg as Whole Time Director and Shri Umesh Chander Garg as Managing Director for further period of five years w.e.f. 01 September, 2010 to 31 August, 2015.

The remuneration will be continued to be paid as at presently paid and mentioned in resolution of Notice of this meeting at Item No 5,6,7.

Except Shri Jatinder Singh, who was interested in Resolution at Item No 5, no other Director of the Company was concerned or interested in the Resolution.

Except Shri Subhash Chander Garg and Shri Umesh Chander Garg, who were interested in Resolution at Item No 6 and 7, no other Director of the Company was concerned or interested in the Resolution.

ITEM NO. 8, 9, 10 & 11. Increase in Remuneration of Shri Jatinder Singh, Whole Time Director, Shri Subhash Chander Garg, Whole Time Director, Shri Umesh Chander Garg, Managing Director and Shri Jaleshwar Narain Singh, Executive Director

Increase in job responsibilities of the Whole-Time Directors/Managing and Executive directors, Considering the long experience, expertise, and in recognition of invaluable contribution to the Company's growth and implementation of several expansion plans undertaken in the past, the Board of Directors of the Company in its meeting held on July 27, 2010, and as recommended by the Remuneration Committee, has increased the remuneration payable to Shri Jatinder Singh, Shri Subhash Chander Garg, Shri Umesh Chander Garg & Shri Jaleshwar Narain, Singh subject to the approval of the members at the ensuing Annual General Meeting and the Central Government. The Company is in process of securing the necessary permission of the Central Government to pay the above mentioned remuneration to Sh. Sh Jatinder Singh, Chairman cum Whole Time Director, Subhash Chander Garg, Co-chairman cum Whole Time Director and Sh Umesh Chander Garg, Managing Director, Shri Jaleshwar Narain Singh, Executive Director of the Company.

The Directors places before the members the aforesaid special Resolutions pursuant to the provisions of Schedule XIII for their approval.

The Directors commend the Resolutions at Item No. 8, 9, 10 & 11 for your approval in their meeting on 27 July, 2010.

Save and except Shri Jatinder Singh, none of the other Directors was deemed to be interested or concerned with the Resolution at Item No 8.

Save and except Shri Subhash Chander Garg and Shri Umesh Chander Garg, being the brothers, none of the other Directors was deemed to be interested or concerned with the Resolution No at Item No 9 and at Item No 10.

Save and except Shri Jaleshwar Narain Singh, none of the other Directors was deemed to be interested or concerned with the Resolution at Item No 11.

The terms of remuneration including the minimum remuneration as detailed in the resolution may be regarded as Abstract / Memorandum of Interest under Section 302 of the Companies Act, 1956.

ITEM NO. 12, 13 Increase in Remuneration of Ms. Ruchica G Kumar and Ms. Vaishali Jhaveri Vice President Marketing

To explore and increase further business potentialities in Southern Region and Western Region, the Board of Directors in their meeting held on 30th April, 2010 had appointed Ms. Ruchica G Kumar as Vice President Marketing (Southern Region) and Ms. Vaishali Jhaveri as Vice President (Western Region) relative of Shri Subhash Chander Garg, Co-Chairman Cum Whole Time Director and Shri Umesh Chander Garg, Managing Director of the Company, at a monthly remuneration of Rs. 8855 (Basic Salary 7700+ HRA 15%). Ms Ruchica G Kumar is an MBA (Marketing) and has vast experience of more than 8 years in service Industry. Ms Vaishali Jhaveri is also an MBA (Marketing) and has exposure to the Marketing field for last 5 years.

Now, it is being proposed to increase the monthly remuneration to Rs 49450/- (Basic Salary 43000 + HRA 15%) as the experience and knowledge of Ms Ruchica G Kumar and Ms. Vaishali Jhaveri will be more useful for the Company.

As per the provision of section 314(1)(b) of the Companies Act, 1956 the appointment of a relative of Director drawing a monthly salary of Rs 10000(Rupees Ten Thousands) or more shall not be made except with the approval of shareholders by a special resolution passed at the General Meeting of the Company.

Your Directors commend the resolution for your approval.

Shri Subhash Chander Garg, Co-Chairman-cum-Whole-Time Director, and Shri Umesh Chander Garg, Managing Director being relatives of Ms Ruchica G Kumar and Ms

Vaishali Jhaveri were interested in the Resolutions at Item No 12 & 13, No other Director of your Company was concerned or interested in these Resolutions.

ITEM NO. 14.

As you are aware that our Four Independent Directors are making their active contribution towards ensuring the Corporate Governance and operations of the Company, The Board of Directors in their meeting on 27 July, 2010, has recommended to increase the sitting fee from Rs 5000/- (Rs Five Thousands) to Rs 10000/- (Rs Ten Thousands) per sitting within the limits prescribed by central Government. As the four Directors are interested in the resolution, so matter is referred for your approval.

Shri Dalbir Singh, Shri SK Dewan, Shri SK Bajwa, Shri Surinder Gupta were interested in the Resolution, other than these Director no other Director was interested in the Resolution.

ITEM NO. 15.

As per the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, contribute funds for charitable and /or other purpose, not directly relating to the business of the Company or the welfare of its employees in any financial year, to the extent of Rs. 50,000/- or 5% of the Company's average net profits, determined in accordance with provisions of section 349 and 350 of the companies Act, 1956, during the three financial year immediately preceding, whichever is greater, without the shareholders approval. However, the provisions of section 293(1)(e) of the Companies Act, 1956, permits the company to contribute in excess of the above mentioned limits, with the approval of shareholders in general meeting.

Keeping the Company's intimate association with the society at large and its social responsibility as a major corporate, it is proposed to contribute to charitable, philanthropic, and other social objects/ purposes, up-to an amount of Rs 4,00,000 (Rs Four Lacs) per financial year.

The Board of Directors accordingly recommends the Resolution as set out in item No 15 of the Notice for your approval.

None of the Directors was concerned or interested in the Resolution.

Regd. Office :
Trilokpur Road, Kala Amb
Distt. Sirmour (HP) 173 030

**By order of the Board
of Directors**

Place : Kala-Amb (H.P.)
Date : 27th July, 2010

Hussan Kumar
Company Secretary

ANNEXURE TO THE AGM NOTICE

A. STATEMENT PURSUANT TO PROVISIO TO SCHEDULE XIII (PART II SECTION II 1(B)(Clause iv)) OF THE COMPANIES ACT, 1956.

I.	GENERAL INFORMATION				
	(1) Nature of Industry : Paper	The Company is engaged in the manufacture of Kraft paper which is used as a Raw Material in the Packaging Industry and commonly used Writing & Printing Paper.			
	(2) Date of commencement of commercial production	The Company is engaged in commercial production of Kraft Paper since 1983 and started commercial production of Writing and Printing Paper on 30.03.2008.			
	(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	---			
	(4) Financial performance based on given indicators.	The Financial Results for the Last three years are as follows:			
		Particulars	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
		Sales	19970.80	16117.70	8371.38
		EBIDTA	1937.00	1595.43	1399.65
		PBT	(691.56)	(196.78)	1018.60
		PAT	(431.06)	(159.44)	716.79
	(5) Export performance and net foreign exchange	Rs 34.82 lacs			
	(6) Foreign investments or collaborations, if any	Nil			
I.	INFORMATION ABOUT THE APPOINTEE/ EXISTING MANAGERIAL PERSONNEL TO WHOM INCREASED REMUNERATION IS PROPOSED	Shri Jatinder Singh Chairman-cum-Whole- Time Director	Shri Subhash Chander Garg, Co-Chairman- -cum-Whole Time Director	Shri Umesh Chander Garg, Managing Director	Shri Jaleshwar Narain Singh Executive Director
	(1) Background Details	Shri Jatinder Singh aged 55 years is the Chairman-cum-Whole- Time Director of the Company. He is an Engineering Graduate and is looking after Finance Administration and HR Functions. He is associated with the company since its inception as Promoter Director	Shri Subhash Chander Garg aged 69 years is the Co-Chairman- cum- Whole Time Director of the Company. He is looking after the Marketing, Sales, Taxation and Company Law Matters. He has been associated with the company since its inception as Promoter Director.	Shri Umesh Chander Garg aged 61 years is the Managing Director of Company. He is looking after the production, maintenance, Plant erection and expansion programs. He is associated with the company since its inception as Promoter Director	Shri Jaleshwar Narain Singh aged 57 years is the Whole- Time Director designated as the Executive Director of the Company. He is a Science graduate and is looking after production. He has an experience of over 26 years in the paper Industry.
	(2) Past Remuneration	Rs. 3.75 lac p.m.+ 20% (HRA) plus benefits as per Central Govt. Permission	Rs. 3.75 lac p.m. + 20% (HRA) plus benefits as per Central Govt. Permission	Rs. 3.75 Lac p.m.+ 20% (HRA) plus benefits as per Central Govt. Permission	Rs. 90000/- p.m. plus benefits as per Schedule XIII
	(3) Recognition or awards		He is closely associated with the ROTARY CLUB and has also served as District Governor D.I. 3080	He is President of Chamber of Commerce and Industries Kala- Amb.	
	(4) Job Profile and its suitability	As per (1) above	As per (1) above	As per (1) above	As per (1) above

	(5) Remuneration proposed	Rs. 4,75,000 p.m.+ 20% (HRA)+other benefits as disclosed in the resolution	Rs. 4,75,000 p.m.+ 20% (HRA)+other benefits as disclosed in the resolution	Rs. 4,75,000 p.m.+ 20% (HRA)+other benefits as disclosed in the resolution	Rs. 1,60,000/-pm plus other benefits as disclosed in the resolution.
	(6) Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	Between five lacs to ten lacs per mensem	Between five lacs to ten lacs per mensem	Between five Lacs to ten lacs per mensem	Between four to five lacs per mensem
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	---	No pecuniary relationship with the Company except that Shri Umesh Chander Garg, Managing Director is the brother of Shri Subash Chander Garg	No pecuniary relationship with the Company except that Shri Subhash Chander Garg, Chairman cum- Whole-time Director is the brother of Shri Umesh Chander Garg.	---
III.	OTHER INFORMATION:				
	(1) Reasons of loss or inadequate profits	Due to draught like situations in FY 2009-10 there was steep increase in prices of agricultural residue and subsequent reduction in the sale prices and due to market forces the Company could not pass this impact to its customers. The increased depreciation and interest cost, being the second year of operation of new plant, resulted in loss during the FY 2009-10.			
	(2) Steps taken or proposed to be taken for improvement	The Company has started the commercial activity on 30.03.2008 in the newly installed 33000 TPA Writing and Printing Paper unit to augment its product base and market share. The Company has stabilized its Writing & Printing unit by utilizing its capacity at optimum level and is achieving higher economy of scales and subsequent reduction in raw material prices after good monsoon and increased sale price.			
	(3) Expected increase in productivity and profits in measurable terms	The Company has achieved higher capacity utilization 87.10% during the FY 2009-10 and same is expected to increase further upto 93.85%. A Net profit of Rs 417.03 lacs has been registered during the 1 st quarter of FY 2010-11, which is expected to improve further.			
IV.	DISCLOSURES:				
	1) Remuneration Package	(i) Shri Jatinder Singh, Chairman-cum- Whole Time Director, Shri Subhash Chander Garg Co-chairman -cum- Whole Time Director and Sh. Umesh Chander Garg, Managing Director, each of them would be entitled to the following remuneration: - Salary: Rs. 4,75,000/- (Rupees Four Lacs and Seventy Five thousand Only) per month. - House Rent Allowance @ 20 % of Salary per month. - Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year. - Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year. - Conveyance: Company's Car with Driver for Official Use. - Telephone: Mobile and Telephone Facility at the residence for office purpose. - Provident Fund: Company's Contribution towards Provident Fund shall be as per the provisions of the Act. - Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service. (ii) Shri Jaleshwar Narain Singh , Executive Director, would be entitled to the following remuneration and perquisites: - Salary : Rs 1,60,000/- (Rupees One Lac and Sixty thousand only) per month. - Conveyance Allowance @ Rs. 800 per month. - Telephone: Mobile and Telephone facility at residence for office purpose. - Company's Car with Driver for office use. - Provident Fund: Company's Contribution towards Provident Fund shall be as per the provisions of the Act. - Gratuity : Payable at a rate not exceeding half a month's salary for each completed year of service as per Gratuity Act.			

A. INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING APPOINTMENT OR RE-APPOINTMENT OF A DIRECTOR.

Particulars	Mr. Dalbir Singh
Date of Birth	21.06.1936
Date of Appointment	24.09.2004
Qualifications	MA & LLB
Expertise in Specific functional area	Administrative/ Management. Retired from post of Executive Director of Yamuna Syndicate Limited
Directorship of other companies (excluding foreign companies)	Nil
Chairman/ Member of committees* of the Board of Companies of which he is a director	<i>Ruchira Papers Limited:</i> Chairman : Audit Committee and Remuneration Committee
Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2010	100

* includes Audit, Remuneration and Shareholders'/ Grievance Committees.

Particulars	Mr. Surinder Gupta
Date of Birth	20.11.1953
Date of Appointment	24.09.2004
Qualifications	Chartered Accountant
Expertise in Specific functional area	Practicing Chartered Accountant
Directorship of other companies (excluding foreign companies)	Nil
Chairman/ Member of committees* of the Board of Companies of which he is a director	<i>Ruchira Papers Limited:</i> Member of Audit Committee Remuneration Committee
Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2010	100

* includes Audit, Remuneration and Shareholders'/ Grievance Committees.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 30th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The operating and financial results are as follows:

Rs. in Lacs

Particulars	2009-10	2008-2009
Sales	19970.80	16117.70
Other Revenue Receipts	79.35	152.23
Profit (Before Interest, Depreciation & Taxes)	1937.00	1595.43
Less : Depreciation	1029.00	686.37
Interest	1599.56	1105.84
Profit/(Loss) before Tax	(691.56)	(196.78)
Less: Provision for Tax	(260.50)	(37.34)
Net Profit /(Loss)after Tax	(431.06)	(159.44)
Transfer to / Adjustment from Reserve	(431.06)	(159.44)

RESULT OF OPERATIONS

Sales of the Company registered a growth of 23.90% over the previous financial year at Rs. 19970.80 Lacs compared to Rs. 16117.70 Lacs in corresponding previous year. Though the operating profit (EBIDT) of the Company grew from Rs.1595.43 Lacs in previous period to Rs. 1937.00 Lacs in the year under review, but due to steep increase in the prices of raw materials especially Agriculture Residues without commensurate increase in selling prices of finished goods coupled with higher Depreciation and Interest, (being in only in second year of operation of W&P Machinery), adversely affected the profitability of the Company during Financial Year 2009-10.

DIVIDEND

In order to conserve the resources and strengthen the financial base of the company and funds requirement for the smooth working of both units, to tide over the recessionary phase, your directors do not recommend any dividend for the year ended 31st March, 2010.

EXPANSION

The Company has taken steps to consolidate the production and to achieve economy of scales, accordingly the Company has not taken up any major expansion during the year .

LISTING OF SHARES

The shares of the Company are listed at "Bombay Stock Exchange Limited (BSE)" and "National Stock Exchange of India (NSE)"

DIRECTORS

In accordance with the Section 255 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Dalbir Singh and Shri Surinder Gupta ,Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

As term of office of Shri Umesh Chander Garg, Managing Director expires on 31.08.2010, The Board of Directors at their meeting held on 27 July, 2010 has recommended the re-appointment of Shri Umesh Chander Garg, Managing Director of the Company for further five years with effect from 01 September, 2010, subject to the members approval.

As term of office of Shri Subhash Chander Garg, Whole Time Director expires on 31.08.2010, The Board of Directors at their meeting held on 27 July, 2010 has recommended the re-appointment of Shri Subhash Chander Garg, Whole Time Director of the Company for further five years with effect from 01 September, 2010, subject to the members approval.

As term of office of Shri Jatinder Singh, Whole Time Director expires on 31.08.2010, The Board of Directors at their meeting held on 27 July, 2010 has recommended the re-appointment of Shri Jatinder Singh, whole Time Director of the Company for further five years with effect from 01 September, 2010, subject to the members approval.

The requisite Resolutions for the appointments have been included in the notice to the ensuing Annual General Meeting.

FIXED DEPOSITS

The Company has not invited or accepted Fixed Deposits from the Public or else where.

MANAGEMENT DISCUSSION AND ANALYSIS

Report for the year as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a way of business than legal compulsion. The Company is committed to the application of best management practices, compliance with law, adherence to ethical standards and discharge of social responsibilities.

A Report on Corporate Governance as required under clause 49 of the Listing Agreement with the Stock

Exchanges, is annexed and forms an integral part of this report. An Auditors' Certificate on Corporate Governance is also annexed to the said Report.

AUDITORS

M/s J.L. Garg & Co., Chartered Accountants, Delhi-Jagadhri, Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (1 B) and that they do not suffer any disqualification within the meaning of Section 226 of the said Act.

The Company's Statutory Auditors have informed the Company that they have undergone the process of Peer Review as advised by Peer review Board of the ICAI.

AUDITORS' REPORT

The observations of the auditors in their report read with relevant notes are self-explanatory and require no further comments.

COST-AUDIT

To comply with the provisions of Section 233 B of the Companies Act, 1956 the Board of Directors, subject to the approval of the Central Government, has re-appointed M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2010-11.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo, in accordance with Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in Annexure -1 hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in annexure included in this report.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Statement of the Directors' Responsibility on the Annual Accounts of the Company for the year ended March 31, 2010 is given as follows :-

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended as on that date;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your directors wish to express their grateful appreciation for the cooperation and continued support received from Bankers, Financial Institutions, Government agencies, Shareholders, vendors, customers and society at large. Your directors also take on record, their appreciation for the contribution and hard work of the Executives, Employees and Workers.

For and on behalf of the Board of Directors

Place : Kala-Amb
Dated : 27th July, 2010

Jatinder Singh
Chairman

ANNEXURE-1 TO THE DIRECTORS' REPORT

Information as per Section 217(1)E of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Director's Report for the period ended 31st March, 2010.

A) CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken:

Installation of VFD (Variable Frequency Drives) in the sectional drives in the Paper Machine, Boiler and Pulp mill, where the throttling is required and major saving has been observed.

Use of Energy Efficient Motors (EEF1), in place of Standard Motors

Installation of Start Capacitors to maintain power factor above 0.95. The act will result in reduction of loss of energy in transit and otherwise.

Installation of CFL's (Compact Fluorescent Lamp) in place of conventional tube light and bulbs.

b) Additional Investment and Proposals, being implemented for reduction of consumption of energy: NIL

c) Impact of the Measures of (a) & (b) above for reduction of energy consumption & consequent impact on the cost of production of goods: NIL

d) Total Energy Consumption and Energy Consumption per unit of production: Information is given in the prescribed Form "A" annexed.

B) TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption are given in prescribed Form B annexed.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: The Company has developed market in Nepal and further potentialities are explored to increase and develop the export market.

g) Total Foreign Exchange used and earned :

i) Expenditure in foreign exchange on account of

(Rs in lacs)

	Particulars	2009-10	2008-09
	(i) Royalty , Knowhow , professional and consultation fees	--	5.28
(ii)	i) Interests	--	--
	(ii) Other Matters		
	- Raw Materials & Consumable Stores	747.00	451.74
	- Capital Expenditure (on CIF Basis)Nil	--	--
	(iii) Foreign Traveling	--	1.77
	(iv) Store & Spares (Including advances)	65.40	9.29
(vi)	Plant & Machinery	--	81.26

ii) Earnings in foreign exchange on account of :

(Rs. in lacs)

	(i) Export of Goods on FOB basis	23.69	--
	(ii) Royalty, know how, professional and consultation fee.	--	--
	(iii) Interest and dividend etc.	--	--
	(iv) Other Income including the Nature thereof.	--	--

FORM "A"
(See rule 2)

Form for Disclosure of Particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION

		2009-10	2008-09
1. Electricity			
a) Purchased			
Units (KWAH)		26200889	26916735
Total Amount (Rs.)		96478183	103664681
Rate per Unit (Rs.)		3.68	3.85
b) Own Generation			
i) Through Diesel generator		Nil	Nil
Total Units generated		Nil	Nil
Units per litre of diesel		Nil	Nil
Cost per unit generated (Rs.)		Nil	Nil
ii) Through Steam Turbine			
Units		43465371	33099194
Units per Ltr. Of fuel oil/ gas		Nil	Nil
Cost / units		Nil	Nil
2. Coal (specify quality and where used)			
Quantity (ton)		45843.253	15249.843
Total Cost(Rs Lakhs)		2357.04	589.87
Average Rate (PMT)		5142	3868
Used in Boiler			
3. Furnace Oil			
Quantity (K.ltrs)		820.630	366.600
Total amount (Rs. in lacs)		206.42	65.53
Average Rate(PMT)		25154	17875
4. Others / internal Generation :			
a) Rice Husk (M.T.)		23381.50	38093.736
Cost (Rs. Lakhs)		754.03	1326.00
b) Baggasse (M.T.)		--	5878.085
c) Saw Dust (M.T.)		974.169	290.585
Cost for (b) + (c) (Rs. Lakhs)		22.80	72.78
d) Mustard Husk (MT)		00.00	929.136
Cost (in Lakhs)		00.00	23.87
e) Boiler Fuel		22311.09	31384.565
Cost (in Lakhs)		353.60	593.82
Total Fuel Cost (in Lakhs)(2+3+4)		3693.89	2671.87
B. CONSUMPTION PER UNIT OF PRODUCTION			
a. <i>Liner Craft Paper</i>			
Production (M.T.)		43594.401	45556.762
Electricity (in Units) per Ton of production		549.03	533.60
Furnace oil		Nil	Nil
Coal (specify)		Nil	Nil
Others (specify)		Nil	Nil
a. b) <i>Writing & Printing Paper</i>			
Production (M.T.)		31134.009	20439.691
Electricity (in Units) per Ton of production		1468.86	1717.26
Furnace oil		Nil	Nil
Coal (specify)		Nil	Nil
Others (specify)		Nil	Nil

FORM "B"
(See rule 2)
Form for disclosure of particulars with respect to absorption

	<i>Research and Development (R&D)</i>	
1.	Specific areas in which R&D carried out by the Company.	None
2.	Benefits derived as a result of the above R&D.	None
3.	Future plan of action.	None
4.	Expenditure on R&D	
	a) Capital	Nil
	b) Recurring	Nil
	c) Total	Nil
	d) Total R&D expenditure as a percentage of total turnover.	Nil
	<i>Technology absorption ,adaptation and innovation</i>	
1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil
2.	Benefits derived as a result of the above efforts, e.g. product improvement , cost reduction, product development, import substitution, etc.	Nil
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
	(a) Technology imported.	Nil
	(b) Year of import.	Nil
	(c) Has technology been fully absorbed?	Nil
	(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	Nil

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010

Persons employed for full/ part of the year ended March 31, 2010 who were in receipt of remuneration which in the aggregate was not less than Rs. 24,00,000 p.a. / Rs. 2,00,000 p.m. respectively.

The Company does not have employees , except two whole Time Directors and one Managing Director, who were in receipt of remuneration which in the aggregate was not less than Rs. 24,00,000 p.a. / Rs. 2,00,000 p.m. respectively /

Sl. No.	Name	Nature of Employment	Education & Experience	Nature of Duties	Percentage of Shares	Age (Yrs.)	Gross Remuneration (Rs.) P.A.	Previous Employment & Designation
1.	Sh. Jatinder Singh, Chairman-cum-Whole Time	Appointed as per Article of Association for 5 yrs.	B.Sc. (Engineering) 28 years	Finance & Administration	8.33	55	5400000	Ruchira Papers Ltd. since 8.12.1980
2.	Sh. Subhash Chander Garg Co-Chairman-Cum-Whole-Time Director	Appointed as per Article of Association for a period of 5 years	B.A. L.L.B. 28 years	Marketing & Company matters	5.57	69	5400000	Ruchira Papers Ltd. Since 8.12.1980
3.	Sh. Umesh Chander Garg Managing Director	Appointed as per Article of Association for a period of 5 years.	Pre-University 28 years	Technical operations	5.22	61	5400000	Ruchira Papers Ltd. Since 8.12.1980

MANAGEMENT DISCUSSION AND ANALYSIS (F.Y.2009-10)

OVERALL PERFORMANCE

The Company has managed to survive the recessionary phase and draught like situation during three quarters, but last quarter witnessed increased sale price with cooling off prices of raw materials. Overall The Company has registered an upward trend in its performance over the previous year, which marks a good sign and mainly attributable on account of:

- a. Increase in the production and attaining economies of scale even though the increase in cost of the raw materials and inputs.
- b. Usage of the latest technology for achieving the optimum end product and reduction in cost of production in comparison to increase in cost of inputs.
- c. Increase of sale prices of finished goods.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Core business of Ruchira Papers Limited is paper manufacturing. The company was earlier engaged in the manufacturing of Karft Paper used for corrugation, core pipes, cones etc since 1983. With the setting up of 100 TPD Writing and Printing Paper plant, the company has widened its product base in same segment of Paper in which the company has expertise.

The health of Paper industry depends upon many factors like economic growth, literacy rate, advertising, industrial activity, population growth and most important the demand and supply dynamics.

The Indian Paper Industry has demonstrated secular general growth and the consistent rise in demand. The per capita consumption of Paper in the India is still as low as 7.2 Kg while South Asia and World Average consumption is at 11 Kg and 53 Kg respectively leaving wide scope of paper in India.

With the emphasis of Government of India on education and especially on higher education, which the government has shown by imposing the Higher Education Cess of 1 % during last year besides the normal education cess of 2 % on direct and indirect taxes, the spending on the education will increase substantially during next 3-5 year. The increase in education expenditure will definitely require more Writing & Printing Paper and we anticipate the faster growth rate of Writing and Printing Paper. As per the study by Indian Paper Manufacturers Association (IPMA), the consumption of paper in India is set to double from the current 7 million tones per annum in the next eight years.

Due to the ecological problems caused by usage of plastic materials, paper is becoming the most favored option for packaging. The growth of the manufacturing sector will also enhance the demand for Kraft paper.

OPPORTUNITIES AND THREATS

The Company being located in Himachal Pradesh is presently entitled to 100 % excise duty exemption upto June, 2013 in respect of Kraft Paper and concessional rates of Central Sales tax at 1 % against 2 % in other states. The Company has also set up 100 TPD Writing & Printing Paper unit, which is also entitled for 100 % excise exemption for next 10 years with effect from 30.03.2008 (the date of start of commercial production). The company has also set up Captive Power Cogeneration Plant, which helps the company to get the cheap and uninterrupted power supply. The Company has set up Chemical Recovery System to conserve the water and to control water pollution. Further the location of the factory at the outskirts of Himachal Pradesh helps to get raw material of agro residues from the neighboring agricultural rich states of Haryana and Punjab.

Threats: Due to liberalization in paper sector, foreign companies have also been allowed an entry. Thus there could be investments in the paper industry from foreign players.

PRODUCT ANALYSIS

The Product range of the Company mainly includes Kraft Paper with a installed capacity of 52800 TPA. This product finds its application in the manufacturing of corrugated boxes, Corrugated rolls for industrial packaging. The Company also manufactures a special grade of Kraft Paper known as DTY/POY grade which is used in the manufacturing of textile tubes and in wrapping of different types of Yarn.

The company has widened its product base in commonly used Writing & Printing Paper by setting up Writing and Printing Paper unit.

RISK AND CONCERNS

Risk is inseparable from business. Nonetheless, the company has undertaken a number of initiatives to mitigate risk impact though continuous risk identification and management. The Indian paper industry might face a slowdown, resulting in sluggish demand and slow off take. This could impact the profitability of companies operating within the industry. Moreover, non availability of key raw material resources may inflate procurement costs, impact production and affect profitability. The Company enjoys flexibility which enables the company to switch its raw material mix in favour of those which are available cost-effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with its size and nature of the business and meeting with the following objectives:

- a. Safeguarding the assets and protecting against loss from unauthorized use or disposition.
- b. Transactions being properly authorized, accurately recorded and promptly reported, and
- c. Proper maintenance of the accounting records.

The Internal control system and the guidelines for compliance with stated policies of the company for conducting business and communication with the stake holders, customers and other third parties are well documented.

The procedures, practices and limits with respect to this function were subjected to periodic review by senior management during the year under review.

FINANCIAL PERFORMANCE

Sales of the Company registered a growth of 23.90% over the previous financial year at Rs. 19970.80 Lacs compared to Rs. 16117.70 Lacs in corresponding previous year. Though the operating profit (EBIDTA) of the Company grew from Rs. 1595.43 Lacs in previous period to Rs. 1937.00 Lacs in the year under review, but due to steep increase in the prices of raw materials especially Agriculture Residues without commensurate increase in selling prices of finished goods coupled with higher Depreciation and Interest, (being the second year of operation of W&P Machinery), adversely affected the profitability of the Company during Financial Year 2009-10.

HUMAN RESOURCES DEVELOPMENT

The company has strengthened the deployment of high quality employees in the key functions, through recruitments and selections. The company firmly believes that in house human capital will see the organization through success in today's highly competitive global environment, Ruchira Papers Limited considers its human resources as amongst its most valuable assets. Industrial relations were cordial throughout the year and would likely to continue in future also.

FORWARD LOOKING STATEMENTS

The Management discussion and analysis report contains forward looking statements based upon the data available with the company, assumptions with regard to global economic conditions, the government policies etc. The company cannot guarantee the accuracy of assumptions and future performance of the company in future. Therefore, the actual results, performance or achievements could thus differ materially from those projected in any such forward looking statement.

Report on Corporate Governance (2009-10)
(Pursuant to Clause 49 of the Listing Agreement)

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2010.

1. Company's philosophy on corporate governance:

The Company believes that Corporate Governance is the application of best management practices, compliances of law in true letter and spirit and adherence to ethical standards for effective management. The Company seeks to adopt good corporate governance practices and places strong emphasis on transparency, empowerment, accountability and integrity which leads to satisfaction of shareholders. Company's philosophy is concerned with ethics, values and morals of the Company and remains accountable to the shareholders and other beneficiaries for their action. The Company conducts its activities in a manner that is fair and transparent and perceived to be such by others.

2. Board of Directors:

In terms of the Company's Corporate Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of supervision, control and direction.

a. Composition of the Board of Directors:

The Board has an optimum combination of Executive and Non-Executive directors. 50 % of the Directors are Non-Executive Independent Directors. The Company has Whole Time Executive Directors to look after finance, projects, commercial, technical and personnel affairs of the Company. The total number of directors of the Company is 8 as on 31st March, 2010 consisting of 4 Executive Directors and 4 Independent Non Executive Directors.

b. Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships/ Committee Memberships/ Chairmanships thereof during the financial year.

Name of Directors	Category of Directors	Board Meetings attended during 2009-10	Attendance at Last AGM	No. of Other Directorships	Membership of other Board Committee
Mr. Jatinder Singh	Chairman cum Whole Time Director Executive & Promoter	4	Yes	3	Nil
Mr. Subhash Chander Garg	Co-Chairman cum Whole Time Director Executive & Promoter	4	Yes	Nil	Nil
Mr. Umesh Chander Garg	Managing Director Executive & Promoter	3	Yes	Nil	Nil
Mr. Jaleshwar Narain Singh	Executive Director Executive	2	Yes	Nil	Nil
Mr. Dalbir Singh	Non-Executive Independent	4	Yes	Nil	Nil
Mr. Surinder Gupta	Non-Executive Independent	4	No	Nil	Nil
Col(Retd) Avtar Singh Bajwa	Non-Executive Independent	4	No	Nil	Nil
Mr. S.K.Dewan	Non-Executive Independent	4	No	1	Nil

a. Date and Number of Board Meetings held:

During the year ended 31st March, 2010, Four meetings of the Board of Directors were held on 30.04.09, 30.07.09, 30.10.09 and 29.01.10.

3. Audit Committee:

The Audit Committee has been set up in accordance with the requirements of section 292A of the Companies Act, 1956 and the terms of reference are in conformity with clause 49 of the listing agreement entered into with the stock exchanges. The composition of the Audit Committee as on 31st March, 2010 is as follows:

Sr. No.	Names of Member	Designation	Category of Director	No. of Meetings attended
1	Mr. Dalbir Singh	Chairman	Independent Non-Executive	4
2	Mr. Surinder Gupta	Member	Independent Non-Executive	4
3	Col(Retd) Avtar Singh Bajwa	Member	Independent Non-Executive	4
4	Mr. Jatinder Singh	Member	Non-Independent Executive	4

Keeping in view the provisions of section 292A of the Companies Act, 1956 and matters specified under clause 49 of the Listing agreement with stock exchanges, terms of reference are as under:

- To recommend the appointment of the statutory auditors, internal auditors and cost auditors.
- To review reports of the internal auditors and decide about the scope of work.
- To review the financial statements and to seek clarifications etc. from the Statutory/ Internal Auditors.
- To review the adequacy of internal control system.
- To review the financial statements before submission to the Board of Directors.

The Audit Committee met four times during the year on 30.04.2009, 30.07.2009, 30.10.2009 and 29.01.2010.

4. **Remuneration Committee:**

Terms of reference:

To recommend/ review the remuneration package of the Executive Directors and their Relatives based on performance and keeping in view the applicable provisions of the Companies Act, 1956.

The Composition of the committee is as follows:

Sr.No.	Names of Members	Category
1	Mr. Dalbir Singh	Independent Non-Executive
2	Mr. Surinder Gupta	Independent Non-Executive
3	Col(Retd) Avtar Singh Bajwa	Independent Non-Executive

The Remuneration Committee met on 30.07.2009. The Non-Executive Directors are paid sitting fees for attending the meetings of the Board or Committee thereof attended by them. Other than sitting fees, no other remuneration has been paid to the Non-Executive Directors for the year 2009-10. The details of Remuneration of the directors for the financial year ended 31st March, 2010 is as follows:

Name	Salary including allowances	Sitting fees	Total
Mr. Subhash Chander Garg	5400000	-	5400000
Mr. Umesh Chander Garg	5400000	-	5400000
Mr. Jatinder Singh	5400000	-	5400000
Mr. Jaleshwar Narain Singh	1080000		1080000
Mr. Dalbir Singh	-	20000	20000
Mr. Surinder Gupta	-	20000	20000
Col(Retd). Avtar Singh Bajwa	-	20000	20000
Mr. S.K.Dewan	-	20000	20000

5. **Shareholders/ Investors Grievance Committee:**

The Committee oversees redressal of shareholder and investors grievances, like transfer of shares, non-receipt of Annual Report, dividends and approves transmission, issue of duplicate shares and other related matters.

The Composition of the committee is as follows:

Sr.No.	Names of Members	Category
1	Mr. Dalbir Singh	Independent Non-Executive
2	Mr. Surinder Gupta	Independent Non-Executive
3	Col(Retd) Avtar Singh Bajwa	Independent Non-Executive

The Committee has met on 30.04.2009, 30.07.2009, 30.10.2009, 29.01.2010. There was no complaint pending at the beginning of the year, the company has received four complaints for non receipt of Annual Report, which was resolved during the year and no complaint is pending at the close of the year.

6. **Disclosures:**

There were no materially significant related party transactions which may have potential conflict with the interests of the company at large. Confirmations have been placed before the Audit Committee and the Board that all related party transactions during the year under reference was in the ordinary course of business and on arm's length basis. However, the transactions detailed in Schedule to the accounts may be considered as related party transactions. There was no non-compliance during the last three years by the company on any matter relating to the Capital Markets. There were no penalties, strictures passed by stock exchanges/SEBI or any Statutory authority. There are no pecuniary relationships or transactions with Non-Executive Directors. The Company does not have any non-listed Subsidiary Companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges.

Compliance status with mandatory and non mandatory requirements of Clause 49 of Listing agreement:-

Mandatory Requirements: The Company has complied with all the mandatory requirements of Clause 49 of the listing agreement entered into with stock exchanges.

Non-Mandatory Requirements adopted by the Company:

- Mr. Jatinder Singh, an Executive Director, is the Chairman of the Company and 50 % of the Board comprises of Non-Executive and Independent directors. Independent directors of the company do not have a term exceeding a period of Six years in aggregate on the Board of the Company.
- The Company has set up a Remuneration Committee comprising of three Independent Directors. Details of the Committee have already been given above.
- Presently, half yearly financial performance is not being sent to any shareholder.
- The Company does not have a Whistle Blower Policy. All the same, no personnel of the Company has been denied access to the grievance redressal mechanism of the Company.

7. **Means of Communication:**

The quarterly results of the Company were announced within a month of the end of each quarter and such results were published normally in the "The Financial Express" and "Jansatta". The Financial results are also provided on the web site www.ruchirapapers.com.

8. **General body Meetings:**

Details of the last three Annual General Meeting of the Company is given hereunder:

Year	Date	Time	Venue
2007	31.08.2007	3:00 P.M. (H.P.)-173030	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour
2008	06.09.2008	3:00 P.M. (H.P.)-173030	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour
2009	18.09.2009	3:00 P.M. (H.P.)-173030	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour

No special resolution was passed by way of postal ballot during the year 2008-09.

9. **Shareholders Information:**

a. General Shareholder Information:

Annual General Meeting (Date , time and venue)	16th September 2010 at 3:00 P.M. at Hotel Black Mango, Nahan Road, Kala Amb, Distt. Sirmour (H.P.)-173030.
Financial Calendar	The Company follows April-March as its financial year.
Book Closure date	10.09.2010 to 16.09.2010 (Both days inclusive)
Dividend Payment Date	Not Applicable

Listing on Stock Exchanges	The Company's Equity Shares are currently listed with the Bombay Stock Exchange, Mumbai and the National Stock Exchange of India Limited under Stock Codes "532785" and "RUCHIRA" respectively. The Company has paid the requisite fees to the stock exchanges for the financial year 2010-11.
ISIN Number for NSDL and CDSL	INE803H01014
Registrar & Share Transfer Agents	Link Intime India Pvt Limited. Mumbai Office: C-13, Pannalal Silk Mills compound, LBS Road, Bhandup(W) Mumbai-440078. Tel: 022-25963838, Email:mumbai@linktime.co.in Delhi Office: A-40, 2ND Floor, Near Batra Banquet Hall, Naraina Industrial Area, Phase-II, New Delhi-110028. Email:delhi@linkintime.co.in
Share Transfer System	The power of approving transfer of securities has been delegated to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Limited. The Share Transfers are processed and certificates normally returned within 30 days from the receipt, if the documents are clear in all respects.
Address for Correspondence	Ruchira Papers Limited, Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030. Tel.No.: 01702-238537, 238654 Fax: 01734-261141 Email:info@ruchirapapers.com, cs@ruchirapapers.com, investor@ruchirapapers.com
Plant Location	Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030

b. Market Price Data: Monthly High/ low during each month of 2009-10 on Stock exchanges, Mumbai.

Market Price Data	Share prices of the Company for the period 2009-10.			
Month	Bombay Stock Exchange		The National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2009	7.00	4.93	7.80	4.80
May 2009	10.05	6.01	9.95	5.80
June 2009	9.29	7.60	9.15	7.15
July 2009	8.34	6.71	8.50	6.60
August 2009	9.13	6.98	9.30	7.00
September 2009	9.58	8.20	9.75	8.10
October 2009	8.98	3.45	8.95	7.45
November 2009	7.49	6.55	7.80	6.55
December 2009	12.45	7.40	12.50	7.10
January 2010	11.29	9.05	11.40	8.95
February 2010	9.97	7.50	10.40	7.85
March 2010	9.58	6.75	9.75	7.05

c. Distribution of Shareholding as on 31st March, 2010:

Shareholding of nominal values	Shareholders		Amount	
	Number	% of Total	Rupees	% of Total
Upto 2,500	3030	45.834	4676050	2.085
2,501 - 5,000	1651	25.057	6601750	2.944
5,001 - 10,000	969	14.706	8103530	3.614
10,001 - 20,000	490	7.437	7788430	3.474
20,001 - 30,000	124	1.882	3247980	1.449
30,001 - 40,000	57	0.865	2017300	0.900

40,001 - 50,000	78	1.184	3714000	1.656
50,001 - 1,00,000	93	1.411	7087990	3.161
1,00,001 & Above	107	1.624	180981010	80.717
TOTAL	6599	100.000	224218040	100.000

d. Categories of Shareholding as on 31st March, 2010:

Categories	Number of Shares	Amount in Rs.	%
Promoters, Directors, Relatives and Promoter Group	12290675	122906750	54.82
Mutual Funds/UTI			
Financial Institutions/Banks	2501234	25012340	11.15
Bodies Corporate	1246296	12462960	16.82
Non Resident Indians	96224	962240	0.43
Clearing Members	7247	72470	0.03
Indian Public	6280128	62801280	16.75
TOTAL:	22421804	224218040	100.000

e. Dematerialization of Shares:

The shares of the company can be traded in dematerialized form with NSDL AND CDSL. As on 31st March, 2010, a total of 19595328 Equity shares of the company which form 87.39 % of the share capital, stand dematerialized. The Company through its Registrar and Share Transfer Agents provides the facility of simultaneous transfer and dematerialization of shares.

f. As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with Depositories (i.e. with the NSDL and CDSL) and in physical form, tallying with the admitted, issued/paid –up capital and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the Stock Exchange and is placed before the Board of Directors for their noting.

Certificate on Corporate Governance:

To,

The Members of Ruchira Papers Limited

We have examined the compliance of conditions of Corporate Governance by Ruchira Papers Limited, for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to the Investors Grievance Committee.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : KALKA AMB
Date : 27th July, 2010

For J.L. Garg & CO.
Chartered Accountants
Reg No. 004730N

I.C. GOEL (F.C.A.)
Partner
M. No. 004631

Certification by Managing Director:

To,
The Board of Directors,
Ruchira Papers Limited
Kala Amb (H.P.)

I have reviewed financial statements and cash flow statement of Ruchira Papers Limited for the year ended 31st March, 2010 and to the best of my knowledge and belief:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
- b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- c. No transaction has been entered into by the company during the year under review which are fraudulent, illegal or violative of the company's code of conduct.

Further, I accept that it is my responsibility to establish and maintain internal controls for financial reporting. Accordingly, I have evaluated the effectiveness of internal control systems of the company pertaining to financial statements and have disclosed to the Auditors and Audit Committee, wherever applicable:

1. deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken / proposed to be taken to rectify these deficiencies;
2. Significant changes in internal controls over financial reporting during the year;
3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
4. Instances of significant fraud of which we became aware and involvement therein, if any, of the management or an employee has a significant role in the company's internal control system over financial reporting.

Further, the Company has laid down and adopted a "Code of Conduct" for all the Board members and senior management of the Company and has been posted on the website of the company.

It is hereby affirmed that during the year 2009-10, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given confirmation in this regard.

For Ruchira Papers Limited

Place : Kala Amb
Date: 27th July, 2010

Umesh Chander Garg
(Managing Director)

AUDITOR'S REPORT

To,

The Members,
Ruchira Papers Limited
Kala-Amb (H.P.)

1. We have audited the attached Balance Sheet of Ruchira Papers Limited as at 31st March 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto. 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 misstatement. 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 principals used and significant estimates 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 sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) In our opinion and based on information and

explanations given to us none of the directors are disqualified as on 31st March 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said account read together with significant accounting policies and notes to accounts 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
 - b) In the case of Profit & Loss Account, of the loss of the Company for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For J.L. Garg & Co.
Chartered Accountant
Registration No. 004730N

Place : Kala-Amb
Date : 27th July, 2010

I.C. Goel (F.C.A.)
Partner
Membership No. 004631

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF RUCHIRA PAPERS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) We were informed that these fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (iii) There was no substantial disposal of fixed assets during the year.
2. (i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (ii) The procedure of physical verification of inventory followed by the management are, in

our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.

- (iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (i) The Company has taken Unsecured loans from three Directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount during the period of such loans was Rs 350.80 lakhs and the amount remaining unpaid at the year end was Rs 350.80 lakhs.
- (ii) The loans taken by the Company is free of interest and are not due for repayment at the year end.
- (iii) There are no overdue amounts of the principal repayable at the year end.
- (iv) The Company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (v) Since the company has not granted any loans to parties, the question of reporting whether terms & conditions of such loan are prejudicial to the interest of company does not arise.
- (vi) Further in the light of above, the question of, whether reasonable steps are taken for recovery/repayment of overdue of such loan, does not arise.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods & Services. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.
5. (i) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under Section 301 have been so entered ;and
- (ii) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion the Company has an internal audit

system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of accounts 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 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 said records.
9. (i) According to information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection funds, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and others as applicable have been regularly deposited by the Company during the year with the appropriate authorities.
- (ii) According to information and explanations given to us and according to the books and records as produced and examined by us , there are no disputed dues of sales tax, income tax, custom duty, wealth tax, service tax and cess matters . The details of disputed excise duty dues which have not been deposited by the company with the authorities as at March 31 ,2010 are as follows :-

Name of the Statute	Nature of the dues	Amount	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty & Penalty	31042816	Custom Excise & Service Tax Appellate Tribunal New Delhi
The Central Excise	Excise Duty	46473	Remanded back to Commissioner Appeals for fresh decision by H.P. High Court, Shimla

10. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and as per information and explanations given by the management, we are of the opinion that Company

has not defaulted in repayment of dues to financial institutions or banks.

12. According to information and explanations given to us and based on the documents and records produced 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. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to information and explanations given to us the Company has not given any guarantees for loans taken by others from the banks and financial institutions.
16. Based on information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance

Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.

18. The Company has not made any preferential allotment of Shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a Public Issues during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For J.L. Garg & Co.
Chartered Accountant
Registration No. 004730N

Place : Kala-Amb
Date : 27th July, 2010

I.C. Goel (F.C.A.)
Partner
Membership No. 004631

Balance Sheet As At March 31, 2010

Particulars	Schedules		As at 31.03.2010		As at 31.03.2009
Sources of Funds					
Shareholders' Funds					
Share Capital	A	224218040		224218040	
Reserves and Surplus	B	<u>360897761</u>	585115801	<u>406756598</u>	630974638
Loan funds					
Secured	C		1374991720		1383741287
Un-Secured Loans	D		35080000		31080000
Deferred Tax Liability (Net)			<u>48951019</u>		<u>75103878</u>
Total Rs.....			<u>2044138540</u>		<u>2120899803</u>
Application Of Funds					
Fixed Assets	E				
Gross Block		2205612972		2172104319	
Less: Depreciation		<u>403978390</u>		<u>299151943</u>	
Net Block		1801634582		1872952376	
Capital Work in Progress		-	1801634582	<u>13118387</u>	1886070763
Current Assets, Loans & Advances	F				
Inventories		322991305		275001578	
Sundry Debtors		195365094		184168489	
Cash & Bank Balances		16771338		19204498	
Loans & Advances		<u>44496587</u>		<u>54892885</u>	
		579624324		533267450	
Less: Current Liabilities & Provisions	G				
Liabilities		301416733		269155416	
Provisions		<u>35703633</u>		<u>29399727</u>	
		<u>337120366</u>		<u>298555143</u>	
Net Current Assets			242503958		234712307
Misc. Expenditure (To the extent not Written off or Adjusted)					
Amalgamation expenses			-		116733
Total Rs...			<u>2044138540</u>		<u>2120899803</u>
Accounting Policies and Notes to Accounts	N				
The Schedules referred to above form part of the Balance Sheet					

Auditors Report

Certified in terms of our separate report of even Date

For J.L.Garg & Co.
Chartered Accountant
Registration No.004730N

I.C.Goel (F.C.A.)
Partner
Membership No.004631

Place-Kala-Amb
Date 27th July 2010

For and on behalf of Board of Directors

Jatinder Singh
(Chairman cum Whole Time Director)

Umesh Chander Garg
(Managing Director)

Hussan Kumar
(Company Secretary)

Vipin Gupta
(General Manager Finance)

Place-Kala-Amb
Date 27th July 2010

Profit and Loss Account for the year ended March 31, 2010

Particulars	Schedules	Year ended 31.03.2010	Year ended 31.3.2009
Income			
Sales		1997080300	1611769789
Less: Excise Duty		2565601	2069192
Net Sales		1994514699	1609700597
Other Income	H	7934790	15223808
Increase /(Decrease) in stocks of Work-in-process and Finished goods	I	2973734	39598447
Total Rs...		<u>2005423223</u>	<u>1664522852</u>
Expenditure			
Raw Materials, Fuel & Chemicals Consumed	J	1372316915	1176370070
Manufacturing Expenses	K	306719874	220887760
Administrative, Selling & Other Expenses	L	132569829	107605365
Interest	M	159956424	110583468
Depreciation		105652191	72173249
Less: Transfer from Revaluation Reserve		2752369	102899822
Amalgamation Expenses Written Off		116733	3536043
Total Rs...		<u>2074579597</u>	<u>1684200605</u>
Profit / (Loss) for the year before taxation		(69156374)	(19677753)
Provision for Taxation			
-Fringe Benefit Tax		-	614000
-Deferred Tax	(26152859)		(4583227)
-Tax adjustment for earlier years	102953	(26049906)	235526
Net Profit		(43106468)	(3733701)
Balance brought forward		203262276	(15944052)
Balance carried forward to Reserve & Surplus		160155808	219206328
Earning Per Share (Equity Shares, par value of Rs. 10/- each)			
Basic		(1.92)	(0.71)
Diulated		(1.92)	(0.71)
Accounting Policies and Notes to Accounts	N		
This is the Profit and Loss Account referred in our Report of even date.			

Auditors Report

Certified in terms of our separate report of even Date

For J.L.Garg & Co.
Chartered Accountant
Registration No.004730N

I.C.Goel (F.C.A.)
Partner
Membership No.004631

Place-Kala-Amb
Date 27th July 2010

For and on behalf of Board of Directors

Jatinder Singh
(Chairman cum Whole Time Director)

Umesh Chander Garg
(Managing Director)

Hussan Kumar
(Company Secretary)

Vipin Gupta
(General Manager Finance)

Place-Kala-Amb
Date 27th July 2010

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010

	Year ended 31.03.2010	Year ended 31.3.2009
A) Cash Flow from Operating Activities		
Net Profit Before Tax/(Loss)	(69156374)	(19677753)
Adjustment for:		
Depreciation	102899822	68637206
Misc. Expenditure	116733	116736
Loss/(Profit) on sale of Fixed Assets	(50830)	(21994)
Interest Income	(7813350)	(3171357)
Interest Expense	159956424	110583468
Operating Profit before working capital charges	185952425	156466306
Decrease/(increase) in Sundry Debtors	(11196605)	(57206146)
Decrease/(increase) in Inventories	(47989727)	(149391574)
Decrease/(increase) in Loans & advances	7460557	21553472
(Decrease)/increase in Sundry Creditors	23154640	148454112
(Decrease)/increase in Other Current Liabilities	16024583	41557195
Cash generated from Operations	173405873	161433365
Income Tax Paid(Net)	2218788	(4685077)
Net Cash from Operating Activities	175624661	156748288
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(21578680)	(385298776)
Proceeds from sale of Fixed assets	413500	377000
Interest Received	7813350	3171357
Net Cash from Investing Activities	(13351830)	(381750419)
C) Cash Flow from Financing Activities		
Proceeds from Unsecured loans	4000000	18405000
Proceeds from Long Term Borrowings	75035975	203140641
Repayments of Long Term Borrowing	(114610922)	(17872631)
Proceeds from Short Term Borrowings(Net)	30825380	136706690
Interest Paid	(159956424)	(110609138)
Net Cash used in Financing activities	(164705991)	229770562
Net Increase in Cash & Cash equivalents (A+B+C)	(2433160)	4768431
Cash & Cash equivalents at beginning of the period	19204498	14436067
Cash & Cash equivalents at end of the period	16771338	19204498

Notes:

1. The Cash Flow Statement has been prepared under the indirect Method as set out in Accounting Standard-3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
2. Negative figures have been shown in brackets.

Auditors Report

Certified in terms of our separate report of even Date

For J.L.Garg & Co.
Chartered Accountant
Registration No.004730N

I.C.Goel (F.C.A.)
Partner
Membership No.004631

Place-Kala-Amb
Date 27th July 2010

For and on behalf of Board of Directors

Jatinder Singh
(Chairman cum Whole Time Director)

Umesh Chander Garg
(Managing Director)

Hussan Kumar
(Company Secretary)

Vipin Gupta
(General Manager Finance)

Place-Kala-Amb
Date 27th July 2010

Schedules attached to and forming part of Balance Sheet as at March 31,2010

Particulars	As at 31.03.2010	As at 31.3.2009
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SCHEDULE 'A' : SHARE CAPITAL

Authorised

31000000 Equity Shares of Rs. 10/- each	310000000	310000000
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	<u>310000000</u>	<u>310000000</u>
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Issued, Subscribed & paid up :

22421804 Equity Shares of Rs. 10/- each fully paid up	224218040	224218040
including 1965500 Equity Shares issued for consideration other than cash		

Total (Rs.)	<u>224218040</u>	<u>224218040</u>
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SCHEDULE 'B' : RESERVES AND SURPLUS

Revaluation Reserve Account

Opening Balance as per previous Balance Sheet	2752369	6288412
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Less : Transferred to Profit & Loss Account	<u>2752369</u>	<u>3536043</u>
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Net Total	-	2752369
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Profit and Loss Account

Balance transferred from profit & loss appropriation account	160155808	203262276
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Share Premium Account	181086953	181086953
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General Reserve	<u>19655000</u>	<u>19655000</u>
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Total (Rs.)	<u>360897761</u>	<u>406756598</u>
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SCHEDULE 'C' : SECURED LOANS

A. Term Loans :

HPSIDC, Shimla	8525000	11625000
ICICI Bank Ltd (Vehicle Loan)	-	3284589
Punjab National Bank (Kraft)	4562237	11373391
Punjab National Bank (Writing & Printing)	546444893	532441113
State Bank Of Bikaner and Jaipur (Writing & Printing)	136999888	146082844
Oriental Bank Of Commerce (Writing & Printing)	343851448	381697412
Tata Capital Ltd. Chd.(Vehicle Loan)	761260	-
Kotak Mahindra (Vehicle Loan)	7147523	-
Magma Sarchi Finance Ltd(Vehicle Loan)	788912	1509474
Tata Finance Ltd (Vehicle Loan)	499399	1141684

B. Cash Credit Accounts :

Punjab National Bank, Chandigarh (Kraft)	84453400	103466326
Punjab National Bank, Kala-Amb (Kraft)	2484402	-
State Bank Of Bikaner and Jaipur (Kraft)	50235427	38984429
Punjab National Bank, Chandigarh (Writing & Printing)	123860466	121015292
Punjab National Bank, Kala-Amb (Writing & Printing)	2482681	-
Oriental Bank Of Commerce (Writing & Printing)	<u>61894784</u>	<u>31119733</u>
Total (Rs.)	<u>1374991720</u>	<u>1383741287</u>

SCHEDULE 'D' : UNSECURED LOANS

Sh. Subhash Chander Garg	9400000	6900000
Sh. Umesh Chander Garg	7575000	7075000
Sh. Jatinder Singh	<u>18105000</u>	<u>17105000</u>
Total (Rs.)	<u>35080000</u>	<u>31080000</u>

SCHEDULE 'E' : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 1/4/2009	ADDITIONS	SALE/ TRANSFER	TOTAL AS ON 31/3/2010	UPTO 31/3/2009	FOR THE YEAR ASSETS ADJ.	DEPRECIATION ON SALE OF	TOTAL UPTO 31/3/2010	AS ON 31/3/2010	AS ON 31/3/2009
	2	3	4	5	6	7	8	9	10	11
LAND	96763407	4177800	-	100941207	-	-	-	-	100941207	96763407
BUILDING	286805036	3061361	-	289866397	29989598	9532565	-	39522163	250344234	256815438
OFFICE BUILDING	12692115	-	-	12692115	313327	206881	-	520208	12171907	12378788
PLANT & MACHINERY	1681306767	16803970	-	1698110737	215362475	88023121	-	303385596	1394725141	1465944292
E.T.P.	35602228	6986219	-	42588447	24622743	2155174	-	26777917	15810530	10979485
TUBE WELL	2480133	-	-	2480133	437689	40032	-	477721	2002412	2042444
FURNITURE	7566467	127040	-	7693507	3720770	714379	-	4435149	3258358	3845697
TOOLS & EQUIPMENTS	516800	-	-	516800	130157	24349	-	154506	362294	386643
LAB. EQUIPMENTS	4390850	-	-	4390850	1553645	208006	-	1761651	2629199	2837205
OFFICE EQUIPMENTS	2427780	265120	-	2692900	613962	123728	-	737690	1955210	1813818
VEHICLES	33262854	2962381	1188414	35036821	18699295	4089884	825744	21963435	13073386	14563559
FAX MACHINE	209730	-	-	209730	101103	9962	-	111065	98665	108627
WEIGHING SCALE	2529708	-	-	2529708	611760	120162	-	731922	1797786	1917948
COMPUTERS	3228382	98020	-	3326402	2487595	289488	-	2777083	549319	740787
Fire Fighting	359416	-	-	359416	10996	17072	-	28068	331348	348420
PBX	256203	17250	-	273453	118904	12172	-	131076	142377	137299
PHOTOSTAT MACHINE	293101	43000	-	336101	86423	14588	-	101011	235090	206678
TELEPHONES	1413342	154906	-	1568248	291501	70628	-	362129	1206119	1121841
TOTAL (Rs.)	2172104319	34697067	1188414	2205612972	299151943	105652191	825744	403978390	1801634582	1872952376
PREVIOUS YEAR	1294702406	878476570	1074657	2172104319	227698345	72173249	719651	299151943	1872952376	1067004061

Schedules attached to and forming part of Balance Sheet as at March 31,2010

Particulars	As at 31.03.2010	As at 31.3.2009
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SCHEDULE 'F' : CURRENT ASSETS, LOANS AND ADVANCES
A. Current Assets
Inventories

(As taken, valued and certified by the Management)

Raw Material	165674975	127264959
Stores, Spares & Packaging	90334504	83728527
Semi Finished Goods	31676000	22026000
Finished Goods	35305826	41982092
Total (Rs.)	322991305	275001578

Sundry Debtors

Debts outstanding for a period exceeding 6 months.

Other Debts	23362961	10679073
	172002133	173489416
Total (Rs.)	195365094	184168489

Cash and Bank Balances

Cash & Bank Balances

FDR with Scheduled Banks :

FDR (Margin Money FLC and Bank Guarantee)

FDR (Margin Money Bank Guarantee EPCG)	4352880	6027040
	2876000	3646000
	9542458	9531458
Total (Rs.)	16771338	19204498

B. Loans and Advances

(Recoverable in cash or in kind or for value to be received)

Sundry Advances	16924430	22259483
Advances to Suppliers	10139061	11837816
Security Deposits with HPSEB, HPSIDC & Others	3330347	3330896
Prepaid Expenses	1528416	1954616
Advance Tax ,T.D.S. and T.C.S.	1024333	3960074
MAT Credit Entitlement	11550000	11550000
Total (Rs.)	44496587	54892885

SCHEDULE 'G' : CURRENT LIABILITIES AND PROVISIONS
A. Current Liabilities:
Sundry Creditors

Creditors for Raw Materials / Stores & Spares etc.

Creditors for Capital Work	164776472	136153694
Share Application Money Pending Refund	84376431	89844569
Advances from Customers	25553	25553
Security Deposit From Suppliers	3978541	5052998
Security Deposit From Customers	25000000	15000000
	23259736	23078602
	301416733	269155416

B. Provisions:

Expenses Payable & Other Liabilities

Provision for Taxation

Interest Accrued but not Due on Term Loans

	35633039	28689462
	-	614000
	70594	96265
	35703633	29399727
Total (Rs.)	337120366	298555143

SCHEDULE 'H' : OTHER INCOME

Profit on sale of Assets	50830	21994
Short & Excess Recoveries	70610	30457
Biomass Cogeneration Subsidy	-	12000000
Interest Received	7813350	3171357
Total (Rs.)	7934790	15223808

Schedules attached to and forming part of Balance Sheet as at March 31,2010

Particulars	Year ended 31.03.2010	Year ended 31.3.2009
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SCHEDULE 'I' : INCREASE / (DECREASE) IN STOCKS OF WORK-IN-PROCESS AND FINISHED GOODS

Stocks at close		
- Finished Goods	35305826	41982092
- Semi Finished Goods and Goods in process	31676000	22026000
	<u>66981826</u>	<u>64008092</u>
Less: Stocks at commencement		
- Finished Goods	41982092	11622095
- Semi Finished Goods and Goods in process	22026000	12787550
	<u>64008092</u>	<u>24409645</u>
Net Increase/(Decrease) on Stocks	<u><u>2973734</u></u>	<u><u>39598447</u></u>

SCHEDULE 'J' : RAW MATERIALS, FUELS & CHEMICALS CONSUMED

Raw Materials :		
Opening Stock	37479802	47289311
Add : Purchases	750932935	533031942
	<u>788412737</u>	<u>580321253</u>
Less : Closing Stock	75604210	37479802
Raw Materials Consumed	<u>712808527</u>	<u>542841451</u>
Fuels:		
Opening Stock	69289833	18019487
Add : Purchases	376765834	318457828
	<u>446055667</u>	<u>336477315</u>
Less : Closing Stock	76667090	69289833
Fuel Consumed	<u>369388577</u>	<u>267187481</u>
Chemicals:		
Opening Stock	20495324	5129267
Add : Purchases	283028162	381707194
	<u>303523486</u>	<u>386836461</u>
Less : Closing Stock	13403675	20495324
Chemical Consumed	<u>290119811</u>	<u>366341137</u>
Total (Rs.)	<u><u>1372316915</u></u>	<u><u>1176370070</u></u>

SCHEDULE 'K' : MANUFACTURING EXPENSES

Wages	15832204	22654998
Production Staff Salaries	54486535	32876325
Bonus to Workers	2008400	1965297
PF & Administrative Charges	8145840	6813034
E.S.I.Contribution	2110593	1728085
E.D.L.I. Charges	288709	259841
Machinery Repairs & Replacements	49925413	26147237
Consumable Stores & Electric Repairs	62803534	26389612
Power	96478183	96326920
Sheet Cutting Charges	6145635	1972455
Broke Shiffting Charges	955000	-
Ash Clearing Expenses	7539828	3753956
Total (Rs.)	<u><u>306719874</u></u>	<u><u>220887760</u></u>

Schedules attached to and forming part of Balance Sheet as at March 31,2010

Particulars	Year ended 31.03.2010	Year ended 31.3.2009
SCHEDULE 'L' :ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Directors' Remuneration	17280000	17108787
Salaries	16048864	11478484
Conveyance Allowance	71185	116681
Furniture Allowance	269010	256904
Directors' Meeting Fees	80000	75000
Labour & Staff Welfare	975156	1153624
Bonus to Staff	539762	594341
Leave Encashment to Staff	794853	1554918
Gratuity	3823860	3154074
Traveling & Conveyance		
- Directors	559144	1020032
- Others	1636934	1742059
Rent	352185	749785
Water & Electricity Expenses	122117	86011
Postage & Courier	346145	355053
Printing & Stationery	771590	887989
Telephone Expenses	2528247	2555913
Legal & Consultancy Expenses	1812944	1619549
Vehicle Running & Maintenance		
- Directors	760303	984001
- Others	1364153	1588314
Testing Charges	216735	175637
Tractor Running & maintenance	1408750	1129397
Bus Running & Maintenance	1343681	1097744
Repairs & Maintenance		
- Building	1369887	410998
- Misc.	1355098	1383761
Insurance	3919203	3680216
News Papers & Periodicals	25070	10123
Auditors Remuneration		
- Statutory Audit	154420	132360
- Audit Expenses	121098	98837
Cost Audit	44120	42526
Internal Audit	240000	267192
Bank Charges	5883931	3725742
Filing Fees	30500	30500
Fees & Taxes	2734617	2241620
Subscription	112903	52898
Lease Rent Expenses	207781	177314
E.T.P. Expenses	269886	202679
Training and Seminar Expenses	35584	28100
Donation	--	125000
Club Fee for Director	--	20000
Compensation/ Exgratia	150000	50500
Advertisement & Publicity	498938	528042
Business/ Sales Promotion	23671	37553
Commission Paid	4227094	6931589
Rebate & Discount	20818247	12191165
Freight & Forwarding	7486895	3998796
Packing Material Consumed	29755268	21753557
Total (Rs.)	<u>132569829</u>	<u>107605365</u>
SCHEDULE 'M' : INTEREST		
On Working Capital	30569442	22521268
On Term Loans	127377783	86680105
Others	2009199	1382095
Total (Rs.)	<u>159956424</u>	<u>110583468</u>

Schedule N : Significant accounting policies and notes to accounts forming part of accounts as on 31st March 2010.

1. Significant Accounting Policies

A. Basis for preparation of accounts

- i) The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention using accrual method of accounting in accordance with the generally accepted accounting principals.
- ii) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

B. Fixed Assets and depreciation

- i) Fixed Assets are stated at cost of acquisition or revalued amount less accumulated depreciation. Net increase in the fixed assets on account of revaluation is credited to the revaluation reserve account. All costs including financing cost till commencement of commercial production attributable to fixed assets are capitalized.
- ii) Depreciation on fixed assets other than vehicles and furniture is provided on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956. Depreciation on vehicles and furniture has been provided on written down value method.
- iii) The depreciation on plant and machinery and effluent treatment plant has been provided on the rates applicable to continuous process plant.
- iv) The difference in depreciation on revalued amount and the depreciation on the original cost of such assets calculated in accordance with section 205(2) of the Companies Act, 1956 is transferred from Revaluation Reserve to the credit of Depreciation Account.

C. Valuation of Inventories

- i) Inventories are valued at the lower of cost and net realizable value. The cost is computed on First in First out (FIFO) basis.
- ii) Cost for the purpose of valuation of finished goods and goods in process is computed on the basis of cost of material, labour and other related overheads.
- iii) Scrap stock is valued at estimated realizable value.

D. Revenue recognition

- i) Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.
- ii) Sales are recognized when goods are supplied and the significant risks and rewards or ownership of the goods have passed to the buyer.

E. Foreign Currency Transactions

Foreign currency transactions are accounted for at the rates prevailing on the dates of transactions converted at contracted rates.

F. Employees Retirement Benefits

- i.) Company's contribution to Provident Fund, Employee's Deposit Linked Insurance Scheme and Employees State Insurance Fund are made in accordance with the provisions of the Employee Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 and is treated as revenue expenditure.
- ii) Gratuity and Leave Encashment is charged to Profit & Loss Account on the basis of actuarial valuation

G. Borrowing Costs

Borrowing costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of cost of such assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

H. Segment Report Policies

The company produces only Paper and accordingly the entire business has been considered as one single segment. The secondary segment is geographical determined based on the location of clients. Clients are classified as either India or Overseas.

I. Earnings/(Loss) per Share

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard AS- 20 on "Earnings per Share". Basic EPS is computed by dividing Net Profit or Loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilative.

J. Income Taxes

Tax expense comprises both current and deferred taxes. Deferred Income Taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of early years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

K. Impairment of Assets

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, i.e. the amount by which the carrying amount of asset exceeds its recoverable amount is provided in the books of account.

L. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving 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 out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

M. Research & Development

The revenue expenditure on research & development is expensed out under the relevant head of accounts in the year in which is incurred. However, expenditure which results in creation of capital tangible assets is treated in the same way as expenditure on other fixed assets.

N. Misc. expenditure (to the extent not written off or adjusted)

Amalgamation expenses are written off over a period of five years in equal installments as per section 35 DD of Income Tax act, 1961.

2. Notes on Accounts

A. Contingent Liabilities not provided for

(Rs. In Lacs)

S. No.	Particulars	31-03-2010	31-03-2009
A	In respect of various demands raised, which in the opinion of the Management are not tenable and are under appeal at various stages:		
I	Excise Matter	310.89	310.89
B	Estimated amount of contracts remains to be executed on capital account (Net of advances)	--	5.10
C	Guarantees and Letter of Credit given by the bank on behalf of the company	259.62	341.10

B. The term loans from Financial Institutions and Banks are secured by first Parri Passu charge created/ to be created on existing and proposed block of assets of the Company by way of hypothecation of Machinery and Equipment and other fixed assets and equitable Mortgage of Land and Building of the company and further secured by the personal guarantee of the Managing Director and the Whole Time Directors and term loan from Banks are further secured by the personal guarantee of the relatives of the Directors. Term loans are further secured by 2nd Parri Passu charge on the current assets of the Company. The Vehicle loans are secured by hypothecation of vehicles acquired against such loans.

C. The working capital limits (Fund Based and Non Fund Based)from banks are secured by first Parri Passu charge on current assets of the company both present and future and shall include raw materials, semi finished goods in process,

finished goods, stores and spares and book debts of the Company and further secured by personal guarantees of the Managing Director and Whole Time Directors and their relatives. The limits are further secured by second Parri Passu charge on the fixed assets of the company.

D. The breakup of Deferred Tax Assets & Liabilities is as follows:-

	Deferred Tax Liability/(Asset) as at 01.04.2009	Change/(Credit) during the year	Deferred Tax Liability/(Asset) as at 31.03.2010
Deferred Tax Liability			
Difference between book and tax depreciation	141323232	18777673	160100905
SubTotal	141323232	18777673	160100905
Deferred Tax Asset	66219354	44930532	111149886
Sub Total	66219354	44930532	111149886
Net	75103878	(26152859)	48951019

E. Remuneration paid to Directors during the year is Rs. 1,72,80,000/- (Previous year Rs.1,71,08,787/-)

F. The name of Micro small and medium enterprises to whom the company owes a sum of exceeding Rs 100000/- which is outstanding more than 30 days based on the information to the extent available with the company and as certified by the Management is as under:-

ABHAY LIME INDUSTRIES	AGRO PULPING MACHINERY PVT.LTD.
AMAR ELASTOMERS PVT.LTD.	AMBIKA ENTERPRISES.
ANMOL POLYMERS P LTD	ASHU ENGINEERING COMPANY
BANSAL ENTERPRISES.	BANSAL LIME & CHEMICALS
CONNEL BROS.CO.(INDIA) P LTD MUMBAI	D.K.LIME INDUSTRIES
DALA KOTI MINERALS & CHEMICAL	ELECTROTECH ENGINEERS, CHD.
ETE ELECTROGEARS PVT. LTD.	GARUDA VACCUM & REF.TECH.(P)LTD.
HIRA FOUNDRY & ENGG. WORKS	HI-TECH ENGG. INDIA (P) LTD
IAG AUTOMATION (P) LTD.	JAI VARDHMAN KHANIZ PVT.LTD.
JMD POLYMERS	MACTROL-MOTION CONTROL P.LTD. GHAZIABAD
PRESSELS PVT.LTD.	PRIME FABRIQUE WORKSHOP
PUNJAB ACID CHEM	R.C.PAPER MACHINES
RAGHAV INDUSTRIAL PRODUCTS K.AMB	SHARP STEEL IND.
SHIVAS PROJECTS INDIA (P) LTD.	SHREE BALAJI ENTERPRISES
SHREE CHLORATES	SHREE JAGDAMBA TRADERS CHD.
SHREE PARASNATH REFACT.(P) LTD.	TELLABS CHEMICALS PVT. LTD.
THE PUNJAB BUSINESS & SUPPLY CO.P.LTD.	UNISTEEL ENGG. & FABRICATORS
V.R. HYDROCHEM P.LTD.	VIMAL MACHINE TOOLS

G. Segment Information

Primary Segment Information:

The company operates in only one main segment i.e. manufacturing of Paper.

Secondary Segment Information:

	India	Oversea	Total
Revenue(INR)	1993597446	3482854	1997080300

H. Related Party Disclosures

i) Names of Related Parties :

Name of the Related Party	Relationship
Promoters/Key Managerial Personnel	
Sh. Jatinder Singh	Promoter & Chairman
Sh. Subhash Chander Garg	Promoter & Co-Chairman
Sh. Umesh Chander Garg	Promoter & Managing Director
Sh. J.N.Singh	Executive Director
Smt Shashi Garg	Promoter
Smt Parveen Garg	Promoter
Smt Charanjeet Kaur	Promoter
Subsidiary Company	None
Companies in which Directors are Substantially interested	
Sirmour Hotels (P) Ltd.	Sh Jatinder Singh is Director in the Company
Jasmer Foods (P) Ltd.	Sh Jatinder Singh is Director in the Company
Jasmer Pack Ltd.	Sh Jatinder Singh is Director in the Company
Relative/ Enterprises of Relatives of Key Managerial Personnel	
Ruchira Packaging product (P) Ltd.	Promoted by Sh Deepan Garg, Sh Atul Garg & Sh Lucky Garg Sons' of Sh Umesh Chander Garg
Jasmer Pack.	Smt Charanjit Kaur Proprietor of firm is wife of Sh Jatinder Singh.
Ruchira Printing & Packaging.	Promoted by Sh Deepan Garg, Sh Atul Garg & Sh Lucky Garg Sons of Sh Umesh Chander Garg.
Jasmer Packer	Sh. Jatinder Singh interested through their sons Sh.Jagdeep Singh and Sh Daljeet Singh.
Well Pack.	Promoted by Sh Deepan Garg, Sh Atul Garg & Sh Lucky Garg Sons of Sh Umesh Chander Garg.
York Cellulose (P) Ltd.	Promoted by Sh Deepan Garg, Sh Atul Garg & Sh Lucky Garg Sons of Sh Umesh Chander Garg.
Garg Medical Hall	Sh Naresh Garg Proprietor of the firm is the brother of Sh Subhash Chander Garg & Sh Umesh Chander Garg.
Thakur Ji Paper	Sh.J.N.Singh is interested through Smt.Radhika Singh(wife) and Sh.Lalit Singh(son).

ii) Transactions with Related Parties

(Rs. in Lacs)

Particulars	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
	March 31, 2010	March 31, 2009
Transactions with Jasmer Pack		
Sale of Goods	2340.70	1814.42
Purchase of Raw Material	0.08	1.63
Interest received for delayed payment	25.22	0.00
Transactions with Jasmer Packer		
Sale of Goods	81.05	Nil

Transactions with Well Pack Industries		
Sale of Goods	1.10	Nil
Transactions with Ruchira Packaging products Pvt. Ltd		
Sale of Goods	90.40	213.30
Purchase of Packing Material	3.29	2.26
Interest received for delayed payment	2.18	0.00
Transactions with Ruchira Printing & Packaging		
Sale of Goods	527.40	219.02
Purchase of Packing Material	82.17	55.12
Interest received for delayed payment	14.85	0.00
Transactions with Thakur Ji Paper	Nil	Nil
Transactions with Garg Medical Hall	Nil	Nil
Transactions with Sh Jatinder Singh		
Salary and Allowances	54.00	54.00
Transactions with Sh Subhash Chander Garg		
Salary and Allowances	54.00	54.00
Transactions with Sh Umesh Chander Garg		
Salary and Allowances	54.00	54.00
Transactions with Sh J.N.Singh		
Salary and Allowances	10.80	9.09
Balance outstanding as at the year end included in Sundry Debtors		
Jasmer Pack	74.89	126.01
Ruchira Packaging products Pvt. Limited	12.12	55.09
Ruchira Printing & Packaging	144.49	69.64
Jasmer Packer	Nil	Nil
Well Pack Industries	Nil	Nil

- I. Particulars of Payments to Auditors
 Audit Fees
 Expenses

Current Year	Previous Year
1,54,420/-	Rs. 1,32,360/-
Rs. 18,573/-	Rs. 23,487/-

- J. Earning/(Loss) per Share

		March 31, 2010	March 31, 2009
A.	Net Profit/(Loss) after Tax	(43106468)	(15044052)
	Dividend	--	--
	Profit available for Equity Shareholders	--	--
B.	Weighted Average number of Equity Shares of Rs. 10/- each	22421804	22421804
C.	Basic Earning per Share	(1.92)	(0.71)
D.	Diluted Earning per Share	(1.92)	(0.71)
E.	Earning per Share before Dividend	(1.92)	(0.71)

- K. The Previous Year figures have been reworked, regrouped where ever necessary to confirm to this year's classification.

Information pursuant to the provision of paragraph 3,4C and 4D of Part II of schedule VI of the Companies Act ,1956 is given hereunder for the year ended 31.03.2010

1 Quantitative details of capacities,production,sales etc.

2	Particulars	2009-2010		2008-2009	
		Licensed	Installed	Licensed	Installed
	Class of Goods Manufactured	Liner Kraft Paper Writing & Printing Paper			
	Capacity (TPA)	N.A.	85800	N.A.	85800
	Production (M.T.)		74728.410		65996.453
		2009-2010		2008-2009	
		Qty.(M.T.)	Value (Rs)	Qty.(M.T.)	Value (Rs)
	Opening Stock				
	Finished Goods	1581.078	41982092	710.653	11622095
	Semi Finished Goods	1146.000	22026000	928.200	12787550
	Sales-Finished Goods	74982.726	1997080300	65107.919	1608149722
	Sales- Raw Material	-	-	453.099	3620067
	Closing Stock				
	Finished Goods	1201.231	35305826	1581.078	41982092
	Semi Finished Goods	1298.000	31676000	1146.000	22026000
	Job Work (Sheet Cutting)	-	-	-	-
	Scrap Generated	60.425	-	11.714	-
	Shoratge	65.105	-	6.395	-

3 Value of Imported and Indigenous raw material, consumable stores and spares consumed

	2009-2010		2008-2009	
	Value	Percentage	Value	Percentage
I) Raw Material				
Indigenous	637037150	89.37%	527818374	97.23%
Imported	75771377	10.63%	15023077	2.77%
Total	712808527	100.00%	542841451	100.00%
ii) Chemicals				
Indigenous	290119811	100.00%	366341137	100.00%
iii)Consumable Store				
Indigenous	54957657	87.51%	23252171	88.11%
Imported	7845877	12.49%	3137441	11.89%
	62803534	100.00%	26389612	100.00%
iv) Spare Parts (Machinery Repairs and Replacements)				
Indigenous	49925413	100.00%	26147237	100.00%

4 Value of Imports on C.I.F. Basis in respect of :

	2009-2010	2008-2009
Raw Material	68537428	36759201
Consumable Stores	6162458	8414843
Capital Goods	---	---

5 Expenditure incurred in Foreign Exchange on

	2009-2010	2008-2009
i) Royalty ,know-how,professional and consultation fee	---	527734
ii) Interest and other matters	---	---
iii) Foreign Traveling	---	176855
iv) Machinery Spares including Advances	6539787	928038
v) Machinery Purchase	---	8126403

6 Earning in Foreign Exchange on account of

i) Export of goods on FOB basis	2368624	---
ii) Royalty, known how, professional, and consultation fee	---	---
iii) Interest and dividend etc.	---	---
iv) Other income including the nature thereof	---	---

N. The previous year figures have been reworked, regrouped where necessary to confirm to this year's classification

Schedule A to N form integral part of the Balance Sheet and Profit & Loss Account

Auditors Report

Certified in terms of our separate report of even Date

For J.L.Garg & Co.
Chartered Accountant
Registration No.004730N

I.C.Goel (F.C.A.)
Partner
Membership No.004631

Place-Kala-Amb
Date 27th July 2010

For and on behalf of Board of Directors

Jatinder Singh
(Chairman cum Whole Time Director)

Umesh Chander Garg
(Managing Director)

Hussan Kumar
(Company Secretary)

Vipin Gupta
(General Manager Finance)

Place-Kala-Amb
Date 27th July 2010

Balance Sheet Abstract & Company's General Business Profile

1	Registration Details:		
	Registration Number	4336	State Code 06
	Balance Sheet Date	31/3/2010	
2	Capital Raised during the year (Amount in Rs in thousands)		
	Public Issue		Right Issue
	Nil		Nil
	Bonus Issue		Private Placement
	Nil		Nil
3	Position of Mobilization & Deployment of Funds (Amount in Rs in thousands)		
	Total Liabilities		Total Assets
	2044139		2044139
	Sources of funds		
	Paid up Capital		Reserve and Surplus
	224218		360898
	Secured Loan		Unsecured Loans
	1374992		35080
	Deferred Tax liability		
	48951		
	Application of funds		
	Net Fixed Assets		Investments
	1801635		Nil
	Net Current Assets		Misc. Expenditure
	242504		0
4	Performance of Company (Amount in Rs '000')		
	Turnover		Total Expenditure
	1997080		2066236
	Profit before Tax		Profit after Tax
	(69156)		(43106)
	Earning per Share (In Rs.)		Dividend rate (%)
	Basic Diluted		Nil
	(1.92) (1.92)		Nil
5	Generic names Principal Product(s)/Services of Company (as per monetary terms)		
	Product Description		Item Code No.
	Liner Kraft Paper		4804
	Writing & Printing Paper		4802

Auditors Report

Certified in terms of our separate report of even Date

For J.L.Garg & Co.
Chartered Accountant
Registration No.004730N

I.C.Goel (F.C.A.)
Partner
Membership No.004631

Place-Kala-Amb
Date 27th July 2010

For and on behalf of Board of Directors

Jatinder Singh
(Chairman cum Whole Time Director)

Umesh Chander Garg
(Managing Director)

Hussan Kumar
(Company Secretary)

Vipin Gupta
(General Manager Finance)

Place-Kala-Amb
Date 27th July 2010

RUCHIRA PAPERS LIMITED

Regd. Office:- Trilokpur Road, KALA-AMB – 173 030, Distt. Sirmaur (H.P)

ATTENDANCE SLIP

Regd.Folio No(s)/ DP & Client ID _____

No. of Shares _____

Name of Shareholder/Proxyholder/Representative _____

Address _____

I hereby record my presence at the Annual General Meeting of the Company being held at Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour (H.P.) 173030 on Thursday, 16th day of September, 2010.

(Signature of the member)

Notes:

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.

(Signature of the Proxy)

..... Tear Here

RUCHIRA PAPERS LIMITED

Regd. Office:- Trilokpur Road, KALA-AMB – 173 030, Distt. Sirmaur (H.P)

PROXY FORM

Regd.Folio No(s)/ DP & Client ID _____

No. of Shares _____

I/We _____ of _____
being a member/members of Ruchira Papers Limited, 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 Annual General Meeting of the Company to be held on Thursday, 16th day of September, 2010 at 3:00 PM or any
adjournment thereof.

One Rupees Revenue Stamp

Signature _____

Signed this _____ day of _____ 2010.

Note: The proxy form duly completed and stamped must be lodged with the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy holder need not be a Member of the Company.



BOOK-POST

To



If undelivered , please return to :
Ruchira Papers Limited
Trilokpur Road, Kala-Amb
Distt. Sirmour (HP)-173030